

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2014

	AS AT END OF CURRENT QUARTER 31/1/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,089,859	2,179,012
Investment properties	221,939	178,452
Land held for property development	415,126	413,776
Prepaid land lease payments	206	214
Intangible assets	276,238	366,798
Land use rights	8,071	7,541
Associated companies	24,672	25,229
Jointly controlled entities - Unincorporated	68,928	106,856
Jointly controlled entities	87,895	92,622
Deferred tax assets	8,772	8,751
Investment securities	65,795	255,112
Financial receivables	359,468	298,363
	<u>3,626,969</u>	<u>3,932,726</u>
Current assets		
Property development costs	14,805	22,362
Properties & land held for resale	43,740	40,787
Inventories	4,139	4,391
Financial receivables	99,577	156,436
Trade receivables	493,256	536,979
Other receivables	131,694	143,605
Investment securities	601,269	124,643
Short term funds	709,192	387,646
	<u>2,097,672</u>	<u>1,416,849</u>
TOTAL ASSETS	<u>5,724,641</u>	<u>5,349,575</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,711,910	1,711,910
Reserves	87,312	(17,776)
	<u>1,799,222</u>	<u>1,694,134</u>
Non-controlling interests	<u>1,239,750</u>	<u>1,231,793</u>
TOTAL EQUITY	<u>3,038,972</u>	<u>2,925,927</u>
Non-current liabilities		
Deferred tax liabilities	218,161	263,372
Borrowings	362,814	911,275
Provision for liabilities	-	1,735
	<u>580,975</u>	<u>1,176,382</u>
Current liabilities		
Provision for liabilities	2,907	2,209
Borrowings	1,213,733	337,283
Trade payables	393,383	558,058
Other payables	470,167	336,596
Derivatives	4,055	1,688
Income tax payable	20,449	11,432
	<u>2,104,694</u>	<u>1,247,266</u>
TOTAL LIABILITIES	<u>2,685,669</u>	<u>2,423,648</u>
TOTAL EQUITY AND LIABILITIES	<u>5,724,641</u>	<u>5,349,575</u>
Net assets value per share (RM)	<u>1.78</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 31 JANUARY 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/1/2014 RM'000	31/1/2013 RM'000	31/1/2014 RM'000	31/1/2013 RM'000
Revenue	316,638	232,489	864,671	776,538
Other income	(23,094)	15,115	76,079	55,571
Other expenses	(234,681)	(195,793)	(699,961)	(660,361)
Profit from operations	58,863	51,811	240,789	171,748
Finance costs	(11,418)	(9,944)	(41,619)	(33,941)
Share of results of associated companies	(51)	(268)	(558)	(1,041)
Share of results of jointly controlled entities - unincorporated	(108)	(674)	(525)	(674)
Share of results of jointly controlled entities	(5,132)	-	(5,185)	-
Profit before tax	42,154	40,925	192,902	136,092
Income tax expense	15,888	(4,303)	(3,473)	(24,221)
Profit for the period	58,042	36,622	189,429	111,871
Profit attributable to:				
Equity holders of the Company	35,710	21,384	143,535	82,156
Non-controlling interests	22,332	15,238	45,894	29,715
	58,042	36,622	189,429	111,871
Earnings per share attributable to equity holders of the Company				
Basic (sen)	2.09	1.25	8.38	4.80
Fully diluted (sen)	2.09	1.25	8.38	4.80

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

Net assets value per share (RM)

1.78

1.71

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/1/2014 RM'000	31/1/2013 RM'000	31/1/2014 RM'000	31/1/2013 RM'000
Profit for the period	58,042	36,622	189,429	111,871
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	17,036	35,018	(34,481)	42,093
Available-for-sale financial assets				
- Net fair value gain/(loss)	(3,586)	220	454	3,284
- Reclassification to profit or loss	-	-	(124)	-
Income tax relating to components of other comprehensive income	161	345	(98)	157
Other comprehensive income for the period, net of tax	<u>13,611</u>	<u>35,583</u>	<u>(34,249)</u>	<u>45,534</u>
Total comprehensive income for the period	<u>71,653</u>	<u>72,205</u>	<u>155,180</u>	<u>157,405</u>
Total comprehensive income attributable to:				
Equity holders of the Company	46,998	44,814	126,394	121,814
Non-controlling interests	24,655	27,391	28,786	35,591
	<u>71,653</u>	<u>72,205</u>	<u>155,180</u>	<u>157,405</u>

(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 31 JANUARY 2014**

	Attributable 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
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 for the period	-	-	-	3,176	22,220	12,036	83,782	121,214	34,625	155,839
Transaction with owners	-	-	-	-	-	-	(25,679)	(25,679)	-	(25,679)
Dividend	-	-	-	-	-	-	-	-	(9,830)	(9,830)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(9,830)	(9,830)
Total transaction with owners	-	-	-	-	-	-	(25,679)	(25,679)	(9,830)	(35,509)
At 31 January 2013	1,711,910	63,208	10,267	3,496	228,677	35,565	(358,989)	1,694,134	1,231,793	2,925,927
At 1 February 2013	1,711,910	63,208	10,267	3,496	228,677	35,565	(358,989)	1,694,134	1,231,793	2,925,927
Total comprehensive income for the period	-	-	-	4,013	(21,931)	777	143,535	126,394	28,786	155,180
Transaction with owners	-	-	-	-	-	-	(23,428)	(23,428)	-	(23,428)
Dividend	-	-	-	-	-	-	-	-	(11,012)	(11,012)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(9,817)	(9,817)
Effective of increase in effective interest in subsidiary	-	-	-	-	-	-	2,122	2,122	(9,817)	(7,695)
Total transaction with owners	-	-	-	-	-	-	(21,306)	(21,306)	(20,829)	(42,135)
At 31 January 2014	1,711,910	63,208	10,267	7,509	206,746	36,342	(236,760)	1,799,222	1,239,750	3,038,972

(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 31 JANUARY 2014**

	12 months ended	
	31/1/2014 RM'000	31/1/2013 RM'000
Operating Activities		
Profit before tax	192,902	132,669
Adjustments for:		
Non-cash items	90,282	145,023
Non-operating items	(55,691)	(28,211)
Operating profit before changes in working capital	227,493	249,481
Net decrease/(increase) in assets	156,021	(201,632)
Net (decrease)/increase in liabilities	(161,045)	89,221
Cash generated from operations	222,469	137,070
Interest (paid)/received	2,278	14,374
Taxes (paid)/refunded	(44,398)	(16,122)
Net cash generated from operating activities	180,348	135,322
Investing Activities		
Interest received	82,049	22,276
Acquisition of subsidiary	-	(270,912)
Dividend received	661	589
Investment in jointly controlled entities - unincorporated	(3,696)	29,229
Investment in jointly controlled entity	-	(45,083)
Development cost on land held for development	(1,350)	(2,291)
Purchase of property, plant and equipment	(22,417)	(31,487)
Purchase of derivatives	-	(7,468)
Proceeds from settlement of derivatives	11,239	9,633
Net (purchase)/proceeds from disposal of investment securities	(82,810)	(105,095)
Other receipts/(payments)	1,638	346
Net cash used in investing activities	(14,687)	(400,263)
Financing Activities		
Dividend paid	(23,112)	(25,679)
Dividend paid to minority interest	(11,011)	(9,830)
Interest paid	(41,141)	(31,803)
Net drawdown of borrowings	294,872	278,019
Purchase of derivatives	(2,865)	-
(Increase)/decrease in pledged deposits for financing facilities	96	(62)
Net cash generated from financing activities	216,839	210,645
Net increase in Cash & Cash Equivalents during the period	382,500	(54,296)
Cash & Cash Equivalents at beginning of year		
As previously reported	183,527	236,544
Effects of exchange rate changes	1,023	1,279
As restated	184,550	237,823
Cash & Cash Equivalents at end of current period		
which exclude monies held in trust, and fixed deposits pledged to financial institutions	567,050	183,527

(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 31 January 2014

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.

		Effective for financial periods beginning on or after
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 (cont'd.)

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

A first and final dividend of 1.8% less 25% taxation on 1,711,909,630 ordinary shares for financial year ended 31 January 2013 (1.35 sen net per ordinary shares), amounted to RM23,110,781 was paid on 13 August 2013.

A9 Segmental Information

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

	Broking and financial services	Investment holding and Others	Credit and lending	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External sales	109,818	71,710	53,653	45,979	102,764	480,747	-	864,671
Inter-segment sales	-	103,307	6,922	28,622	-	-	(138,851)	-
Total revenue	109,818	175,017	60,575	74,601	102,764	480,747	(138,851)	864,671
Other income								
	24,052	13,800	29,746	1,675	2,168	4,638	-	76,079
Results								
Net segment results	28,062	44,859	97,923	13,098	29,338	79,286	-	292,566
Foreign exchange (losses)/gains	919	(23,161)	8,972	(30)	-	(20,478)	-	(33,778)
Unallocated costs								(17,999)
Profit from operations								240,789
Finance costs	(1,079)	(19,617)	(2,896)	(8,784)	(3,354)	(5,889)	-	(41,619)
Share of results of associated companies	-	-	-	(236)	(322)	-	-	(558)
Share of results of jointly controlled entities - unincorporated	-	-	-	(525)	-	-	-	(525)
Share of results of jointly controlled entities	-	-	-	(5,185)	-	-	-	(5,185)
Profit before tax								192,902
Income tax expense								(3,473)
Profit for the year								189,429
Attributable to:								
Equity holders of the Company								143,535
Non-controlling interests								45,894
								189,429

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

TA Global Bhd. issued 3,691,198 ordinary shares pursuant to the conversion of ICPS by other ICPS holders during the period from 1 February 2014 to 19 March 2014.

The above conversions had resulted in the Company's effective interest in TA Global Bhd. to decrease from 63.29% as at 31 January 2014 to 63.25% as at 19 March 2014.

A10 Subsequent Events (cont'd)

Proposed Acquisition of a Piece of Vacant Commercial Land held under Title No. Geran 54344, Lot 15207, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor Darul Ehsan from Europlus Corporation Sdn Bhd

On 13 February 2014, TA Global Berhad announced that its wholly-owned subsidiaries, TA First Credit Sdn Bhd (“TAFC”) and Metro Ingenious Sdn Bhd (“MISB”) have on 13 February 2014 entered into a Novation Cum Supplemental Agreement (“Novation Agreement”) with Europlus Corporation Sdn Bhd (“ECSB”), a subsidiary of Talam Tranform Berhad to vary the Sale and Purchase Agreement dated 26 May 2009 made between TAFC and ECSB (“SPA”) as follows:-

- (a) to include the excluded land area of 4.24 acres forming part of the Property which has been excluded in the SPA;
- (b) by reason of paragraph (a) above, to vary the Purchase Price of the Property under the SPA from RM44,890,322.40 to RM45,395,884.56;
- (c) to effect the novation of the rights, interest, title and obligations of TAFC under the SPA in favour of MISB; and
- (d) to effect other consequential amendments to the SPA.

The variance is not expected to have any material financial effects to the Company.

The SPA was not completed earlier due to none delivery of unencumbered title by ECSB to TAFC and the title is currently free of encumbrances. Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed within 3 months from the date of the signing of the Novation Agreement.

Acquisition of non-controlling interests

- (a) On 17 February 2014, TA Global Berhad (“the Board”) announced that TA First Credit Sdn Bhd (“TAFC”), a wholly-owned subsidiary of the Company has acquired 1 ordinary share of RM1.00 each representing 50% equity interest in TFC Nominees (Asing) Sdn Bhd (“TFC Nominees”) for a total consideration of RM1.00 on 17 February 2014. TFC Nominees is currently dormant. TAFC is currently holding 50% equity interest in TFC Nominees. Pursuant to the aforesaid Acquisition, TFC Nominees shall be a wholly-owned subsidiary of TAFC and the Company shall be the ultimate holding of TFC Nominees.
- (b) On 17 February 2014, TA Global Berhad (“the Board”) announced that TA Properties Sdn Bhd (“TAP”), a wholly-owned subsidiary of the Company has acquired 490,000 ordinary shares of RM1.00 each representing 49% equity interest in Binaprestij Maju Sdn Bhd (“Binaprestij”) for a total consideration of RM1.00 on 17 February 2014. Binaprestij’s principal activity is general construction and is currently inactive. TAP is currently holding 51% equity interest in Binaprestij. Pursuant to the aforesaid Acquisition, TAP shall be a wholly-owned subsidiary of Binaprestij and the Company shall be the ultimate holding of Binaprestij.

Acquisition of foreign subsidiary

On 12 March 2014, TA Global Berhad (“the Board”) announced that ERF Properties Sdn Bhd, a wholly-owned subsidiary of Cosmic Legion Sdn Bhd, which in turn is a wholly-owned subsidiary of TA Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company has acquired 1 share of HK\$1.00 each representing 100% equity in Maxfine International Limited (“Maxfine”), a foreign subsidiary, for a total consideration of HK\$1.00 on 7 March 2014. Maxfine’s principal activity is investment holding.

A11 Changes in the Composition of the Group

Acquisition of Harmony Sanctuary Sdn. Bhd.

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.

Acquisition of Crystal Ingenious Sdn. Bhd.

On 30 October 2013, TA Global Bhd, a 63.4% owned subsidiary of the Company acquired 2 ordinary shares representing 100% equity interest in Crystal Ingenious Sdn. Bhd. (“Crystal Ingenious”), for a total cash consideration of RM2.00.

Crystal Ingenious was incorporated on 1 February 2013 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Crystal Ingenious is RM100,000 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Crystal Ingenious is RM2.00. Crystal Ingenious is a general trading, investment and property development company.

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

Proposed Acquisition of the Little Bay Residential Project in Sydney, Australia

On 27 November 2013, the Group announced that TA Global Development Pty Ltd (“TAGDPL”) and TA Antarabangsa Development Limited (“TAADL”), both wholly-owned subsidiaries of the Group, entered into an Acquisition Deed with Charter Hall Funds Management Limited in its personal capacity and in its capacity as trustee of the Charter Hall Opportunity Fund No. 5, CHOF5 Little Bay Pty Ltd (“LBPL”), Charter Hall Holdings Pty Limited and Charter Hall Limited for the following for a total cash consideration of A\$97.8 million equivalent to RM290,661,600.00 at exchange rate of RM2.972 to A\$1.00 as at 27 November 2013 (“Proposed Acquisition”):-

- (i) To acquire the sole right and interest to develop the Little Bay Cove Project which will be developed on a staged basis with the 580 developed dwellings comprising of houses, townhouses and apartments (“Project”); and
- (ii) To acquire the issued shares in LBPL (which owns the land in relation to, and is the developer of Little Bay Cove Project) and rights under a mezzanine loan agreement and ancillary documents.

Prior to this proposed acquisition, TAGDPL and TAADL had entered into a 50:50 development sponsorship arrangement with Charter Hall Group (“CHG”) for the development of the Little Bay residential project in Sydney, New South Wales, Australia (“Joint Sponsorship”).

Pursuant to the Joint Sponsorship, the Mezzanine Loan Agreement dated 18 October 2010 between TAADL, TAGDPL and LBPL for the provision of debt funding required by LBPL for the development of the Little Bay residential project and the amended Mezzanine Loan Agreement dated 6 June 2011, as at to date, TAADL has granted a Mezzanine Loan of A\$72.0 million to LBPL.

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

Acquisition of non-controlling interests

- (a) On 22 November 2013, the Company acquired 2,145,000 ordinary shares of RM1.00 each representing 30% of the equity interest in TA Futures Sdn Bhd (“TAF”) for a total consideration of RM4,905,000.00. TAF’s principal activity is licensed futures and options broking. Currently, the Company is holding 70% equity interest in TAF. Pursuant to the Acquisition, TAF shall be a wholly-owned subsidiary of the Company.
- (b) On 22 November 2013, the Company announced that TA Securities Holdings Berhad (“TASH”), a wholly-owned subsidiary of the Company has acquired 1,500,000 ordinary shares of RM1.00 each representing 30% equity interest in TA Investment Management Berhad (“TAIM”) for a total consideration of RM2,795,000.00. TAIM’s principal activity is licensed fund manager managing unit trust and private funds. Currently, TASH is holding 70% equity interest in TAIM. Pursuant to the Acquisition, TAIM shall be a wholly-owned subsidiary of TASH and the Company shall be the ultimate holding company of TAIM.

Acquisition of Metro Ingenious Sdn. Bhd.

On 3 January 2014, TA Global Bhd announced that the Company has acquired 2 ordinary shares representing 100% equity interest in Metro Ingenious Sdn Bhd (“Metro Ingenious”), for a total cash consideration of RM2.00.

Metro Ingenious was incorporated on 1 February 2013 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Metro Ingenious is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Metro Ingenious is RM2.00. Metro Ingenious is a general trading, investments and properties company.

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

During the financial period ended 31 January 2014, TA Global Bhd. issued 283,162,179 ordinary shares pursuant to the conversion of ICPS by the ICPS holders. This included the Company’s conversion of its investment in TA Global Bhd’s ICPS amounted to RM94,109,375, representing 188,218,751 ICPS of RM0.50 each.

The conversion was 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 above had resulted in the Company’s effective interest in TA Global Bhd. to increase from 63.1% at the beginning of the financial year to 63.28% as at 31 January 2014.

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 January 2014 is as follow:

	<u>RM'000</u>
Approved and contracted for:-	
- Renovation	17,051
- Jointly controlled entities	187,056
- Acquisition of a residential project	<u>286,182</u>
	<u>490,289</u>

B1 Performance Analysis of the Group's Operating Segments

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

	Current Year Quarter 31 January 2014 RM'000	Preceding Year Corresponding Quarter 31 January 2013 RM'000	Current Year To Date 31 January 2014 RM'000
Revenue	316,638	228,229	864,671
Other income			
- Interest income from overdue financial receivables	1,387	75	1,800
- Interest income from financial institutions	3,161	1,652	10,761
- Interest income from a joint venture in which the Group has 65% interest	252	287	1,098
- Interest income from investment securities	3,390	3,806	6,949
- Other interest income	470	657	788
- Gain on disposal of investment securities	1,072	877	24,418
- Realised fair value gain on derivatives	5,711	1,522	10,015
- Rental income	579	1,305	5,580
- Deemed fee income from provision of financial guarantee	786	-	3,098
- Amortisation of financial guarantee income	-	762	-
- Others	1,113	2,410	11,572
	17,921	13,353	76,079
Other expenses			
- Amortisation and depreciation	(21,087)	(21,712)	(80,792)
- Cost of properties and building materials sold	(33,444)	(26,258)	(82,698)
- Remisiers', agents' and futures brokers' commissions	(8,017)	(7,058)	(32,610)
- Hotel operational expenses (include hotel personnel cost)	(87,374)	(86,882)	(325,937)
- Personnel and others	(90,707)	(27,752)	(143,535)
- Fair value loss on revaluation of investments	(12,937)	(429)	182
- Unrealised fair value gain/(loss) on derivatives	(3,278)	249	(3,824)
- Reversal/ (Allowance) of impairment loss on receivables	20,597	(28,401)	24,911
- Impairment loss on investment securities	(1,056)	-	(3,085)
- Impairment loss on intangible asset	(18,795)	-	(18,795)
- Foreign exchange (loss)/gain	(19,598)	4,899	(33,778)
	(275,696)	(193,344)	(699,961)
Finance costs	(11,418)	(9,591)	(41,619)
Share of results of associated companies	(51)	(268)	(558)
Share of results of jointly controlled entities - unincorporated	(108)	(830)	(525)
Share of results of jointly controlled entities	(5,132)	(47)	(5,185)
Profit before tax	42,154	37,502	192,902

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

The Group reported profit before tax of RM42.2million and revenue of RM316.6million for the current fourth quarter, compared to profit before tax of RM37.5million and revenue of RM228.2million respectively achieved in the previous year's corresponding quarter.

The increase in profit before tax was mainly attributable to contribution from the credit and lending division, and property development division.

The performance of the Group's key operating segments are analysed as follows:-

Broking and financial services

Profit before tax of the broking and financial services division decreased 28% to RM4.0million in the current year's fourth quarter as compared to the previous year's corresponding quarter.

For the current year-to-date, this division achieved profit before tax of RM27.9million, which represented a 12% decrease as compared to the preceding year.

Uncertain equities market and soft market sentiment had led to lower trading turnover of the current financial year, which resulted in the year-to-date decrease in brokerage and proprietary trade income.

Investment holding

Investment holding division reported loss before tax of RM29.6million in the current year's fourth quarter, as compared to loss before tax of RM5.1million in the previous year's corresponding quarter.

Although the division enjoyed higher revenue on investment securities and derivative instruments, the division's current quarter profit was dragged down by higher personnel cost and higher foreign exchange loss on translation of SGD denominated borrowings.

For the current year-to-date, this division achieved profit before tax of RM2.1million, as compared to loss before tax of RM28.1million in the preceding year.

Despite higher finance cost and foreign exchange losses resulted from translation of USD inter-co balances and SGD denominated borrowings, investment holding division enjoyed higher interest income, gain on sale of investment securities, fair value gain on revaluation of investment securities, and realised fair value gain on derivatives.

Credit and lending

For the current year's fourth quarter, credit and lending division contributed RM68.1 million profit before tax to the Group, as compared to profit before tax of RM1.7million in the previous year's corresponding quarter.

For the current year-to-date, this division achieved profit before tax of RM104.0million, as compared to RM19.4million in the preceding year.

This division enjoyed higher revenue and profit before tax resulted from loan recovery, gain on sale of investment securities, investment interest income, and foreign exchange translation gain on CAD and AUD denominated inter-co balances.

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

Property investment

Property investment division reported loss before tax of RM0.1million in the current year's fourth quarter, as compared to loss before tax of RM0.9million in the previous year's corresponding quarter mainly due to higher rental income.

However, for the current year-to-date, this division achieved profit before tax of RM4.3million, as compared to RM7.2million in the preceding year, mainly due to a lower current year-to-date rental income.

Property development

Property development division registered profit before tax of RM13.3million in the current year's fourth quarter, as compared to RM11.7million in previous year's corresponding quarter.

For the current year-to-date, this division achieved profit before tax of RM26.0million, as compared to RM26.4million in the preceding year.

The increase in profit was mainly due to the progressive sales and construction of the ongoing development projects in Damansara Avenue, despite higher finance costs.

Hotel operations

Hotel operations division registered net operating profit of RM29.2million in the current year's fourth quarter, as compared to RM26.0million in the previous year's corresponding quarter.

For the current year-to-date, this division achieved net operating profit of RM92.2million, as compared to RM82.8million in the preceding year.

Hotel operations had contributed sustainable revenue to the Group. However, the current year's profit before tax of the division dropped by 44% to RM52.9million due to foreign exchange translation losses arising from the depreciation of USD against THB, and impairment loss on hotel purchased goodwill.

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

The Group registered profit before tax of RM50.9million in the current year's fourth quarter as compared to RM53.0million in the preceding quarter. Although the Group enjoyed higher revenue from credit and lending, property development and hotel operations divisions, the Group's profit was dragged down by impairment loss on hotel purchased goodwill, fair value loss on derivatives and investment securities, higher foreign exchange losses, and lower investment interest income.

B3 Prospects for the next financial year

The global economy is expected to be challenging, resulting from the rollback of the Quantitative Easing in US and slower than expected growth in China. However, domestic economy is expected to be resilient because of sustainable domestic demand and recovery in exports due to the weakening of the Malaysian Ringgit against US Dollar.

The Prospects for each business division is summarized below: -

Broking and financial services

Market sentiment is likely to be affected by the continuous rollback of the Quantitative Easing program in the US, and slower than expected growth in China. Liquidity might face a minor setback if foreigners continue to unwind and head back to the US shores. Nonetheless, an expected strong recovery in exports in second half of 2014 is expected to attract interest into the Malaysian equity market.

We expect the stockbroking division to continue to operate in a highly competitive and challenging environment. We will also continue to promote fee, based business and other innovative products to boost our revenue.

Our latest branch in Segamat, Johor was opened in October 2013 and we will continue to look for strategic locations to grow our branch network.

The investment management unit will be launching new and diversified unit trust funds to fulfill market needs and to expand its distribution channel. We plan to tie-up more Unit Trust Management Committee to increase our 3rd party funds distribution. We are also actively developing our Private Mandate business by targeting corporate clients.

The Group's expansion plan on its derivative trading will continue in the next financial year and will continue to expand our commodity products and services.

Credit and Lending

The credit and lending division will continue to provide financing to individual and corporate investors for new initial public offerings ("IPO") and staff of corporations who are given share entitlements under their Employees Share Option Schemes ("ESOS"). As many big cap companies are aiming for flotation on Bursa Malaysia this year, business opportunities are expected to be good and we are optimistic of our earnings growth prospects in FYE 2015.

The Group will continue to seek investment opportunity to maximize finance income.

Property Investment

The Group is projected to experience a lower income contribution from overseas and local property investments for the next financial year in view of the expected upgrading works to be undertaken in some of the investment properties. We are confident that these upgrading works will generate higher returns for the Group in the future.

B3 Prospects for the next financial year (cont'd)

Property development

Despite lower demand on higher priced properties and rising costs pressures, the Group will continue to focus on its Damansara Avenue project and will be launching some new projects in the next financial year to sustain its earnings from the property development. In the light of these challenges, the earnings from property development are expected to be lower in the next financial year.

Hotel Operations

Our hospitality business spanning across Singapore, Australia and Thailand is expected to continue to generate a stable recurrent income stream for the Group. The growth and performance of hospitality business in China and Canada in the next financial year will be driven and dependant on its country's economic growth.

We will continue to explore and evaluate opportunities to acquire new hotel properties to expand our existing hotels portfolio and to 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 2015.

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	9,233	26,233
- Foreign tax	569	5,148
Deferred tax	(25,240)	(25,680)
(Over)/under provision in prior year		
- Malaysian income tax	(1,541)	(1,541)
- Foreign tax	1,091	(687)
	<u>(15,888)</u>	<u>3,473</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>42,154</u>	<u>192,902</u>
Taxation at the statutory income tax rate of 25%	10,539	48,226
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	(26,426)	(44,753)
Tax expense for the financial period	<u>(15,888)</u>	<u>3,473</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.

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 January 2014 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	263,008	-
Revolving credits	99,805	-
<i>Short term borrowings</i>		
Foreign currency loans and revolving credits	947,733	-
Loans and revolving credits	186,000	80,000
	<u>1,496,546</u>	<u>80,000</u>

Denomination of secured foreign currency loans and revolving credits:-

<i>Long-term borrowings</i>		RM'000
A\$	23,249,945	68,034
C\$	59,242,755	177,307
RMB	32,000,000	17,667
		<u>263,008</u>
<i>Short-term borrowings</i>		
C\$	28,295,893	84,686
S\$	182,800,000	479,229
A\$	2,500,036	7,316
US\$	107,596,124	360,071
RMB	20,000,000	11,042
HK\$	12,504,236	5,389
		<u>947,733</u>

Loans and revolving credits denominated in RM bear interest rates ranging from 3.8% to 4.5%, of which RM285,805,000 are secured by corporate guarantees and certain properties in Kuala Lumpur.

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

(1) Loans denominated in C\$

- (a) A 15-year term loan (C\$25,742,853) which will mature on 5 December 2020;
- (b) A 20-year term loan (C\$36,522,889) 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\$1,672,906) 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.

B7 Group Borrowings and Debt Securities (cont'd)

- (d) Short term revolving credits (C\$23,600,000) of which C\$2,500,000 is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore, and C\$21,100,000 is secured against a hotel in Australia.

The revolving credits bear interest rates ranging from 2.7% to 4.8% per annum.

(2) Loan denominated in S\$

A 5-year term loan (S\$182,800,000) 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) A floating rate bill facility amounting to A\$23,250,000 which will mature on 28 February 2015. The loan is secured against a hotel in Australia.

The loan bears interest rates ranging from 4.5% to 5.1% per annum.

- (b) Short term revolving credits (A\$2,500,036) which is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

(4) Loans denominated in US\$

Short-term loans amounting to US\$107,596,124 on rollover basis. The loans are secured against certain investment securities, and bear interest rates ranging from 0.5% to 2.7% per annum.

(5) Loans denominated in RMB

Three term loans (total of RMB52,000,000) with maturities from 20 December 2014 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.

(6) Loan denominated in HK\$

A short-term loan amounting to HK\$12,504,236 on rollover basis. The loan is secured against certain investment securities and bears average interest of 0.46% annum.

B8 Material Litigation

As at 19 March 2014, there were no changes in material litigation since the last annual reporting date of 31 January 2013.

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)
Geared Equity Accumulators -Less than 1 year	RM356,809,623	(RM3,200,096)

The Group has entered into 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 RM'000	As at the end of last financial year RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	1,003,201	871,089
-Unrealised	(137,007)	(165,356)
	<u>866,194</u>	<u>705,733</u>
Total share of retained profits of associated companies:		
-Realised	2,323	2,881
-Unrealised	78	78
	<u>2,401</u>	<u>2,959</u>
Total share of accumulated losses from jointly controlled entities - unincorporated		
-Realised	(3,003)	(2,478)
	<u>865,592</u>	<u>706,214</u>
Total share of accumulated losses from jointly controlled entities		
-Realised	(5,232)	(47)
	<u>860,360</u>	<u>706,167</u>
Less: Consolidation adjustments	<u>(1,097,120)</u>	<u>(1,065,156)</u>
Total (accumulated losses)/retained profits as per Statement of Financial Position	<u>(236,760)</u>	<u>(358,989)</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 Jan 2014	31 Jan 2013	31 Jan 2014	31 Jan 2013
Basic earnings per share				
Profit for the period (RM'000) - attributable to equity holders of the Company	35,710	21,384	143,535	82,156
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)	2.09	1.25	8.38	4.80

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
26 March 2014