

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2013**

	AS AT END OF CURRENT QUARTER 30/4/2013 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,138,225	2,179,012
Investment properties	172,122	178,452
Land held for property development	413,843	413,776
Prepaid land lease payments	212	214
Intangible assets	360,301	366,798
Land use rights	7,393	7,541
Associated companies	25,165	25,229
Jointly controlled entities - Unincorporated	103,777	106,856
Jointly controlled entities	90,144	92,622
Deferred tax assets	8,641	8,751
Investment securities	58,763	255,112
Financial receivables	297,821	298,363
	<u>3,676,407</u>	<u>3,932,726</u>
<b>Current assets</b>		
Property development costs	21,948	22,362
Properties & land held for resale	40,733	40,787
Inventories	4,252	4,391
Financial receivables	156,503	156,436
Trade receivables	396,567	536,979
Other receivables	101,871	143,605
Investment securities	247,904	124,643
Short term funds	555,356	387,646
	<u>1,525,134</u>	<u>1,416,849</u>
<b>TOTAL ASSETS</b>	<u>5,201,541</u>	<u>5,349,575</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,711,910	1,711,910
Reserves	(6,487)	(17,776)
	<u>1,705,423</u>	<u>1,694,134</u>
<b>Non-controlling interests</b>	<u>1,235,625</u>	<u>1,231,793</u>
<b>TOTAL EQUITY</b>	<u>2,941,048</u>	<u>2,925,927</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	262,995	263,372
Borrowings	875,325	911,275
Provision for liabilities	1,735	1,735
	<u>1,140,055</u>	<u>1,176,382</u>
<b>Current liabilities</b>		
Provision for liabilities	1,342	2,209
Borrowings	491,938	337,283
Trade payables	365,610	558,058
Other payables	254,540	336,596
Derivatives	2,384	1,688
Income tax payable	4,624	11,432
	<u>1,120,438</u>	<u>1,247,266</u>
<b>TOTAL LIABILITIES</b>	<u>2,260,493</u>	<u>2,423,648</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>5,201,541</u>	<u>5,349,575</u>
Net assets value per share (RM)	<u>1.72</u>	<u>1.71</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

**TA ENTERPRISE BERHAD (194867-M)**
**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/4/2013 RM'000	30/4/2012 RM'000	30/4/2013 RM'000	30/4/2012 RM'000
<b>Revenue</b>	180,924	176,201	180,924	176,201
Other income	34,142	15,610	34,142	15,610
Other expenses	(149,532)	(152,730)	(149,532)	(152,730)
<b>Profit from operations</b>	65,534	39,081	65,534	39,081
Finance costs	(7,994)	(7,025)	(7,994)	(7,025)
Share of results of associated companies	(89)	(534)	(89)	(534)
<b>Profit before tax</b>	57,451	31,522	57,451	31,522
Income tax expense	(5,867)	(6,299)	(5,867)	(6,299)
<b>Profit for the period</b>	51,584	25,223	51,584	25,223
Profit attributable to:				
Equity holders of the Company	33,912	20,499	33,912	20,499
Non-controlling interests	17,672	4,724	17,672	4,724
	51,584	25,223	51,584	25,223
Earnings per share attributable to equity holders of the Company				
Basic (sen)	1.98	1.20	1.98	1.20
Fully diluted (sen)	1.98	1.20	1.98	1.20
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
Net assets value per share (RM)	1.72		1.71	

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/4/2013 RM'000	30/4/2012 RM'000	30/4/2013 RM'000	30/4/2012 RM'000
<b>Profit for the period</b>	51,584	25,223	51,584	25,223
<b>Other comprehensive income/(loss):</b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences for foreign operation	(39,535)	(24,654)	(39,535)	(24,654)
Available-for-sale financial assets				
- Net fair value gain/(loss)	5,094	313	5,094	313
- Reclassification to profit or loss	(2,052)	-	(2,052)	-
Income tax relating to components of other comprehensive income	30	219	30	219
<b>Other comprehensive income for the period, net of tax</b>	<b>(36,463)</b>	<b>(24,122)</b>	<b>(36,463)</b>	<b>(24,122)</b>
<b>Total comprehensive income for the period</b>	<b>15,121</b>	<b>1,101</b>	<b>15,121</b>	<b>1,101</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	11,289	8,074	11,289	8,074
Non-controlling interests	3,832	(6,973)	3,832	(6,973)
	<b>15,121</b>	<b>1,101</b>	<b>15,121</b>	<b>1,101</b>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2013**

	Atributable to equity holders of the Company							Total Equity RM'000		
	Share capital RM'000	Share premium RM'000	Capital 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
<b>At 1 February 2012</b>	1,711,910	63,208	10,267	320	206,457	23,529	(417,092)	1,598,599	1,206,998	2,805,597
<b>Total comprehensive income for the period</b>	-	-	-	640	(19,336)	13,244	20,499	15,047	(6,973)	8,074
<b>At 30 April 2012</b>	1,711,910	63,208	10,267	960	187,121	36,773	(396,593)	1,613,646	1,200,025	2,813,671
<b>At 1 February 2013</b>	1,711,910	63,208	10,267	3,496	228,677	35,565	(358,989)	1,694,134	1,231,793	2,925,927
<b>Total comprehensive income for the period</b>	-	-	-	2,924	(13,231)	(12,316)	33,912	11,289	3,832	15,121
<b>At 30 April 2013</b>	1,711,910	63,208	10,267	6,420	215,446	23,249	(325,077)	1,705,423	1,235,625	2,941,048

\* Distributable

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2013**

	3 months ended	
	30/4/2013 RM'000	30/4/2012 RM'000
<b>Operating Activities</b>		
Profit before tax	57,451	31,522
Adjustments for:		
Non-cash items	19,467	16,478
Non-operating items	(21,446)	(4,845)
Operating profit before changes in working capital	55,472	43,155
Net decrease/(increase) in assets	286,879	(97,314)
Net (decrease)/increase in liabilities	(250,108)	66,219
Cash generated from operations	92,242	12,060
Interest (paid)/received	710	(67)
Taxes (paid)/refunded	(13,425)	1,677
Net cash generated from operating activities	79,527	13,670
<b>Investing Activities</b>		
Interest received	12,591	6,765
Investment in associated company	(25)	-
Dividend received	139	49
Investment in jointly controlled entities - unincorporated	147	(3,914)
Development cost on land held for development	(67)	(943)
Purchase of property, plant and equipment	(8,169)	(1,404)
Deposit paid for acquisition of subsidiary	-	(27,234)
Purchase of derivatives	(3,775)	-
Proceeds on settlement of derivatives	4,323	-
Net (purchase)/proceeds from disposal of investment securities	5,439	(39,640)
Other receipts/(payments)	2	158
Net cash generated from / (used in) investing activities	10,605	(66,163)
<b>Financing Activities</b>		
Interest paid	(7,348)	(7,025)
Net drawdown of borrowings	143,204	44,045
(Increase)/decrease in pledged deposits for financing facilities	39	38
Net cash generated from financing activities	135,896	37,058
Net (decrease)/increase in Cash & Cash Equivalents during the period	226,028	(15,435)
Cash & Cash Equivalents at beginning of year		
As previously reported	183,527	236,544
Effects of exchange rate changes	(2,517)	(643)
As restated	181,010	235,901
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	407,038	220,466

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

# TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Financial Period Ended 30 April 2013

## NOTES TO THE QUARTERLY REPORT

### 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 financial year ended 31 January 2013.

### 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 2013, 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>
FRS 101	Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101	Presentation of Financial Statements (Improvement to FRSs (2012))	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurements	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associate and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2	Members' Shares in Cooperative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures: Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11	Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

## **A2 Changes in Accounting Policies (contd.)**

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.

### 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 financial 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**

No dividend has been paid during the current financial quarter.



## A9 Segmental Information

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

	<b>Broking and financial services</b>	<b>Investment holding and Others</b>	<b>Credit and lending</b>	<b>Property investment</b>	<b>Property development</b>	<b>Hotel operations</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>								
External sales	21,682	3,763	4,739	12,002	17,179	121,559	-	180,924
Inter-segment sales	-	6,757	1,362	7,110	-	-	(15,229)	-
Total revenue	<u>21,682</u>	<u>10,520</u>	<u>6,101</u>	<u>19,112</u>	<u>17,179</u>	<u>121,559</u>	<u>(15,229)</u>	<u>180,924</u>
<b>Other income</b>	4,708	13,835	12,785	362	543	1,909	-	34,142
<b>Results</b>								
Net segment results	6,973	1,946	15,431	4,393	2,613	28,074	-	59,430
Foreign exchange (losses)/gains	125	10,219	(1,977)	(3)	-	1,486	-	9,850
Unallocated costs								<u>(3,746)</u>
Profit from operations								65,534
Finance costs	(220)	(3,751)	(324)	(2,256)	-	(1,443)	-	(7,994)
Share of results of associated companies	-	-	-	(89)	-	-	-	<u>(89)</u>
Profit before tax								57,451
Income tax expense								<u>(5,867)</u>
Profit for the year								<u>51,584</u>
<b>Attributable to:</b>								
Equity holders of the Company								33,912
Non-controlling interests								<u>17,672</u>
								<u>51,584</u>

## **A10 Subsequent Events**

There were no material events subsequent to the end of the current financial quarter except as disclosed below:-

### **Conversion of Irredeemable Convertible Preference Shares “ICPS” to Ordinary Shares**

On 14 May 2013, the Company converted its investments in TA Global Bhd’s ICPS amounted to RM94,109,375, representing 188,218,751 ICPS of RM0.50 each. 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.

In addition to the above, TA Global Bhd. had also issued 24,108,451 ordinary shares pursuant to the conversion of ICPS by other ICPS holders during the period from 30 April 2013 to 18 June 2013.

The above conversions had resulted in the Company’s effective interest in TA Global Bhd. to increase from 62.8% as at 30 April 2013 to 63.8% as at 18 June 2013.

## **A11 Changes in the Composition of the Group**

### **Acquisition of Harmony Sanctuary**

On 5 April 2013, the Company announced that TA Properties Sdn. Bhd. acquired 2 ordinary shares representing 100% equity interest in Harmony Sanctuary Sdn. Bhd. (“Harmony Sanctuary”), for a total cash consideration of RM2.00.

Harmony Sanctuary was incorporated on 8 March 2013 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorized share capital of Harmony Sanctuary is RM100,000 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Harmony Sanctuary is RM2.00. Harmony Sanctuary is a property development and investment company.

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

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

During the financial period ended 30 April 2013, TA Global Bhd. issued 26,919,314 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 63.1% to 62.8%.

## **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 30 April 2013 is as follow:

	<u>RM'000</u>
Approved and contracted for:-	
- Renovation	18,345
- Jointly controlled entities	<u>240,504</u>
	<u>258,849</u>

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

The Group reported profit before tax of RM57.5million and revenue of RM180.9million for the current first quarter, compared to profit before tax of RM31.5million and revenue of RM176.2million respectively achieved in the previous year's corresponding quarter.

The increase in revenue and profit before tax was mainly attributable to contribution from the Movenpick resort Phuket acquired during the second quarter of preceding year, higher income from investment securities and translation gain on foreign currency denominated borrowings.

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

	Current Year Quarter 30 April 2013 <b>RM'000</b>	Preceding Year Corresponding Quarter 30 April 2012 <b>RM'000</b>
Revenue	180,924	176,201
Other income		
- Interest income from overdue financial receivables	64	13
- Interest income from financial institutions	2,186	2,092
- Interest income from a joint venture in which the Group has 65% interest	272	618
- Interest income from investment securities	10,768	3,852
- Other interest income	89	123
- Gain on disposal of investment securities	14,675	5,126
- Realised fair value gain on derivatives	667	-
- Rental income	1,700	1,235
- Deemed fee income from provision of financial guarantee	734	-
- Others	2,987	2,551
	<b>34,142</b>	<b>15,610</b>
Other expenses		
- Amortisation and depreciation	(19,917)	(17,692)
- Cost of properties and building materials sold	(16,382)	(11,721)
- Remisiers', agents' and futures brokers' commissions	(6,269)	(8,468)
- Hotel operational expenses (include hotel personnel cost)	(81,561)	(69,821)
- Personnel and others	(25,659)	(31,520)
- Fair value gain/(loss) on revaluation of investments	(8,560)	578
- Unrealised fair value gain/(loss) on derivatives	(717)	(621)
- Reversal/(Allowance) for impairment loss on receivables	(59)	(7,288)
- Impairment loss on investment securities	(258)	-
- Foreign exchange (loss)/gain	9,850	(6,177)
	<b>(149,532)</b>	<b>(152,730)</b>
Finance costs	(7,994)	(7,025)
Share of results of associated companies	(89)	(534)
Profit before tax	<b>57,451</b>	<b>31,522</b>

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

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

Profit before tax of the broking and financial services division decreased 42% to a profit before tax of RM6.9mil in the current year's first quarter as compared to the previous year's corresponding quarter.

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.

### ***Investment holding***

Investment holding division reported a profit before tax of RM8.4million in the current year's first quarter, as compared to a loss of RM8.5million in the previous year's corresponding quarter.

Investment holding division enjoyed higher income from investment securities derived from interest and gain on sales, and foreign exchange translation gain on US Dollar and Singapore Dollar denominated borrowings.

### ***Credit and lending***

For the current year's first quarter, credit and lending division contributed RM13.1 million profit before tax to the Group, as compared to RM7.7 million in the previous year's corresponding quarter.

Despite lower interest income from financial receivables, this division enjoyed commendable gain on profits from sale of investment securities and higher interest income from investment securities.

### ***Property investment***

Property investment division reported a profit before tax of RM2.1million in the current year's first quarter, as compared to RM0.7mil in the previous year's corresponding quarter. The increase was due to increase in expenses and lower foreign currency translation loss.

### ***Property development***

Property development division registered a profit before tax of RM2.6million in the current year first quarter, as compared to RM2.5million in previous year's corresponding quarter. This division contributed consistent profit to the Group. The slight increase in profit was due to the steady progress of the ongoing development projects in Damansara Avenue.

### ***Hotel operations***

Hotel operations registered a profit before tax of RM28.1million in the current year's first quarter, as compared to RM21.9million in the previous year's corresponding quarter.

This was mainly due to contribution from Movenpick resort Phuket, which was acquired during the second quarter of preceding year.

## **B2 Material Changes in Profit Before Tax for the Current Quarter Compared with the Preceding Quarter**

The Group registered a profit before tax of RM57.5million in the current year's first quarter as compared to RM37.5million in the preceding quarter. Although revenue contribution from the broking and financial services, property development and hotel operations was lower, profit before tax of the Group was boosted by profit from sale of investments securities and higher foreign exchange translation gain.

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

The global economy is gradually recovering. However there are challenges that need to be resolved which include strains in the euro area, the slowing of emerging markets and the growth impact of fiscal adjustment amid tight financial conditions.

In Malaysia, the expansion in domestic demand has been supported by private sector spending while the slowdown in the global economy has led to a moderation in external demand.

**The Prospects for Each Business division is summarized below: -**

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

Global financial markets have shown encouraging improvements.

The resilient domestic demand supported by macro policies plays an important role to ensure that the Malaysian economy withstands the adverse impact arising from the economic weaknesses in the more advanced economies. Domestic demand will continue to become the main driver for growth.

The stockbroking subsidiary is expanding its branch network nationwide and is actively looking for strategic locations to expand the branch network and to further improve on the infrastructure to enhance the revenue and earnings though the expected earnings from the stockbroking division will continue to be affected by the capital market sentiment and challenges in Malaysia.

The investment management unit will be launching new and diversified unit trust funds to fulfill market needs and to expand the distribution network through the Group's stock broking subsidiary. With the increasing competition, the performance of the investment management arm of the Group is expected to be under pressure in the current financial year.

The Group's expansion plan on its derivative trading will continue in the current financial year and will continue to grow in view of the setting up of more servicing branches and kiosk in various strategic locations locally.

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

The credit and lending division will continue to provide financing to investors for new public issues ("IPO") and staff of corporations that has Employees Share Option Schemes ("ESOS"). The division's business strategy will be to focus more on IPO financing.

In line with our stock broking business, we will continue to provide corporate lending for private placement and share investment financing. We expect the growth of the above IPO and ESOS financing to contribute positively to the Group's earnings in the current financial year.

### ***Property Investment***

The overseas property investment will continue to generate stable income to the Group's earnings for the current financial year. The Group will continue to explore opportunity to upgrade the property locally to generate higher returns in the future with reasonable capital expenditure expected in the current financial year.

### ***Property development***

The domestic property market is set out to grow further in 2013 as the ETP projects continue to sustained sales grow in 2013. As our property development projects are within the Klang Valley, we expect a modest growth for the financial year.

The joint venture development projects in Canada and the joint alliance sponsorship project in Sydney will remain our main focus and we expect the contributions to the Group's earnings at the later stage of the development due the "Build-Then-Sell" approach adopted in the country.

### ***Hotel Operations***

Our hospitality business spanning across Singapore, Australia, China, Canada and Thailand is expected to continue to generate a stable recurrent income stream for the Group.

We will continue to explore and evaluate opportunity for expansion of our hotel operations to further enhance the revenue contribution from hospitality division.

Barring any unforeseen circumstances, the Group will continue to be profitable in the financial year ending 31 January 2014.

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

Not applicable.

**B5 Taxation**

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

	Current quarter/ Year-to-date RM'000
Estimated tax charge for the period:	
- Malaysian income tax	3,644
- Foreign tax	2,552
Deferred tax	(329)
	<u>5,867</u>

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

	Current quarter/ Year-to-date RM'000
Profit before taxation	<u>57,451</u>
Taxation at the statutory income tax rate of 25%	14,363
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>(8,496)</u>
Tax expense for the financial period	<u>5,867</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 30 April 2013 were as follows:-

	Secured <b>RM'000</b>	Unsecured <b>RM'000</b>
<i>Long term borrowings</i>		
Foreign currency loans	875,325	-
<i>Short term borrowings</i>		
Foreign currency loans	323,288	-
Revolving credits	100,150	68,500
	<u>1,298,763</u>	<u>68,500</u>
Denomination of secured foreign currency loans:-		
<i>Long-term borrowings</i>		
C\$ 62,779,784	188,735	
S\$ 181,100,000	446,393	
A\$ 14,450,000	45,491	
US\$ 55,560,745	169,044	
RMB 52,000,000	25,662	
	<u>875,325</u>	
<i>Short-term borrowings</i>		
C\$ 4,537,578	13,642	
S\$ 6,800,000	16,762	
US\$ 93,020,272	283,014	
RMB 20,000,000	9,870	
	<u>323,288</u>	

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

(1) Loans denominated in C\$

- (a) A 15-year term loan (C\$28,060,793) which will mature on 5 December 2020;
- (b) A 20-year term loan (C\$37,571,668) which will mature on 5 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\$1,685,201) 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.

The above loans bear interest rates ranging from 2.9% to 4.8% per annum.

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

### (2) Loan denominated in S\$

A 5-year term loan (S\$187,900,000) 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, bears floating interest rate ranging from 1.6% to 1.8%, and is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

### (3) Loan denominated in A\$

A 3-year floating rate Bill Facility amounting to A\$14,450,000 which will mature on 28 February 2015. The loan is secured against a freehold hotel land and building in Australia.

The loan bears interest rates ranging from 4.9% to 5.0% per annum.

### (4) Loans denominated in US\$

(a) 3-year loan (total of US\$55,560,745) 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\$93,020,272 on rollover basis. The loan is secured against certain investment securities.

The above loans bear interest rates ranging from 0.5% to 1.9% per annum.

### (5) Loans 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 average interest rate of 5.64%, and are secured against a hotel building and land use rights in China.

Revolving credits bear interest rates ranging from 3.7% to 4.5%, of which RM100,150,000 are secured by corporate guarantee provided by the Company.

## **B8 Material Litigation**

As at 18 June 2013, there were no changes in material litigation since the last annual reporting date of 31 January 2013.

## **B9 Dividend**

On 28 May 2013, based on the recommendation of the Board of Directors, a final dividend of 1.8% less 25% taxation (1.35 sen net per ordinary share) in respect of the financial year ended 31 January 2013 was declared. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

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

## B10 Disclosure of derivatives

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Bonus protection foreign currency forwards -Less than 1 year	RM91,275,000	(RM1,141,112)
Geared Equity Accumulators -Less than 1 year	RM2,878,724	(RM1,242,788)

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 maximise the Group's performance.

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 <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	919,937	871,089
-Unrealised	<u>(163,114)</u>	<u>(165,356)</u>
	756,823	705,733
Total share of retained profits of associated companies:		
-Realised	2,792	2,881
-Unrealised	<u>78</u>	<u>78</u>
	2,870	2,959
Total share of accumulated losses from jointly controlled entities - unincorporated		
-Realised	<u>(2,478)</u>	<u>(2,478)</u>
	757,215	706,214
Total share of accumulated losses from jointly controlled entities		
-Realised	<u>(47)</u>	<u>(47)</u>
	757,168	706,167
Less: Consolidation adjustments	<u>(1,082,245)</u>	<u>(1,065,156)</u>
Total (accumulated losses)/retained profits as per Statement of Financial Position	<u>(325,077)</u>	<u>(358,989)</u>

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

	<b>INDIVIDUAL/CUMULATIVE QUARTER</b>	
	Current quarter/ Year to date	Preceding quarter/ Year corresponding period
	30 April 2013	30 April 2012
<b>Basic earnings per share</b>		
Profit for the period (RM'000) - attributable to equity holders of the Company	33,912	20,499
Weighted average number of ordinary shares in issue ('000)	1,711,910	1,711,910
Basic earnings per share (sen)	<u>1.98</u>	<u>1.20</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  
25 June 2013