

**TALAM CORPORATION BERHAD (1120-H)****Condensed Consolidated Income Statements  
For the financial year ended 31 January 2009***(The figures have not been audited)*

	Individual period		Cumulative period	
	Current year quarter 1/31/2009	Preceding year corresponding quarter 1/31/2008	Current year to-date 1/31/2009	Preceding year corresponding period 1/31/2008
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	136,735	110,901	294,099	248,349
Cost of sales	(134,846)	(101,195)	(265,287)	(224,796)
<b>Gross profit</b>	1,889	9,706	28,812	23,553
Other income	58,275	55,287	162,341	130,893
Administrative and other expenses	(34,034)	(48,244)	(74,042)	(100,263)
Gain on deconsolidation of a subsidiary	0	19,456	0	18,474
Finance costs	(10,786)	(32,348)	(54,106)	(67,085)
Share of results of jointly controlled entities	402	21	(869)	249
<b>Profit before tax</b>	15,746	3,878	62,136	5,821
Income tax credit/(expense)	2,234	(2,019)	(63)	(2,273)
<b>Profit for the year</b>	17,980	1,859	62,073	3,548
Attributable to:				
Equity holders of the Company	20,305	1,238	60,325	3,420
Minority interest	(2,325)	621	1,748	128
	17,980	1,859	62,073	3,548
<b>Profit per share attributable to equity holders of the Company:</b>				
Basic (sen)	3.16	0.19	9.39	0.53
Diluted (sen)	3.16	0.19	9.39	0.53

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008.

**TALAM CORPORATION BERHAD (1120-H)****Condensed Consolidated Balance Sheet  
As at 31 January 2009**

	Unaudited as at end of current financial year 1/31/2009 RM'000	Audited as at preceding financial year end 31/01/2008 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	184,708	191,177
Land held for property development	1,131,204	1,129,501
Investment properties	138,555	84,516
Leasehold land	10,431	11,126
Interest in jointly controlled entities	9,218	10,077
Other investment	0	76,332
Amount owing by associates	26,186	26,042
Amount owing by jointly controlled entities	183	5,874
Sinking funds held by trustees	8,134	9,801
Goodwill	39,208	-
Total non-current assets	1,547,827	1,544,446
<b>Current assets</b>		
Property development costs	1,206,062	1,181,547
Inventories	72,555	74,723
Current tax assets	2,476	2,343
Trade and other receivables	211,771	281,157
Cash and bank balances	17,381	22,281
Total current assets	1,510,245	1,562,051
<b>TOTAL ASSETS</b>	<b>3,058,072</b>	<b>3,106,497</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	386,148	643,015
Treasury shares	(493)	(844)
Reserves	6,501	(297,711)
Equity attributable to equity holders of the Company	392,156	344,460
<b>Minority interest</b>	<b>3,701</b>	<b>1,783</b>
<b>Total equity</b>	<b>395,857</b>	<b>346,243</b>
<b>Non-current liabilities</b>		
Borrowings	85,859	87,630
Other long term payables	79,625	75,541
Amount owing to jointly controlled entities	46,178	35,964
Deferred tax liabilities	3,959	3,959
Total non-current liabilities	215,621	203,094
<b>Current liabilities</b>		
Provision for liabilities	96,312	97,014
Borrowings	664,305	729,831
Trade and other payables	1,112,218	1,103,099
Deferred progress billings	391,613	444,920
Current tax liabilities	182,146	182,296
Total current liabilities	2,446,594	2,557,160
<b>Total liabilities</b>	<b>2,662,215</b>	<b>2,760,254</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,058,072</b>	<b>3,106,497</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.61	0.55

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2008.

**TALAM CORPORATION BERHAD (1120-H)**

**Condensed Consolidated Statement of Changes in Equity**  
**For the financial year ended 31 January 2009**

*(The figures have not been audited)*

	<----- Non-Distributable Reserve ----->					Distributable	Attributable	Minority	Total
	Share	Treasury	Capital	Share	Foreign	Reserve	to Equity	Interest	Equity
	Capital	Shares	Reserve	Premium	Exchange	Accumulated	the Company	Total	Total
	RM'000	RM'000	RM'000	RM'000	Reserve	Losses	Total	RM'000	RM'000
<b>At 1 February 2007 (Restated)</b>	642,423	(844)	11,201	124,551	32,414	(463,229)	346,516	14,750	361,266
Foreign currency translation , representing net income recognised directly in equity	-	-	-	-	307	-	307	100	407
Profit for the year	-	-	-	-	-	3,420	3,420	128	3,548
Total recognised income and expenses for the period	-	-	-	-	307	3,420	3,727	228	3,955
Decrease in liability component of ICPS	592	-	-	-	-	-	592	-	592
Disposal of subsidiaries	-	-	-	-	(6,375)	-	(6,375)	(13,195)	(19,570)
<b>At 31 January 2008</b>	<b>643,015</b>	<b>(844)</b>	<b>11,201</b>	<b>124,551</b>	<b>26,346</b>	<b>(459,809)</b>	<b>344,460</b>	<b>1,783</b>	<b>346,243</b>
<b>At 1 February 2008</b>	643,015	(844)	11,201	124,551	26,346	(459,809)	344,460	1,783	346,243
Foreign currency translation	-	-	-	-	(13,193)	-	(13,193)	-	(13,193)
Profit for the year	-	-	-	-	-	60,325	60,325	1,748	62,073
Total recognised income and expenses for the period	-	-	-	-	(13,193)	60,325	47,132	1,748	48,880
Reduction in share value	(257,431)	351	-	-	-	257,080	-	-	-
Reduction in share premium	-	-	-	(124,551)	-	124,551	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	170	170
Decrease in liability component of ICPS	564	-	-	-	-	-	564	-	564
<b>At 31 January 2009</b>	<b>386,148</b>	<b>(493)</b>	<b>11,201</b>	<b>(0)</b>	<b>13,153</b>	<b>(17,853)</b>	<b>392,156</b>	<b>3,701</b>	<b>395,857</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2008.

**TALAM CORPORATION BERHAD (1120-H)**

**Condensed consolidated cash flow statement**  
**For the financial year ended 31 January 2009**

*(The figures have not been audited)*

	<b>Current year to-date RM'000</b>	<b>Preceding year corresponding period RM'000</b>
Net cash used in operating activities	(26,223)	(2,204)
Net cash generated from investing activities	60,685	40,707
Net cash used in financing activities	(26,118)	(28,239)
Net increase in cash and cash equivalents	<u>8,345</u>	<u>10,264</u>
Effects of exchange rate changes	(13,193)	407
Cash and cash equivalents at beginning of the financial period	14,769	4,098
Cash and cash equivalents at end of the financial period	<u>9,920</u>	<u>14,769</u>

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	16,994	21,842
Deposits	<u>387</u>	<u>439</u>
	17,381	22,281
Bank overdrafts	<u>(7,461)</u>	<u>(7,512)</u>
	9,920	14,769
Cash and bank balances classified as held for sale	<u>-</u>	<u>-</u>
	<u>9,920</u>	<u>14,769</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008.

**TALAM CORPORATION BERHAD (1120-H)**  
**Interim financial report for the period ended 31 January 2009**  
*(The figures have not been audited)*

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited annual financial statements.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 January 2008.

**A2. Seasonality or Cyclicity of Operations**

The business operations of the Group are not affected by any material seasonal or cyclical factors.

**A3. Unusual Items**

Pursuant to the Regularisation Plan and subsequent approval by shareholders and order of court granted together with the settlement agreement signed with the respective lenders, the Group has accounted for RM145.37 million of the income arising from the reversal of interest previously accrued and debt waiver granted by the lenders. In addition, an amount of RM381.63 million arising from the reduction of share capital and the entire share premium account was credited to the accumulated losses account during the period under review.

**A4. Material Changes in Estimates**

There was no change to estimate that have a material effect in the current financial period.

**A5. Debt and Equity Securities**

There were additional issuance of 14,396,274 new ordinary shares of RM1.00 each arising from the conversion of 143,962,746 Irredeemable Convertible Preference Shares of RM0.10 each.

**A6. Dividends**

No dividends have been paid since the beginning of the current financial period.

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*(The figures have not been audited)*

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**A7. Segment Information**

	<b>12 months ended 31 January 2009 RM'000</b>	<b>12 months ended 31 January 2008 RM'000</b>
<b>Segment Revenue</b>		
Property Investment and Development	274,607	229,671
Hotel and Recreation	19,492	18,678
Total / External Revenue	<u>294,099</u>	<u>248,349</u>
<b>Segment Results</b>		
Property Investment and Development	69,990	13,345
Hotel and Recreation	(7,854)	(7,524)
Profit before tax	<u>62,136</u>	<u>5,821</u>

**A8. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

**A9. Material Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements.

**A10. Changes in the Composition of the Group**

The Company has on 20 November 2008 announced the conversion of the RM76,332,275.00 5-Year 1% Irredeemable Convertible Unsecured Loan Stock issued to the Company's subsidiary, Europlus Berhad by Venue Venture Sdn Bhd ("VVSBS") into 76,332,275 new ordinary shares of RM1.00 each of VVSBS.

Upon conversion, VVSBS and its 3 subsidiaries namely, Bukit Khazanah Sdn Bhd, Pandan Lake Club Berhad and Saujana Ukay Sdn Bhd (formerly known as Gemar Megaprima Sdn Bhd) will become subsidiaries of Talam.

**A11. Contingent Liabilities**

The Company has provided the following corporate guarantees: -

	<b>RM'000</b>
To financial institutions for	
- facilities granted to subsidiaries	<u>157,231</u>
To non-financial institutions for	
- facilities granted to subsidiaries	287,410
- purchase of land by subsidiaries	<u>201,634</u>

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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**A12. Capital Commitments**

The Company has a capital commitment of up to RM150 million pursuant to the Option Agreement entered on 10 January 2005 in relation to the Sukuk Al-Ijarah Issuance of RM150 million. As at 31 January 2009, the total outstanding is RM87,066,000.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

The Group's revenue increased by 23.30% to RM136.74 million from RM110.90 million as recorded in the corresponding quarter of the preceding year. It was mainly due to certain land sales transacted and recognized during the quarter under review in addition to the progress billings generated from development in progress.

The Group's pre-tax profit increased to RM15.75 million in the current quarter from a profit of RM3.88 million in the corresponding quarter of the preceding year. The increase was mainly contributed by the full recognition of debt waiver granted by the lenders pursuant to the Regularisation Plan.

The Group's revenue and pre-tax profit for the current year-to-date increased by 18.42% and 967.45% respectively as compared to the preceding year. The substantial increase of pre-tax profit was due to the reversal of interests previously accrued and debt waiver granted by the lenders pursuant to the Regularisation Plan.

**B2. Comparison with Preceding Quarter's Results**

The Group recorded a pre-tax profit for the current quarter of RM15.75 million, an increase of 102.70% from a pre-tax profit of RM7.77 million in the immediate preceding quarter mainly due to the full recognition of debt waiver granted by the lenders pursuant to the Regularisation Plan.

**B3. Prospects**

In view of the global financial turmoil and the economic situation prevailing in the country, the Board is of the opinion that it will be a challenging year ahead. The Group will undertake all necessary measures to mitigate the effect of the adverse economic environment and to meet these challenges.

**B4. Profit Forecast and Guarantee**

This note is not applicable.

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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B5. Income Tax Expense**

	<b>Current Quarter ended 31 January 2009 RM '000</b>	<b>12 months Cumulative to 31 January 2009 RM '000</b>
Current tax credit/(expense)	1,993	(738)
Over provision of prior year tax expense	241	675
	<u>2,234</u>	<u>(63)</u>
Profit before taxation	<u>15,746</u>	<u>62,136</u>
Effective Tax Rate	<u>14.19%</u>	<u>N/A</u>

**B6. Disposal of Unquoted Investments and/or Properties**

There is no sale of unquoted investment or properties during the quarter under review.

**B7. Purchase or Disposal of Quoted Securities**

There is no purchase or disposal of quoted investments during the quarter under review.

**B8. Status of Corporate Proposals**

The Securities Commission (“SC”) had vide their letter dated 29 April 2008, approved the Proposed Regularisation Plan.

On 22 August 2008, circulars to shareholders were despatched to the Company’s shareholders for their approval in respect of the following: -

- 1) Proposed Regularisation Plan;
- 2) Proposed increase in authorised share capital (“Proposed Increase”);
- 3) Proposed amendments to the Memorandum and Articles of Association (“Proposed Amendments”); and
- 4) Proposed shareholders’ approval and ratification for the provision of financial assistance in the form of proportionate corporate guarantee by Talam Corporation Berhad attributable to the principal sum amounting to RM68.0 million pursuant to the credit facilities granted to Cekap Tropikal Sdn. Bhd., a 49.99% - associated company of Talam (“Proposed Ratification”).

The Company’s shareholders have via the EGMs held on 15 September 2008, approved the Proposed Regularisation Plan, Proposed Increase, Proposed Amendments and Proposed Ratification. The Company has on 6 October 2008 submitted the petition for the proposed reduction of the share capital and share premium account of the Company to the High Court of Malaya.

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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

The court has on the 5 December 2008 granted the order.

Bursa Malaysia Securities Berhad (“Bursa Securities”) had on 5 January 2009 granted its approval-in-principle for the following:-

- (a) the admission of 1,287,010,000 Redeemable Convertible Preference Shares of RM0.20 each (“RCPS”) to the Official List of Bursa Securities and the listing of and quotation for the RCPS on the Main Board of Bursa Securities; and
- (b) the admission of 3 different classes of Redeemable Convertible Secured Loan Stocks (“RCSLS”), namely RCSLS-B, RCSLS-C and RCSLS-D of up to 89,622,905, 855,010,000 and 585,010,000 RCSLS of RM0.20 each respectively to the Official List of Bursa securities and the listing of and quotation for the RCSLS on the Main Board of Bursa Securities; and
- (c) the additional listing of and quotation for up to 3,068,292,905 new ordinary shares of RM0.20 each in Talam to be issued upon the conversion of the RCPS and the RCSLS-A, RCSLS-B, RCSLS-C and RCSLS-D on the Main Board of Bursa Securities.

On behalf of the Company, RHB Investment Bank Berhad had on 23 January 2009 made two (2) announcements to Bursa Securities in respect of the completion of the reduction in share capital and share premium account as well as the book closure date (“Book Closure Date”) for the share split involving the subdivision of every one (1) existing ordinary share of RM0.60 each in Talam (after the Capital Reduction) into three (3) ordinary shares of RM0.20 each in Talam, on the Book Closure Date.

The Company is awaiting for the SC’s approval on certain revisions made to the Principal Terms and Conditions (PTCs) of the RCSLS and Settlement BaIDS (mainly arising from changes made to the Debt Settlement Agreements, Trust Deeds and BaIDS Agreements) prior to the issuance of securities.

**B9. Group Borrowings and Debt Securities**

The Group’s borrowings and debt securities as at 31 January 2009 are as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Short term borrowings	632,145	32,160	664,305
Long term borrowings	85,859	0	85,859
	<u>718,004</u>	<u>32,160</u>	<u>750,164</u>
		<b>Foreign</b>	<b>RM</b>
Foreign currency borrowings included above:		<b>Currency</b>	<b>Equivalent</b>
		<b>’000</b>	<b>’000</b>
Chinese Renminbi		<u>71,570</u>	<u>37,939</u>

**B10. Off Balance Sheet Risk Financial Instruments**

The Group did not contract for any financial instruments with off balance sheet risk as at the date of this announcement.

**TALAM CORPORATION BERHAD (1120-H)**  
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*(The figures have not been audited)*

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B11. Material Litigation**

There was no change in material litigation since 31 January 2008 which exceeds 5% of the Group's net assets.

**B12. Proposed dividend**

No dividend has been declared for the current and preceding financial year to-date.

**B13. Earnings Per Share**

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	<b>Current Quarter ended 31 January 2009</b>	<b>12 months Cumulative to 31 January 2009</b>
Profit attributable to equity holders of the Company (RM'000)	20,305	60,325
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	642,701	642,701
Basic earnings per share (sen)	3.16	9.39

**B14. Annual Audited Report**

There was no qualification on the annual audit report of the preceding financial year save for the auditors' report of certain subsidiaries for the preceding financial year as follows:

- 1) Audit emphasis of matters on certain subsidiaries:
  - (i) appropriateness of going concern basis of accounting is dependent on continued financial support given by the Company.
  - (ii) ability to meet obligation under the Sukuk al-Ijarah is dependent on the timely rental payments by its related companies and a third party.
- 2) Audit qualifications on certain subsidiaries:
  - (i) appropriateness of going concern basis of accounting due to capital deficiency positions.
  - (ii) the auditors have not obtained sufficient evidence to satisfy themselves whether impairment losses on the investment in and amount due from subsidiaries and associates in the financial statements are appropriate.

**TALAM CORPORATION BERHAD (1120-H)**  
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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B15. Authorization for Issue**

The interim financial reports were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 30 March 2009.

By order of the Board

Ting Kok Keong  
Company Secretary