

TA ENTERPRISE BERHAD (194867-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2012

	AS AT END OF CURRENT QUARTER 31/10/2012 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2012 RM'000 (Restated)	AS AT BEGINNING OF PRECEDING FINANCIAL YEAR END 31/1/2011 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	2,158,995	1,929,715	1,726,442
Investment property	177,054	179,961	185,669
Land held for property development	414,966	411,485	410,033
Prepaid land lease payments	215	220	227
Intangible assets	363,405	297,810	270,360
Land use rights	7,415	7,510	-
Associated companies	25,497	26,271	14,874
Jointly controlled operations	106,002	87,506	47,609
Jointly controlled entity	27,809	-	-
Investment securities	209,606	158,229	23,164
Financial receivables	295,458	266,648	204,163
Deferred lease registration fee	135	-	-
Deferred tax assets	6,392	7,413	10,308
	<u>3,792,949</u>	<u>3,372,768</u>	<u>2,892,849</u>
Current assets			
Property development costs	26,407	35,078	36,064
Properties & land held for resale	40,695	39,627	23,567
Inventories	4,392	2,489	1,815
Financial receivables	284,178	99,480	137,960
Trade receivables	473,888	489,179	600,792
Other receivables	68,222	68,639	89,071
Investment securities	39,573	37,229	8,463
Short term funds	361,965	260,036	291,937
	<u>1,299,320</u>	<u>1,031,757</u>	<u>1,189,669</u>
TOTAL ASSETS	<u>5,092,269</u>	<u>4,404,525</u>	<u>4,082,518</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	1,711,910	1,711,910	1,711,910
Reserves	(61,990)	(113,311)	(215,533)
	<u>1,649,920</u>	<u>1,598,599</u>	<u>1,496,377</u>
Non-controlling interests	<u>1,205,368</u>	<u>1,206,998</u>	<u>1,176,974</u>
TOTAL EQUITY	<u>2,855,288</u>	<u>2,805,597</u>	<u>2,673,351</u>
Non-current liabilities			
Deferred tax liabilities	267,250	236,025	212,482
Borrowings	1,026,279	800,124	711,813
	<u>1,293,529</u>	<u>1,036,149</u>	<u>924,295</u>
Current liabilities			
Provision for liabilities	2,687	3,665	3,235
Borrowings	423,686	119,608	44,831
Trade payables	285,838	282,645	304,617
Other payables	216,835	145,112	120,869
Derivatives	1,902	1,736	-
Income tax payable	12,504	10,013	11,320
	<u>943,452</u>	<u>562,779</u>	<u>484,872</u>
TOTAL LIABILITIES	<u>2,236,981</u>	<u>1,598,928</u>	<u>1,409,167</u>
TOTAL EQUITY AND LIABILITIES	<u>5,092,269</u>	<u>4,404,525</u>	<u>4,082,518</u>
Net assets value per share (RM)	<u>1.67</u>	<u>1.64</u>	<u>1.56</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2011 RM'000	CURRENT YEAR TO DATE 31/10/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2011 RM'000
Revenue	190,899	173,102	544,049	503,824
Other income	13,957	12,527	40,456	32,558
Other expenses	(143,204)	(157,323)	(464,568)	(395,875)
Profit from operations	61,652	28,306	119,937	140,507
Finance costs	(9,079)	(8,288)	(23,997)	(20,669)
Share of results of associated companies	(36)	(39)	(773)	654
Profit before tax	52,537	19,979	95,167	120,492
Income tax expense	(9,091)	(5,790)	(19,918)	(29,986)
Profit for the period	43,446	14,189	75,249	90,506
Profit attributable to:				
Equity holders of the Company	33,653	11,730	60,772	71,688
Non-controlling interests	9,793	2,459	14,477	18,818
	43,446	14,189	75,249	90,506
Earnings per share attributable to equity holders of the Company				
Basic (sen)	1.97	0.69	3.55	4.19
Fully diluted (sen)	1.97	0.69	3.55	4.19

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

Net assets value per share (RM)

1.67

1.56

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2012	31/10/2011	31/10/2012	31/10/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	43,446	14,189	75,249	90,506
Other comprehensive income/(loss):				
Foreign currency translation differences for foreign operation	(53,769)	847	7,075	47,610
Net gain/(loss) on fair value changes on available-for-sale financial assets	4,228	(2,778)	3,064	(3,622)
Income tax relating to components of other comprehensive income	(321)	229	(188)	(6)
Other comprehensive income/(loss) for the period, net of tax	(49,862)	(1,702)	9,951	43,982
Total comprehensive income/(loss) for the period	(6,416)	12,487	85,200	134,488
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(1,061)	10,569	77,000	103,424
Non-controlling interests	(5,355)	1,918	8,200	31,064
	(6,416)	12,487	85,200	134,488

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

TA ENTERPRISE BERHAD (194867-M)

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

	Attributable to equity holders of the Company					Distributable		Total Equity RM'000			
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	General reserve RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Exchange difference recognised in equity RM'000		Retained profits/ (accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000
At 1 February 2011	1,711,910	63,208	10,267	-	2,086	171,818	27,832	(490,744)	1,496,377	1,176,974	2,673,351
Total comprehensive income/(loss) for the period	-	-	-	-	(3,710)	32,715	2,731	71,688	103,424	31,064	134,488
Transaction with owners											
Dividend	-	-	-	-	-	-	-	(25,679)	(25,679)	-	(25,679)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,611)	(9,611)
Total transaction with owners	-	-	-	-	-	-	-	(25,679)	(25,679)	(9,611)	(35,290)
At 31 October 2011	1,711,910	63,208	10,267	-	(1,624)	204,533	30,563	(444,735)	1,574,122	1,198,427	2,772,549
At 1 February 2012	1,711,910	63,208	10,267	-	320	206,457	23,529	(417,092)	1,598,599	1,206,998	2,805,597
Total comprehensive income/(loss) for the period	-	-	-	-	1,973	10,698	3,557	60,772	77,000	8,200	85,200
Transaction with owners											
Dividend	-	-	-	-	-	-	-	(25,679)	(25,679)	-	(25,679)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,830)	(9,830)
Total transaction with owners	-	-	-	-	-	-	-	(25,679)	(25,679)	(9,830)	(35,509)
At 31 October 2012	1,711,910	63,208	10,267	-	2,293	217,155	27,086	(381,999)	1,649,920	1,205,368	2,855,288

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012**

	9 months ended	
	31/10/2012	31/10/2011
	RM'000	RM'000
Operating Activities		
Profit before tax	95,167	120,492
Adjustments for:		
Non-cash items	75,439	47,895
Non-operating items	(3,371)	1,171
Operating profit before changes in working capital	<u>167,234</u>	<u>169,558</u>
Net decrease/(increase) in assets	(180,190)	(80,162)
Net (decrease)/increase in liabilities	<u>65,706</u>	<u>218,557</u>
Cash generated from operations	52,751	307,953
Interest (paid)/received	(267)	(2,543)
Taxes (paid)/refunded	(8,705)	(17,410)
Net cash generated from operating activities	<u>43,779</u>	<u>288,000</u>
Investing Activities		
Interest received	18,792	12,041
Acquisition of subsidiary	(270,912)	(119,129)
Dividend received	354	855
Investment in jointly controlled operations	(8,811)	(9,058)
Investment in jointly controlled entity	(27,809)	-
Development cost on land held for development	(3,481)	(18,640)
Purchase of property, plant and equipment	(38,533)	(11,374)
Purchase of derivatives	(2,406)	-
Proceeds on disposal of investment properties	-	869
Proceeds on settlement of derivatives	3,051	-
Net (purchase)/proceeds from disposal of investment securities	(43,104)	814
Other receipts/(payments)	322	(29)
Net cash used in investing activities	<u>(372,538)</u>	<u>(143,651)</u>
Financing Activities		
Dividend paid	(25,679)	(25,679)
Dividend paid to minority interest	(9,830)	(9,611)
Interest paid	(23,673)	(20,669)
Net drawdown of borrowings	519,927	209,009
(Increase)/decrease in pledged deposits for financing facilities	33	(15,344)
Net cash generated from financing activities	<u>460,778</u>	<u>137,706</u>
Net (decrease)/increase in Cash & Cash Equivalents during the period	132,018	282,055
Cash & Cash Equivalents at beginning of year		
As previously reported	218,654	257,338
Effects of exchange rate changes	(36)	3,290
As restated	218,618	260,628
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>350,637</u>	<u>542,683</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Period Ended 31 October 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 2012.

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 2012, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations.

		Effective for financial periods beginning on or after
FRS 124	Related Party Disclosures (Revised)	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Transfer of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

The adoption of the above 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.

FRSIC Consensus 18 "Monies Held in Trust by Participating Organisation of Bursa Malaysia Securities Berhad"

During the current reporting period, the Group has changed its accounting policy in relation to the recognition of balances due to clients/remisiers following the adoption of FRSIC Consensus 18 "Monies Held in Trust by Participating Organisation of Bursa Malaysia Securities Berhad", which was developed by the Financial Reporting Standards Implementation Committee ("FRSIC") and issued by the Malaysian Institute of Accountants ("MIA") on 26 September 2012.

Following the adoption of FRSIC Consensus 18, the Group no longer recognises monies held in trust as the Group does not have any control over trust monies to obtain the future economic benefits embodied in the trust monies with the corresponding liability as at the end of the reporting period. The Group does not have any contractual or statutory obligation to these balances that would result in an outflow of resources embodying economic benefits from it.

This change in accounting policy has been accounted for retrospectively and has resulted in a decrease of cash and balances due to clients/remisiers as recorded in the statements of financial position of the Group, as detailed below:-

A2 Changes in Accounting Policies (cont'd)

FRSIC Consensus 18 “Monies Held in Trust by Participating Organisation of Bursa Malaysia Securities Berhad” (cont'd)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Consolidated Statement of Financial Position			
31 January 2012			
Short term funds	594,922	(334,886)	260,036
Other receivables	96,406	(44,339)	52,067
Trade payables	631,654	(349,009)	282,645
Due to remisiers	64,921	(30,216)	34,705
31 January 2011			
Short term funds	591,258	(299,321)	291,937
Other receivables	112,593	(41,633)	70,960
Trade payables	613,982	(309,365)	304,617
Due to remisiers	70,588	(31,589)	38,999

Malaysian Financial Reporting Standards Framework (“MFRS Framework”).

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”).

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 have 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 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2015.

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

A first and final dividend of 2.0% less 25% taxation on 1,711,909,630 ordinary shares for financial year ended 31 January 2012 (1.5 sen net per ordinary shares), amounted to RM25,678,650 was paid on 9 August 2012.

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
Revenue								
External sales	80,813	5,063	30,915	39,347	61,294	326,617	-	544,049
Inter-segment sales	-	77,097	4,203	22,037	-	-	(103,337)	-
Total revenue	<u>80,813</u>	<u>82,160</u>	<u>35,118</u>	<u>61,384</u>	<u>61,294</u>	<u>326,617</u>	<u>(103,337)</u>	<u>544,049</u>
Other income	17,568	4,477	10,156	2,292	1,534	4,429	-	40,456
Results								
Net segment results	26,111	(1,070)	14,840	16,800	14,747	61,649	-	133,077
Foreign exchange (losses)/gains	529	(13,911)	4,866	(28)	-	7,395	-	(1,149)
Unallocated costs								<u>(11,991)</u>
Profit from operations								119,937
Finance costs	(428)	(9,558)	(2,004)	(7,184)	-	(4,823)	-	(23,997)
Share of results of associated companies	-	-	-	(724)	(49)	-	-	<u>(773)</u>
Profit before tax								95,167
Income tax expense								<u>(19,918)</u>
Profit for the year								<u>75,249</u>
Attributable to:								
Equity holders of the Company								60,772
Non-controlling interests								<u>14,477</u>
								<u>75,249</u>

A10 Subsequent Events

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

Investment in Nusa Lagenda

On 1 November 2012, the Group announced that TA Properties Sdn Bhd has acquired one ordinary share of RM1.00, representing 50% of the issued and paid-up share capital of Nusa Lagenda Development Sdn Bhd (“Nusa Lagenda”), for a total cash consideration of RM1.00.

Nusa Lagenda was incorporated on 24 May 2012 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Nusa Lagenda is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Nusa Lagenda is RM2.00. Nusa Lagenda is a property investment and development company, jointly controlled by TA Properties Sdn Bhd and Prominent Xtreme Sdn Bhd.

A11 Changes in the Composition of the Group

Acquisition of Crystal Caliber

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

On 20 April 2012, TA Gemilang Sdn Bhd disposed its 2 ordinary shares representing 100% equity interest in Crystal Caliber Sdn Bhd to TA Global Bhd, for a 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.

Acquisition of Kingdom 5-KR-194, Ltd. and Kingdom 5-KR-195, Ltd..

On 31 May 2012, Crystal Caliber Sdn. Bhd. completed the acquisition of the hotel and business of Movenpick Karon Beach Resort in Phuket, Thailand via the purchase of the entire issued share capital of Kingdom 5-KR-194, Ltd. and Kingdom 5-KR-195, Ltd., for a total cash consideration of USD90,283,487.

The acquired subsidiaries had contributed the following results to the Group:

	3 Months ended 31 October 2012 RM'000	9 Months ended 31 October 2012 RM'000
Revenue	12,400	20,715
Profit for the period	<u>4,086</u>	<u>6,226</u>

A11 Changes in the Composition of the Group (cont'd)

Acquisition of Kingdom 5-KR-194, Ltd. and Kingdom 5-KR-195, Ltd. (cont'd)

The assets and liabilities arising from the acquisition were as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	253,725	253,725
Other non-current assets	63	63
Properties held for sale	1,031	1,031
Inventories	1,881	1,881
Trade and other receivables	4,409	4,409
Cash and bank balances	16,126	16,126
	<u>277,235</u>	<u>277,235</u>
Trade and other payables	15,736	15,736
Deferred tax liabilities	31,673	31,673
Deferred land lease revenue	9,537	9,537
	<u>56,946</u>	<u>56,946</u>
Fair value of net assets/Group's share of net assets	220,289	
Purchase goodwill	66,749	
Total cost of acquisition	<u>287,038</u>	

The effect of the acquisition on cash flows was as follows:

	RM'000
Purchase consideration satisfied by cash	287,038
Cash and cash equivalents of subsidiaries acquired	<u>(16,126)</u>
Net cash outflow for the Group	<u>270,912</u>

Incorporation of West Georgia GP Ltd.

On 26 July 2012, West Georgia GP Ltd. was incorporated under the Business Corporation Act with the British Columbia Registrar of Companies under incorporation number BC0946507.

The principal activity of West Georgia GP Ltd. is to carry on the business of the Partnership in relation to the joint development project in Vancouver, Canada.

The current issued and paid-up capital of West Georgia GP Ltd. is C\$2.00 divided into 2 common shares of C\$1.00 each issued to TA West Georgia Developments Ltd. and 678269 BC Ltd. TA West Georgia Development Ltd. is a wholly-owned subsidiary of TA Global Group.

A11 Changes in the Composition of the Group (cont'd)

Formation of a Limited Partnership

On 2 August 2012, TA West Georgia Development Ltd (“TAWG”), Birkbeck Trust and West Georgia GP Ltd entered into a Limited Partnership Agreement to form a Limited Partnership under the name of West Georgia Development Limited Partnership (“WGLP” or “Partnership”).

The following units in WGLP had been issued with the formation of the Partnership:-

- a) 100 Class “A” Units to TAWG at C\$1.00 per unit;
- b) 100 Class “A” Units to Birkbeck Trust at C\$1.00 per unit; and
- c) 1 Class “B” Unit to West Georgia GP Ltd at C\$1.00 per unit.

The Partnership was formed to undertake the joint development of hotel and residences on the piece of land located at 1151, West Georgia Street, City of Vancouver, British Columbia, Canada.

Acquisition of Golden Artistic

On 23 October 2012, the Group announced that TA Properties Sdn. Bhd. has acquired 2 ordinary shares representing 100% equity interest in Golden Artistic Sdn. Bhd. (“Golden Artistic”), for a total cash consideration of RM2.00.

Golden Artistic was incorporated on 25 July 2012 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Golden Artistic is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Golden Artistic is RM2.00. Golden Artistic is an investment holding company.

Conversion of TAG’s Irredeemable Convertible Preference Shares “ICPS” to Ordinary Shares

During the current quarter ended 31 October 2012, TA Global Bhd. issued 107,788,255 ordinary shares pursuant to the conversion of ICPS by the ICPS holders. The conversion is satisfied by surrendering 1 ICPS of RM0.50 each in TA Global Bhd for each new TAG’s ordinary share of RM0.50 each.

The conversion had resulted in the Company’s effective interest in TA Global Bhd. to decrease from 73.4% to 66.4%.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities since the last annual reporting date. 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 October 2012 is as follow:

	<u>RM'000</u>
Approved and contracted for:-	
- Renovation	1,210
- Jointly controlled entities	308,340
	<u>309,550</u>
Approved but not contracted for:-	
- Renovation	19,333
	<u>328,883</u>

B1 Performance Analysis of the Group's Operating Segments

The Group reported a pre-tax profit of RM52.5million and a revenue of RM190.9million for the current third quarter, compared to pre-tax profit of RM20.0million and revenue of RM173.1million respectively achieved in the previous year's corresponding period.

The Group enjoyed higher contribution from all business divisions in the current quarter, except for the broking division, as compared with the previous year's corresponding quarter. The increase in the Group's pre-tax profit was mainly due to foreign exchange translation gain on Australian Dollar denominated financial receivables and US Dollar denominated borrowings, higher profit from on-going development projects and higher profit from hotel operations arising from the acquisition of Movenpick hotel in Thailand during the year.

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

	Current Year Quarter 31 October 2012 RM'000	Preceding Year Corresponding Quarter 31 October 2011 RM'000	Current Year To Date 31 October 2012 RM'000
Revenue	190,899	173,102	544,049
Other income			
- Interest income from overdue financial receivables	29	13	57
- Interest income from financial institutions	1,770	3,820	5,975
- Interest income from a joint venture in which the Group has 65% interest	583	380	1,843
- Interest income from investment securities	3,371	-	10,571
- Other interest income	230	219	403
- Gain on disposal of investments	781	3,264	7,510
- Gain on disposal of investment property	-	650	-
- Gain on settlement of derivatives	644	-	644
- Rental income	1,334	1,268	3,816
- Bad debt recovered	74	863	74
- Share of profit from net sale proceeds of shares upon IPO	742	-	742
- Amortisation of financial guarantee income	1,526	-	1,526
- Others	2,873	2,050	7,295
	13,957	12,527	40,456
Other expenses			
- Amortisation and depreciation	(20,523)	(19,560)	(58,372)
- Cost of properties and building materials sold	(14,748)	(13,459)	(45,749)
- Remisiers', agents' and futures brokers' commissions	(7,284)	(6,216)	(24,335)
- Hotel operational expenses (include hotel personnel cost)	(81,462)	(70,678)	(225,747)
- Personnel and others	(24,969)	(28,576)	(84,070)
- Fair value gain/(loss) on revaluation of investments	(961)	(1,934)	(134)
- Fair value gain/(loss) on derivatives	(4,108)	-	(1,253)
- Reversal/(Allowance) for impairment loss on receivables	210	(1,781)	(23,759)
- Foreign exchange (loss)/gain	10,641	(15,119)	(1,149)
	(143,204)	(157,323)	(464,568)
Finance costs	(9,079)	(8,288)	(23,997)
Share of results of associated companies	(36)	(39)	(773)
Profit before tax	52,537	19,979	95,167

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

Broking and financial services

Pre-tax profit of the broking and financial services division decreased 48% to a profit of RM6.6mil in the current year's third quarter as compared to the previous year's corresponding quarter.

For the current period-to-date, this segment achieved a pre-tax profit of RM26.2mil, which represented a 32% decrease as compared to the preceding year's period-to-date.

Prolonged uncertainties in the equities market and soft market sentiment had led to lower trading turnover, which resulted in a decrease in brokerage and proprietary trade income.

Despite the drop of pre-tax profit, the division remains as the second largest profit contributor to the Group.

Investment holding

Investment holding division reported a pre-tax loss of RM3.4million in the current third quarter, as compared to a loss of RM6.5million in the previous year's corresponding quarter. Despite higher fair value loss on derivatives and higher finance cost, pre-tax results had improved due to foreign exchange translation gain on US Dollar denominated borrowings.

For the current period-to-date, this division reported RM24.5million pre-tax loss as compared to a loss of RM11.5million in the previous year. This was mainly due to the high foreign exchange translation loss resulting from borrowings denominated in Singapore Dollar.

Credit and lending

For the current third quarter, credit and lending segment contributed RM14.6mil pre-tax profit to the Group, as compared with a pre-tax loss of RM0.9mil in the previous year's corresponding quarter. This was mainly due to active lending activities and lower foreign exchange translation loss on financial receivables denominated in Australian Dollar.

For the current period-to-date, this division reported RM17.7million pre-tax profit as compared to RM35.8million in the previous year. This was mainly due to the lower interest recognised on financial receivables and higher impairment losses.

Property investment

Property investment division contributed consistent quarterly and period-to-date pre-tax profits of RM5.1million and RM9.6million respectively.

Property development

Property development division registered a pre-tax profit of RM8.4million in the current year third quarter, as compared to RM0.4million in the previous year's corresponding quarter. Higher profit was contributed by the on-going development projects in Damansara Avenue. This also explained the increase in current period-to-date pre-tax profit at RM14.8million as compared to RM4.0million last year.

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

Hotel operations

Hotel operations pre-tax profit had increased by 56% at RM25.2million in the current third quarter as compared to the previous year's corresponding quarter. This was mainly due to the revenue contributed by the newly acquired Movenpick hotel in Thailand, and higher foreign exchange translation gain on Thai Baht denominated balances. This also explained the increase in current period-to-date pre-tax profit at RM64.2million as compared to RM55.1million last year.

Hotel operations division had remained as the top profit contributor, representing 59% of the Group's current period-to-date pre-tax profit.

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

The Group registered a pre-tax profit of RM52.5million in the current third quarter as compared to RM11.1million in the preceding quarter. This was mainly due to higher profits from development projects, higher hotel profit, lower impairment loss on financial receivables and high foreign exchange translation gain.

B3 Prospects for the current financial year

The global economic growth remained slow since the start of the year and the ongoing Eurozone crisis may further deteriorate the global economic outlook for the financial year 2013. Domestically, the Malaysian economy has trended positively despite the volatile external environment.

The Prospects for Each Business Segment

Broking and financial services

In view of the softening economic growth outlook in the US and China together with the uncertainties in Europe, the capital market is expected to be volatile and competitive. With the higher operating costs and thin brokerage rates due to stiff competition, the company will continue to strive to improve our competitiveness.

Credit and Lending

The Group's local credit and lending entity will continue to gain business opportunities from the Initial Public Offers market this year. We expect the short term corporate lending to continue growing at its current moderate level in the coming quarters.

Property Investment

The property investment will continue to provide stable income to the Group from the local and overseas assets in Canada and China.

Property development

Despite the slowdown in the local property market, the Group expects stable contribution from the property development activities for this financial year due to the strategic location of the development project situated in Klang Valley.

Hotel Operations

The hospitality segment has contributed significantly to the Group's profits and we expect higher contributions from the hotel business.

Barring any adverse global economic developments, the Group is expected to perform satisfactorily for the financial year 2013.

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	5,760	13,251
- Foreign tax	2,143	4,837
Deferred tax	(70)	572
Underprovision in prior year	1,258	1,258
	<u>9,091</u>	<u>19,918</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>52,537</u>	<u>95,167</u>
Taxation at the statutory income tax rate of 25%	13,134	23,792
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	<u>(4,043)</u>	<u>(3,874)</u>
Tax expense for the financial period	<u>9,091</u>	<u>19,918</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 October 2012 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	1,026,279	-
<i>Short term borrowings</i>		
Foreign currency loans	165,686	-
Revolving credit	208,000	50,000
	<u>1,399,965</u>	<u>50,000</u>
Denomination of secured foreign currency loans:-		
<i>Long-term borrowings</i>		
C\$	65,057,963	198,810
S\$	184,500,000	461,379
A\$	28,600,000	90,648
US\$	78,780,372	240,241
RMB	72,000,000	35,201
	<u>1,026,279</u>	
<i>Short-term borrowings</i>		
C\$	4,435,510	13,554
S\$	6,800,000	17,005
US\$	43,028,669	131,216
RMB	8,000,000	3,911
	<u>165,686</u>	

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

Loans denominated in C\$

- (a) A 15-year term loan (C\$29,560,995) which will mature on 1 December 2020.
- (b) A 20-year term loan (C\$38,252,658) which will mature on 1 June 2031.

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\$ 1,679,819) which will mature on 1 March 2015. The loans are secured by mortgage and general security agreements in respect of the 3 residential properties in Canada.
- (d) Short term loan amounting to C\$2,616,321 on rollover basis. The loan is secured against certain quoted investment securities.

The above loans bear interest rates ranging from 1.4% to 4.8% per annum.

B7 Group Borrowings and Debt Securities (cont'd)

Loan denominated in S\$

A 5-year term loan (S\$191,300,000) with a scheduled principal repayment S\$1,700,000 at the end of each of the 3 months from 30 November 2009. The term loan will mature on 30 November 2014, bear floating interest rate ranging from 1.7% to 1.9%, 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 floating rate Bill Facility amounting to A\$28,600,000 which will mature on 28 February 2015. The loan is secured against a freehold hotel land and building in Australia.

The above loan bears interest rates ranging from 5.5% to 6.3% per annum.

Loans denominated in US\$

- (a) 3-year loan (total of US\$78,780,372) which will mature on April 2014. The loan is secured against a freehold hotel land and building in Australia.
- (b) Short-term loan amounting to US\$40,412,348 on rollover basis. The loan is secured against certain quoted investment securities.

The above loans bear interest rates ranging from 0.6% to 2.1% per annum.

Loans denominated in RMB

Four term loans (total of RMB80,000,000) with maturities from 20 December 2013 to 24 April 2016.

The loans are subject to variable interest rate ranging from 5.6% to 6.7%, and are secured against a hotel building and land use rights in China.

B8 Material Litigation

As at 10 December 2012, there were no changes in material litigation since the last annual reporting date of 31 January 2012.

B9 Dividend

No further dividend is declared as at the date of this announcement other than as stated in Note A8 on dividend paid.

B10 Disclosure of derivatives

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Bonus protection foreign currency forwards -Less than 1 year	RM91,485,000	(RM1,675,981)
Geared Equity Accumulators -Less than 1 year	RM30,670,000	(RM226,184)

The Group entered into bonus protection foreign currency forwards 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.

The Group has also entered into geared equity accumulators which formed part of the Group's investment portfolio with a view to diversify the Group's investment portfolio.

The above contracts 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 directly into 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 RM'000	As at the end of last financial year RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	818,381	777,251
-Unrealised	(154,373)	(152,690)
	<u>664,008</u>	<u>624,561</u>
Total share of retained profits of associated companies:		
-Realised	3,149	3,922
-Unrealised	78	78
	<u>3,227</u>	<u>4,000</u>
Total share of accumulated losses from jointly controlled operations		
-Realised	(1,648)	(1,648)
	<u>665,587</u>	<u>626,913</u>
Less: Consolidation adjustments	<u>(1,047,586)</u>	<u>(1,044,005)</u>
Total (accumulated losses)/retained profits as per Statement of Financial Position	<u>(381,999)</u>	<u>(417,092)</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 October 2012	31 October 2011	31 October 2012	31 October 2011
Basic earnings per share				
Profit for the period (RM'000) - attributable to equity holders of the Company	33,653	11,730	60,772	71,688
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>1.97</u>	<u>0.69</u>	<u>3.55</u>	<u>4.19</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
17 December 2012