

**TALAM CORPORATION BERHAD (1120-H)****Condensed Consolidated Income Statements****For the financial period ended 30 April 2009***(The figures have not been audited)*

	Individual period		Cumulative period	
	Current year quarter 4/30/2009	Preceding year corresponding quarter 4/30/2008	Current year to-date 4/30/2009	Preceding year corresponding period 4/30/2008
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	61,376	50,881	61,376	50,881
Cost of sales	(52,280)	(43,186)	(52,280)	(43,186)
<b>Gross profit</b>	9,096	7,695	9,096	7,695
Other income	12,763	30,880	12,763	30,880
Administrative and other expenses	(10,280)	(12,710)	(10,280)	(12,710)
Gain on deconsolidation of a subsidiary	0	0	0	0
Finance costs	(9,699)	(13,457)	(9,699)	(13,457)
Share of results of jointly controlled entities	366	(411)	366	(411)
<b>Profit before tax</b>	2,246	11,997	2,246	11,997
Income tax expense	(10)	(2,747)	(10)	(2,747)
<b>Profit for the year</b>	2,236	9,250	2,236	9,250
Attributable to:				
Equity holders of the Company	2,241	5,154	2,241	5,154
Minority interest	(5)	4,096	(5)	4,096
	2,236	9,250	2,236	9,250
<b>Profit/(Loss) per share attributable to equity holders of the Company:</b>				
Basic (sen)	0.13	0.80	0.13	0.80
Diluted (sen)	0.13	0.80	0.13	0.80

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2009.

**TALAM CORPORATION BERHAD (1120-H)****Condensed Consolidated Balance Sheet**  
**As at 30 April 2009**

	<b>Unaudited as at end of current financial year 4/30/2009 RM'000</b>	<b>Audited as at preceding financial year end 1/31/2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	126,173	128,194
Land held for property development	1,136,149	1,131,204
Investment properties	191,531	191,785
Prepaid lease payments	10,431	10,431
Interest in jointly controlled entities	9,583	9,218
Other investment	0	-
Amount owing by associates	26,165	26,186
Amount owing by jointly controlled entities	185	183
Sinking funds held by trustees	8,886	8,723
Goodwill	39,208	39,208
<b>Total non-current assets</b>	<b>1,548,311</b>	<b>1,545,132</b>
<b>Current assets</b>		
Property development costs	1,193,475	1,192,159
Inventories	70,145	68,766
Current tax assets	68	-
Trade and other receivables	245,339	217,072
Cash and bank balances	13,933	17,517
<b>Total current assets</b>	<b>1,522,960</b>	<b>1,495,514</b>
<b>TOTAL ASSETS</b>	<b>3,071,271</b>	<b>3,040,646</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	386,148	386,148
Treasury shares	(493)	(493)
Reserves	8,245	5,282
Equity attributable to equity holders of the Company	393,900	390,937
<b>Minority interest</b>	<b>3,558</b>	<b>3,563</b>
<b>Total equity</b>	<b>397,458</b>	<b>394,500</b>
<b>Non-current liabilities</b>		
Borrowings	85,859	85,858
Other long term payables	79,488	79,625
Amount owing to jointly controlled entities	46,608	46,178
Deferred tax liabilities	4,205	4,205
<b>Total non-current liabilities</b>	<b>216,160</b>	<b>215,866</b>
<b>Current liabilities</b>		
Provision for liabilities	96,040	96,312
Borrowings	664,392	666,573
Trade and other payables	1,123,966	1,094,098
Deferred progress billings	391,613	391,613
Current tax liabilities	181,642	181,684
<b>Total current liabilities</b>	<b>2,457,653</b>	<b>2,430,280</b>
<b>Total liabilities</b>	<b>2,673,813</b>	<b>2,646,146</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,071,271</b>	<b>3,040,646</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.23	0.62

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2009.

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

**Condensed Consolidated Statement of Changes in Equity**

**For the financial period ended 30 April 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	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	Reserve	Losses	Total	RM'000	RM'000
<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 , representing net income recognised directly in equity	-	-	-	-	(13,193)	-	(13,193)	-	(13,193)
Profit for the year	-	-	-	-	-	59,105	59,105	1,610	60,715
Total recognised income and expenses for the period	-	-	-	-	(13,193)	59,105	45,912	1,610	47,522
Capital reduction	(257,432)	351				257,081	-	-	-
Share premium reduction	-	-	-	(124,551)	-	124,551	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	170	170
Decrease n liability component of ICPS	565	-	-	-	-	-	565	-	565
<b>At 31 January 2009</b>	<b>386,148</b>	<b>(493)</b>	<b>11,201</b>	<b>-</b>	<b>13,153</b>	<b>(19,072)</b>	<b>390,937</b>	<b>3,563</b>	<b>394,500</b>
<b>At 1 February 2009</b>	386,148	(493)	11,201	-	13,153	(19,072)	390,937	3,563	394,500
Foreign currency translation	-	-	-	-	722	-	722	-	722
Profit for the year	-	-	-	-	-	2,241	2,241	(5)	2,236
<b>At 30 April 2009</b>	<b>386,148</b>	<b>(493)</b>	<b>11,201</b>	<b>-</b>	<b>13,875</b>	<b>(16,831)</b>	<b>393,900</b>	<b>3,558</b>	<b>397,458</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 2009.

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

**Condensed consolidated cash flow statement**  
**For the financial period ended 30 April 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	2,216	(14,132)
Net cash generated from investing activities	(4,670)	13,524
Net cash used in financing activities	(1,873)	(2,784)
Net increase in cash and cash equivalents	<u>(4,327)</u>	<u>(3,392)</u>
Effects of exchange rate changes	722	(509)
Cash and cash equivalents at beginning of the financial period	11,002	14,769
Cash and cash equivalents at end of the financial period	<u>7,398</u>	<u>10,868</u>

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

Cash and bank balances	13,531	19,490
Deposits	402	579
	<u>13,933</u>	<u>20,069</u>
Bank overdrafts	(6,536)	(9,201)
	<u>7,398</u>	<u>10,868</u>
Cash and bank balances classified as held for sale	-	-
	<u>7,398</u>	<u>10,868</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2009.

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

## **Interim financial report for the period ended 30 April 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 2009.

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 2009.

##### **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**

There were no unusual items that have material effects on the assets, liabilities, equity, net income, or cash flows for the current financial period.

##### **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 no issuance and repayment of debt and equity security, share buy-back, shares cancellation for the current financial period.

##### **A6. Dividends**

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

# TALAM CORPORATION BERHAD (1120-H)

Interim financial report for the period ended 30 April 2009

(The figures have not been audited)

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### A7. Segment Information

	3 months ended 30 April 2009 RM'000	3 months ended 30 April 2008 RM'000
<b>Segment Revenue</b>		
Property Investment and Development	58,257	47,356
Hotel and Recreation	3,119	3,525
Total / External Revenue	<u>61,376</u>	<u>50,881</u>
<b>Segment Results</b>		
Property Investment and Development	5,467	14,551
Hotel and Recreation	(3,221)	(2,554)
Profit before tax	<u>2,246</u>	<u>11,997</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

On 26 May 2009, Europlus Corporation Sdn. Bhd., a 99.99% owned subsidiary of the Company, had entered into a Sale and Purchase Agreement with TA First Credit Sdn. Bhd. ("TAFC") to dispose of a piece of vacant commercial land in Bukit Beruntung measuring approximately 73.61 acres to TAFC at a total purchase consideration of RM44.89 million. The sale proceeds generated will be utilized to partly settle the term loan facility granted by TAFC to Maxisegar Realty Sdn. Bhd., a wholly-owned subsidiary of the Company.

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

There were no material changes in the composition of the Group for the current financial period.

### A11. Contingent Liabilities

The Company has provided the following corporate guarantees: -

	RM'000
To financial institutions for	
- facilities granted to subsidiaries	226,691
- facilities granted to jointly controlled entities	<u>21,650</u>
To non-financial institutions for	
- facilities granted to subsidiaries	288,000
- purchase of land by subsidiaries	<u>201,634</u>

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

**Interim financial report for the period ended 30 April 2009**

*(The figures have not been audited)*

## **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 30 April 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 20.64% to RM61.38 million from RM50.88 million as recorded in the corresponding quarter of the preceding year. It was mainly due to higher progress billings generated by certain development projects which were completed and handed over during the quarter under review.

The Group recorded a pre-tax profit for the current quarter of RM2.25 million, as compared to the preceding year corresponding quarter of RM11.99 million. The reported profit of the preceding year corresponding quarter were substantially higher attributable to the one-off gain from compensation arising from government acquisition of land and reversal of finance cost over provided.

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

The Group recorded a pre-tax profit for the current quarter of RM2.25 million, as compared to the immediate preceding quarter of RM14.17 million. The reported profit of the immediate preceding quarter were substantially higher attributable 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 this is a challenging year. 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.

**TALAM CORPORATION BERHAD (1120-H)****Interim financial report for the period ended 30 April 2009***(The figures have not been audited)***NOTES TO CONDENSED FINANCIAL STATEMENTS****B5. Income Tax Expense**

	<b>Current Quarter ended 30 April 2009 RM '000</b>	<b>3 months Cumulative to 30 April 2009 RM '000</b>
Current tax expense	11	11
Over provision of prior year tax expense	(1)	(1)
	<u>10</u>	<u>10</u>
Profit before taxation	<u>2,246</u>	<u>2,246</u>
Effective Tax Rate	<u>0.45%</u>	<u>0.45%</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**

On 16 February 2009, 643,579,444 ordinary shares of RM0.60 each in the Company was subdivided into 1,930,738,332 ordinary shares of RM0.20 each in the Company (“Split Shares”) as the result of the share split involving the subdivision of every one (1) existing ordinary share of RM0.60 each into three (3) ordinary share of RM0.20 each in the Company. The Split Shares were listed and quoted on Bursa Malaysia Securities Berhad with effect from 17 February 2009. Concurrently, the authorised share capital of the Company has increased to RM2,000,000,000 divided into 8,000,000,000 ordinary share of RM0.20 each, 1,500,000,000 redeemable convertible preference shares of RM0.20 each and 1,000,000,000 irredeemable convertible preference shares of RM0.10 each.

The Securities Commission had vide its letter dated 6 May 2009 approved the proposed revision to the principal terms and condition of the RCSLS and settlement BaIDS (“Proposed Revision”) and is subject to, inter-alia, the following conditions:-

- (i) All relevant parties to the RCSLS and Settlement BaIDS including, but no limited to, trustee and rating agency, be fully informed of the Proposed Revision and, where applicable, obtain their consents thereto;
- (ii) RHB Investment Bank Berhad and the Company have undertaken all necessary due diligence in relation to the Proposed Revision;
- (iii) RHB Investment Bank Berhad and the Company to take the necessary steps to ensure compliance with Paragraph 4.1(iii) of the Guidelines on the Minimum Contents Requirements for Trust Deeds;



# TALAM CORPORATION BERHAD (1120-H)

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(The figures have not been audited)

## NOTES TO CONDENSED FINANCIAL STATEMENTS

- (iv) RHB Investment Bank Berhad and the Company to obtain all other regulatory approvals for the Proposed Revision, if any; and
- (v) RHB Investment Bank Berhad to submit a written confirmation on compliance with the above upon implementation of the Proposed Revision.

The Securities Commission had vide its letter dated 13 May 2009 further approved the following:-

- (i) Proposed transfer of redeemable convertible preference shares and redeemable convertible secured loan stocks (collectively known as “Securities”) from Kumpulan Darul Ehsan Berhad to 100 holders each holding 100 units of the Securities respectively to meet the public spread requirement of Bursa Malaysia Securities Berhad; and
- (ii) An extension of time to 29 June 2009 for the Company to complete the Regularisation Plan.

Bursa Malaysia Depository Sdn. Bhd. had vide its letter dated 22 May 2009 approved the proposed transfer of the Securities to be issued pursuant to the Regularisation Plan from Kumpulan Darul Ehsan Berhad to 100 holders each holding 100 units of the Securities respectively to meet the public spread requirement of Bursa Malaysia Securities Berhad via bulk transfer method.

The RCSLS, Settlement BaIDS and RCPS to be issued pursuant to the Regularisation Plan have yet to be issued to the lenders.

The directors are confident that the Regularisation Plan would be completed successfully within the approved extension of time to 29 June 2009.

### B9. Group Borrowings and Debt Securities

The Group’s borrowings and debt securities as at 30 April 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	634,231	30,161	664,392
Long term borrowings	85,859	0	85,859
	<u>720,090</u>	<u>30,161</u>	<u>750,251</u>

  

Foreign currency borrowings included above:	<b>Foreign</b>	<b>RM</b>
	<b>Currency</b>	<b>Equivalent</b>
	<b>’000</b>	<b>’000</b>
Chinese Renminbi	<u>70,722</u>	<u>37,301</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)

Interim financial report for the period ended 30 April 2009

(The figures have not been audited)

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### B11. Material Litigation

There was no change in material litigation since 31 January 2009 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 30 April 2009</b>	<b>3 months Cumulative to 30 April 2009</b>
Profit attributable to equity holders of the Company (RM'000)	2,241	2,241
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,699,339	1,699,339
Basic earnings per share (sen)	0.13	0.13

### 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 used in preparation of financial statement.
- 2) Audit qualifications on certain subsidiaries:
  - (i) the auditors have not obtained sufficient evidence to satisfy themselves as to the existence and ownership of the associates and impairment losses on the investment in and amount due from associates in the financial statements are appropriate.
  - (ii) the auditors have not obtained sufficient evidence to satisfy themselves whether impairment losses on the investment in and amount due from subsidiaries in the financial statements are appropriate.

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

**Interim financial report for the period ended 30 April 2009**

*(The figures have not been audited)*

**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 19 June 2009.

By order of the Board

Ting Kok Keong  
Company Secretary