

TRINITY CORPORATION BERHAD (1120 - H)
Interim Financial Report
Period ended 31 October 2012 for the financial year ending 31 January 2013
(The figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 October 2012

	Individual period		Cumulative period	
	Current year quarter 31/10/2012	Preceding Year quarter 31/10/2011	Current year to-date 31/10/2012	Preceding Year to-date 31/10/2011
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	54,346	37,013	183,413	434,784
Cost of sales	(51,949)	(31,380)	(152,491)	(420,723)
Gross profit	2,397	5,633	30,922	14,061
Other operating income (Note 1)	1,484	4,823	12,235	28,880
Gain on disposal of subsidiaries	21,870	-	21,870	-
Administrative and other expenses (Note 2)	(19,872)	(31,335)	(44,131)	(57,793)
Result from operating activities	5,879	(20,879)	20,896	(14,852)
Finance income	376	285	519	549
Finance costs	(7,897)	(7,462)	(32,140)	(38,211)
Loss before tax and share of results	(1,642)	(28,056)	(10,725)	(52,514)
Share of results in jointly controlled entities and associate companies	(398)	(273)	2,939	(162)
Loss before tax	(2,040)	(28,329)	(7,786)	(52,676)
Income tax expenses	269	313	(4,424)	(500)
Loss for the period	(1,771)	(28,016)	(12,210)	(53,176)
Other comprehensive income/(loss)				
Exchange difference on translation of foreign entity	5,400	(998)	6,370	(735)
Total comprehensive income/(loss) for the period	3,629	(29,014)	(5,840)	(53,911)
Profit/(Loss) for the period attributable to:				
Owners of the Company	(330)	(29,262)	(12,791)	(54,082)
Non-controlling Interests	(1,441)	1,246	581	906
	(1,771)	(28,016)	(12,210)	(53,176)
Total comprehensive (loss)/profit for the period attributable to:				
Owners of the Company	5,070	(30,260)	(6,421)	(54,817)
Non-controlling Interests	(1,441)	1,246	581	906
	3,629	(29,014)	(5,840)	(53,911)
Loss per share ("EPS") (in sen)				
Basic EPS	(0.01)	(0.74)	(0.32)	(1.45)
Diluted EPS	(0.01)	(0.74)	(0.32)	(1.45)

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Schedule A : Condensed Consolidated Statement of Comprehensive Income (Continue)
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	Individual period		Cumulative period	
	Current year quarter 31/10/2012	Preceding Year quarter 31/10/2011	Current year to-date 31/10/2012	Preceding Year to-date 31/10/2011
	RM'000	RM'000	RM'000	RM'000
NOTE :				
1) Included in the Other Operating Income:				
Gains on early conversion and redemption of convertible securities	1	21,104	511	21,104
Gain on disposal of investment property	-	-	79	-
Gain on disposal of property, plant and equipment	4	-	22	-
Provision for impairment on receivables no longer required	3	1,225	392	1,255
Provision for impairment on inventories no longer required	223	-	223	-
Rental income	247	22	743	218
Discount on settlement of debt	-	-	5,938	-
2) Included in the Administrative and Other Expenses:				
Depreciation	(1,575)	(2,455)	(4,787)	(4,381)
Provision for liquidated and ascertained damages	(821)	(837)	(2,329)	(837)
Provision for impairment on receivables	(4,004)	(1,688)	(5,344)	(1,688)
Provision for impairment on inventories	(95)	-	(95)	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

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Schedule B : Condensed Consolidated Statement of Financial Position
As at 31 October 2012

	Unaudited as at 31/10/2012 RM'000	Audited as at 31/1/2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	124,324	126,638
Land held for property development	636,382	622,165
Investment properties	108,497	109,806
Interest in jointly controlled entities	15,352	17,324
Interest in associates	3,837	3,926
Sinking funds held by trustees	1,757	35
Goodwill	26,822	26,822
Total non-current assets	916,971	906,716
Current assets		
Property development costs	566,581	632,897
Inventories	109,196	111,182
Trade and other receivables	219,438	253,335
Amount owing by associates	25,802	25,805
Amount owing by jointly controlled entities	22,641	20,187
Cash and bank balances	18,393	10,458
Assets held for sale	176,702	223,684
Total current assets	1,138,753	1,277,548
TOTAL ASSETS	2,055,724	2,184,264
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	812,798	811,195
Treasury shares	(493)	(493)
Reserves	(245,187)	(237,752)
Equity attributable to owners of the Company	567,118	572,950
Non-controlling interests	3,168	2,587
Total equity	570,286	575,537
Non-current liabilities		
Convertible securities	79,522	80,073
Borrowings	95,016	98,170
Provision for liability	18,538	19,562
Deferred tax liabilities	2,877	3,910
Total non-current liabilities	195,953	201,715
Current liabilities		
Provision for liability	7,502	7,502
Borrowings	265,464	283,480
Trade and other payables	838,952	933,623
Amount owing to associates	5,790	-
Amount owing to jointly controlled entities	42,602	45,128
Current tax liabilities	129,175	137,279
Total current liabilities	1,289,485	1,407,012
Total liabilities	1,485,438	1,608,727
TOTAL EQUITY AND LIABILITIES	2,055,724	2,184,264
Net assets per share attributable to Owners the Company (RM)	0.14	0.14

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2012

	Current year to-date 31/10/2012 RM'000	Preceding year to-date 31/10/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,786)	(52,676)
Adjustments for:		
Interest expenses:-		
- borrowings	28,678	30,740
- convertible securities	3,462	7,471
Impairment loss on receivables	5,344	1,688
Depreciation:		
- property, plant and equipment	4,020	3,778
- investment properties	767	603
(Gain) / Loss on disposal of:		
- property, plant and equipment	(22)	-
- investment properties	(79)	-
- subsidiaries	(21,870)	-
Impairment loss on inventories	95	-
Discount on settlement of debt	(5,938)	-
Gains on early conversion and redemption of convertible securities	(511)	(21,104)
Impairment loss on receivables no longer required	(392)	(1,255)
Impairment loss on inventories no longer required	(223)	-
Additional provision for liquidated and ascertained damages	2,329	837
Currency realignment	-	(8,659)
Share of results of jointly controlled entities and associates	(2,939)	162
Operating profit / (loss) before working capital	<u>4,935</u>	<u>(38,415)</u>
Changes in working capital:		
Property development costs	24,377	49,037
Asset held for sale	46,983	156,441
Inventories	478	6,039
Receivables	55,442	(150,685)
Payables	(85,368)	92,800
Income tax paid	(1,545)	-
Interest paid	(28,908)	(47,444)
Payment for liquidated and ascertained damages	(3,137)	(43)
Net Cash Generated From Operating Activities	<u>13,257</u>	<u>67,730</u>

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2012

	Current year to-date 31/10/2012 RM'000	Preceding year to-date 31/10/2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in associates balances	5,785	(5)
Net proceeds from disposal of:		
- property, plant and equipment	112	1,289
- investment properties	620	-
Dividends received	5,000	-
Net change in jointly controlled entities balances	(4,982)	153
Purchase of property, plant and equipment	(882)	-
Net cash outflow arising from disposal of subsidiaries	(21)	-
Addition to investment in associates	-	(4,000)
Net Cash Used In Investing Activities	<u>5,632</u>	<u>(2,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(15,538)	(67,084)
Net withdrawal of sinking funds held by trustees	(1,722)	-
Housing development accounts pledged as security values	107	(65)
Net Cash Used In Financing Activities	<u>(17,153)</u>	<u>(67,149)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,736	(1,982)
EFFECTS OF EXCHANGE DIFFERENCES	6,371	(6,261)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	10,286	13,255
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>18,393</u>	<u>5,012</u>
Cash in hand and bank balances	18,254	9,328
Deposits with licensed banks	<u>139</u>	<u>198</u>
	18,393	9,526
Bank overdrafts	-	(4,342)
Balances pledged as securities to licensed banks - HDA	<u>-</u>	<u>(172)</u>
	<u>18,393</u>	<u>5,012</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

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Schedule D : Condensed Consolidated Statement of Changes in Equity

For the financial period ended 31 October 2012

	Attributable to owners of the Company						Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Convertible Securities	Capital Reserves*	Accumulated Losses*	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2012	811,195	(493)	20,572	45,929	(304,253)	572,950	2,587	575,537
Convertible securities converted/redeemed during the financial period	1,603	-	(1,014)	-	-	589	-	589
Total comprehensive income for the financial period	-	-	-	6,370	(12,791)	(6,421)	581	(5,840)
Capital reserve realised upon disposal of certain subsidiary companies	-	-	-	(8,809)	8,809	-	-	-
At 31 October 2012	812,798	(493)	19,558	43,490	(308,235)	567,118	3,168	570,286
At 1 February 2011	682,094	(493)	65,061	47,120	(177,847)	615,935	3,592	619,527
Convertible securities converted/redeemed during the financial period	129,041	-	(51,363)	-	-	77,678	-	77,678
Total comprehensive income for the financial period	-	-	-	(735)	(54,082)	(54,817)	906	(53,911)
At 31 October 2011	811,135	(493)	13,698	46,385	(231,929)	638,796	4,498	643,294

* *Non-distributable*

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

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Schedule E : Significant Events and Transactions Pursuant to FRS 134 (Cont'd)

1. Basis of Preparation (Cont'd)

		Effective for the financial period beginning on or after
<u>Amendments/Improvements to FRSs (Cont'd)</u>		
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 101	Presentation of Financial Statements	1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 132	Financial Instruments : Presentation	1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
<u>New IC Int</u>		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate ("Transitioning Entities")*. The Transitioning Entities are given an option to defer adoption of the MFRSs framework for an additional 2 years. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework for an additional 2 years. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31 January 2015.

As at 31 January 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 *Agriculture* and IC Int 15 *Agreements for the Construction of Real Estate* as well as differences in effective dates contained in certain of the existing FRSs. As such, the main effects arising from the transition to the MFRSs Framework is as follows:

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

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Schedule E : Significant Events and Transactions Pursuant to FRS 134 (Cont'd)

2. Seasonality or Cyclicity of Operations

The business operations of the Group were not affected by any material seasonal or cyclical factor.

3. Unusual Items due to their Nature, Size or Incidence

There were no unusual items that have material effects on the assets, liabilities, equity, net income, or cash flows for the current year quarter except for the disposal of subsidiaries as disclosed in Note 8 below.

4. Changes in Estimates

There were no significant changes to estimates that have a material effect on the results of the Group for the current year quarter.

5. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities in the current year quarter other than the following:

	Current year Quarter 31/10/2012 Nos	Current year To-date 31/10/2012 Nos
<u>(a) Issuance of New Shares</u>		
- conversion of RCPS 2009/2014 of RM0.20 each to ordinary share of RM0.20 each	50,000	8,014,200
<u>(b) Redemption of Loan Stocks</u>		
- redemption and cancellation of RCCLS class A of RM0.20 each	-	15,398,750

6. Dividend

No dividend has been paid since the beginning of the current year quarter.

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Schedule E : Significant Events and Transactions Pursuant to FRS 134 (Cont'd)

7. Segment Information

The segment analysis for the Group for the current year to-date is as follows:-

<u>Segment Results</u>	Current quarter ended 31 October		Cumulative quarter to date ended 31 October	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Property Development and Investment	46,473	27,912	164,535	415,821
Hotel and Recreation	7,873	9,101	18,878	18,963
	<u>54,346</u>	<u>37,013</u>	<u>183,413</u>	<u>434,784</u>
	Current quarter ended 31 October		Cumulative quarter to date ended 31 October	
<u>Profit/(loss) before tax</u>	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Property Development and Investment	388	(27,832)	(1,868)	(48,444)
Hotel and Recreation	(2,428)	(497)	(5,918)	(4,232)
	<u>(2,040)</u>	<u>(28,329)</u>	<u>(7,786)</u>	<u>(52,676)</u>

8. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current year-to-date except for the following:-

(a) In respect of this quarter:

The Company disposed of fully its investment in its wholly-owned subsidiaries:

- Noblepace (M) Sdn. Bhd. (NMSB), consisting of 50,000 ordinary shares of RM1.00 each for a total consideration of RM1.00. NMSB and its wholly owned subsidiaries, Maxdale (M) Sdn. Bhd. and Talam Industries Sdn. Bhd. accordingly ceased to be subsidiaries of the Company, and
- Pandan Indah Medical Management Sdn. Bhd.(PIMM), consisting of 207,800 ordinary shares of RM1.00 each and 213,300 5% cumulative redeemable preference shares of RM1.00 each for a total consideration of RM2.00. PIMM and its wholly owned subsidiary, Talam Medical Centre Sdn Bhd accordingly ceased to be subsidiaries of the Company.

(b) In respect of the previous quarter:

The Company disposed of fully its investment in its wholly-owned subsidiary Talam Properties Sdn. Bhd., consisting of 5,000,000 ordinary shares of RM1.00 each for a total consideration of RM10.00.

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Schedule E : Significant Events and Transactions Pursuant to FRS 134 (Cont'd)

9. Contingent Liabilities

The Company has the following outstanding corporate guarantees:

	<u>RM'000</u>
<u>Unsecured:</u>	
Corporate guarantees given to financial institutions for :-	
- credit facilities granted to jointly controlled entities	4,660
- credit facilities granted to former subsidiary companies	2,146
	<u>6,806</u>
Corporate guarantee given to a contractor of a former subsidiary for contract works	8,245
	<u>15,051</u>
<u>Secured:</u>	
Assets pledged to financial institutions for credit facilities granted to Kumpulan Europlus Berhad group (The Group owes Kumpulan Europlus Berhad group RM31.55 million as at 31 October 2012)	37,311
	<u>52,362</u>

10. Events After the Reporting Period

There were no materials events subsequent to the current year quarter ended 31 October 2012 that have not been reflected in the financial statements.

On 14 December 2012, the Company announced that pursuant to a settlement with a third party, the Company shall apply to the Companies Commission of Malaysia and will table to the shareholders for approval at its Annual General Meeting on or before 31 July 2013 to change its name to another name not comprising the word "trinity".

11. Contingent Assets

As at the date of this report, the Group does not have any contingent assets.

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Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad

1. Review of Performance

For the current quarter

The Group recorded a revenue of RM54.35 million which is an increase of 46.85% over the preceding year quarter of RM37.01 million, mainly due to higher progress billings generated from the development projects. The Property Development and Investment Division accounted for 85.51% of the total revenue whereas Hotel and Recreation Division contributed only 14.49% of the total revenue.

The Group recorded a pre-tax loss of RM2.04 million compared to a pre-tax loss of RM28.33 million in the preceding year quarter. The lower pre-tax loss is mainly due a gain on disposal of subsidiaries of RM21.87 million and lower administrative and other expenses.

For the current year-to-date

The Group recorded a revenue of RM183.41 million which is a decrease of 57.82% over the preceding year-to-date of RM434.78 million mainly due to lower proceeds on sale of development lands. The Property Development and Investment Division accounted for 89.71% of the total revenue whereas Hotel and Recreation Division contributed only 10.29% of the total revenue.

The Group recorded a pre-tax loss of RM7.79 million compared to a pre-tax loss of RM52.68 million in the preceding year-to-date. The improvement was mainly due to better margin obtained on the billings at development projects and sale of development lands, gain on disposal of subsidiaries of RM21.87 million, lower finance costs and higher share of profits achieved by jointly controlled entities and associate companies.

2. Comparison with Preceding Quarter's Results (Quarter 3, 2013 vs Quarter 2, 2013)

	Current year Quarter 31 October 2012 RM'000	Immediate preceding Quarter 31 July 2012 RM'000
Revenue	54,346	77,949
Loss before tax	(2,040)	(4,522)

The Group recorded a revenue of RM54.35 million for the current year quarter, lower by 30.28% compared to RM77.95 million of the immediate preceding quarter. The pre-tax loss was RM2.04 million for the current year quarter, lower by 54.89% compared to pre-tax loss of RM4.52 million of the immediate preceding quarter.

The better result for the current year quarter is mainly due to the gain on disposal of subsidiaries as mentioned above and lower finance costs off-set by higher administrative and other expenses and share of losses by jointly controlled entities and associate companies.

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Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Main Market Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

3. Prospects

The Group has almost completed all of the uncompleted houses. Besides current joint venture development projects, the Group will continue to enter into joint venture projects with reputable corporations. The Group will launch new development projects once approvals are obtained from the relevant authorities. However, the Board foresees a challenging financial year ahead for the Group due to softening market condition brought about by tougher lending guidelines by Bank Negara Malaysia and an increasing construction costs environment.

On 31 March 2011, the shareholders of the Company have approved the proposed settlement of debts owing by the Group to Menteri Besar Selangor (Incorporated) ("MBI") by way of disposal of properties and cash payment ("MBI Settlement"). Pursuant to the principal and supplementary agreements entered with MBI on 12 March 2010 and 12 April 2010 respectively, the Group will dispose of RM676.09 million worth of properties in settlement of, principally, RM391.99 million due to MBI and RM266.26 million due to the lenders. This is the largest amongst several disposals undertaken in the last few years with a view to reduce gearing level of the Group. To date, the Group has partially completed the MBI Settlement.

4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document during the current year quarter.

5. Income Tax Expense

	Current year quarter 31/10/2012 RM'000	Current year to-date 31/10/2012 RM'000
<u>Group</u>		
Income tax - prior years	(21)	(5,290)
Deferred taxation - current year	290	866
	<u>269</u>	<u>(4,424)</u>

The deferred tax credit is in respect of the convertible securities.

6. Status of Corporate Proposals

There were no outstanding corporate proposals or new announcements made in the current year quarter.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Main Market Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

7. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 October 2012 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	265,464	-	265,464
Long term borrowings	95,016	-	95,016
RCCLS - A	42,901	-	42,901
RCCLS - B	11,379	-	11,379
RCPS	-	25,242	25,242
	414,760	25,242	440,002

	Foreign Currency '000	RM Equivalent '000
Foreign currency borrowings included above:		
Chinese Renminbi	90,170	44,111

8. Material Litigation

Save as disclosed below, neither Trinity Corporation Berhad ("Trinity") nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the business or financial position of the Group, and the Board has no knowledge of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the business or financial position of Trinity Group:

(i) Europlus Corporation Sdn Bhd ("EC")

The Inland Revenue Board has taken legal actions to claim sums of RM42.90 million from EC, a wholly-owned subsidiary of Trinity.

The Management is concurrently negotiating with the Inland Revenue Board for an amicable settlement.

The outcome of the legal actions will not have any material effect on the Group's financial position as the tax liabilities have been recognised in the financial statements.

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Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

8. Material Litigation (Cont'd)

(ii) Europus Berhad ("EB")

Judgment was obtained by Van Oord Acz Malaysia Sdn Bhd ("the Plaintiff") on 7 January 2009 for RM5,429,579 against EB, a wholly-owned subsidiary of Trinity.

The Plaintiff has accepted the settlement and EB have filed an application to court to suspend the winding-up order. However, the application was withdrawn with liberty to file afresh as there are two new proof of debt filed by two purchaser creditors. EB is negotiating with the two purchasers for an amicable settlement with both of them and is in the process of filing an application to Court to suspend / stay the winding up order.

The outcome of the legal action will not have any material effect on the Group's financial position as the obligation has been recognised in the financial statements.

(iii) Trinity Corporation Berhad

Trinity Corporation Berhad has initiated legal proceedings against Bangkok Bank Berhad ("BBB") for disposing a piece of property that is pledged to BBB for credit facilities granted to a related party, Keuro Leasing Sdn Bhd, a wholly owned subsidiary of Kumpulan Europus Berhad. The property, valued at RM48.70 million, is part and parcel of the properties being disposed to MBI under a settlement agreement entered into on 12 March 2010 between the Company and MBI which was made known to BBB. Despite its awareness of this settlement agreement, BBB, had on 7 September 2010, proceeded to auction the property to a purchaser for RM15.00 million which is well below the transacted value with MBI of RM48.70 million.

Based on legal counsel's advice, the Board of Directors of the Company believes that the Company has a reasonably good and valid claim in the legal action being taken. If necessary, the Company will identify a piece of land to replace the abovementioned land to MBI. The disposal of this property will not have any significant impact on completion of the MBI Settlement.

9. Proposed dividend

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

Interim Financial Report

Period ended 31 October 2012 for the financial year ending 31 January 2013

(The figures have not been audited)

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

10. Earnings Per Share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the loss for the current year quarter attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	Current year quarter 31 October 2012	Current year to-date 31 October 2012
Loss attributable to owners of the Company (RM'000)	(330)	(12,791)
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	4,053,352	4,053,346
Basic earning per share (sen)	(0.01)	(0.32)

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the loss for the current year quarter attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the effects of dilutive potential ordinary shares from conversion of RCPS and RCSLS. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares which would be issued on the conversion of the outstanding RCPS and RCSLS into ordinary shares. The RCPS and RCSLS are deemed to have been converted into ordinary shares at the beginning of the financial period.

	Current year quarter 31 October 2012	Current year to-date 31 October 2012
Adjusted loss attributable to owners of the Company (RM'000)	(330)	(12,791)
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	4,053,352	4,053,346
Adjustment for assumed conversion of RCPS ('000)	-*	-*
Adjustment for assumed conversion of RCSLS ('000)	-*	-*
Adjusted weighted average number of Ordinary shares in issue and issuable ('000)	4,053,352	4,053,346
Diluted earning per share (sen)	(0.01)	(0.32)

* The outstanding RCPS and RCSLS have been excluded from the computation of diluted earnings per ordinary share as their effect would be anti-dilutive.

Schedule F : Additional Disclosures Pursuant to Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad (Cont'd)

11. Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the accumulated losses of the Group as at 31 October 2012 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants on 20 December 2010.

	As at 31 October 2012 RM'000	As at 31 October 2011 RM'000
Total accumulated losses of the Group and its subsidiaries		
- Realised	(275,019)	(172,648)
- Unrealised	(26,040)	(50,379)
 Jointly controlled entities		
- Realised	4,882	1,870
 Associated companies		
- Realised	(12,058)	(10,772)
	<u>(308,235)</u>	<u>(231,929)</u>

12. Annual Audited Report

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2012 did not contain any qualification.

13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 December 2012.

By order of the Board

Raw Koon Beng
Company Secretary