

TALAM TRANSFORM BERHAD (1120 – H)
(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial year ended 31 January 2014
(The figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial year ended 31 January 2014

	Individual period		Cumulative period	
	Current year quarter 31/01/2014	Preceding Year quarter 31/01/2013	Current year to-date 31/01/2014	Preceding Year to-date 31/01/2013
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	111,136	29,223	171,712	212,636
Cost of sales	(91,589)	(21,688)	(129,655)	(174,179)
Gross profit	19,547	7,535	42,057	38,457
Other operating income (Note 1)	65,344	15,220	113,155	27,455
Gain on disposal of subsidiaries	6,336	45,534	12,661	67,404
Administrative and other expenses (Note 2)	(49,731)	(68,009)	(107,080)	(112,140)
Result from operating activities	41,496	280	60,793	21,176
Finance income	207	204	471	723
Finance costs	(14,001)	(9,272)	(56,898)	(41,412)
Profit/(Loss) before tax and share of results	27,702	(8,788)	4,366	(19,513)
Share of results in jointly controlled entities and associate companies	(347)	2,580	794	5,519
Profit/(Loss) before tax	27,355	(6,208)	5,160	(13,994)
Income tax credit	(891)	(1,581)	(47)	(6,005)
Profit/(Loss) for the period	26,464	(7,789)	5,113	(19,999)
Other comprehensive income				
Exchange difference on translation of foreign entity	(3,675)	147	1,349	6,517
Total comprehensive profit/(loss) for the period	22,789	(7,642)	6,462	(13,482)
Profit/(Loss) for the period attributable to:				
Owners of the Company	30,035	(7,354)	9,579	(20,145)
Non-controlling Interests	(3,571)	(435)	(4,466)	146
	26,464	(7,789)	5,113	(19,999)
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the Company	25,960	(7,207)	7,783	(13,628)
Non-controlling Interests	(3,171)	(435)	(1,321)	146
	22,789	(7,642)	6,462	(13,482)
Earning per share ("EPS") (in sen)				
Basic EPS	0.74	(0.18)	0.24	(0.50)
Diluted EPS	0.67	(0.18)	0.21	(0.50)

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Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial year ended 31 January 2014

	Individual period		Cumulative period	
	Current year quarter 31/01/2014	Preceding Year quarter 31/01/2013	Current year to-date 31/01/2014	Preceding Year to-date 31/01/2013
	RM'000	RM'000	RM'000	RM'000
NOTE :				
1) Included in the Other Operating Income:				
(Loss)/Gains on early conversion and redemption of convertible securities	314	381	1,919	892
Gain on disposal of investment properties	99,300	1,218	100,671	1,297
Provision for impairment on inventories no longer required	785	(223)	1,281	-
Provision for impairment on property development costs longer required	-	7,261	-	7,261
Rental income	229	277	1,179	1,020
Write back of provision for liquidated and ascertained damages	-	1,808	-	1,808
Discount on settlement of debt	-	-	-	5,938
2) Included in the Administrative and Other Expenses:				
Depreciation	(2,268)	(3,601)	(14,372)	(8,388)
(Loss)/Profit on disposal of property, plant and equipment	(18)	(573)	13	(551)
Property, plant and equipment written off	(70)	(5,761)	(73)	(5,761)
Provision for liquidated and ascertained damages	(103)	5,344	(1,029)	-
Provision for impairment on receivables	(29,883)	(29,591)	(842)	(33,381)
Provision for impairment on goodwill	(26,822)	-	(26,822)	-
Provision for impairment on inventories	(7,298)	95	(7,298)	-
Bad debts written off	-	(485)	(143)	(485)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2013 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 January 2014

	Unaudited as at 31/01/2014 RM'000	Audited as at 31/1/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	113,756	111,068
Land held for property development	475,487	702,823
Investment properties	110,401	112,310
Interest in jointly controlled entities	10,556	11,953
Interest in associates	3,606	3,816
Sinking funds held by trustees	11,647	2,224
Goodwill	-	26,822
Total non-current assets	725,453	971,016
Current assets		
Property development costs	415,439	478,550
Inventories	96,857	105,647
Trade and other receivables	301,284	193,650
Amount owing by associates	46,490	46,004
Amount owing by jointly controlled entities	-	179
Cash and bank balances	26,601	15,754
Assets held for sale	360,280	184,930
Total current assets	1,246,951	1,024,714
TOTAL ASSETS	1,972,404	1,995,730
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	816,197	812,920
Treasury shares	(493)	(493)
Reserves	(247,372)	(252,793)
Equity attributable to owners of the Company	568,332	559,634
Non-controlling interests	1,410	2,733
Total equity	569,742	562,367
Non-current liabilities		
Convertible securities	25,099	80,594
Borrowings	193,701	92,765
Provision for liability	6,064	8,825
Deferred tax liabilities	2,746	4,129
Total non-current liabilities	227,610	186,313
Current liabilities		
Convertible securities	47,845	-
Provision for liability	5,675	6,589
Borrowings	122,352	262,169
Trade and other payables	849,233	825,745
Amount owing to associates	901	-
Amount owing to jointly controlled entities	44,032	45,788
Current tax liabilities	105,014	106,759
Total current liabilities	1,175,052	1,247,050
Total liabilities	1,402,662	1,433,363
TOTAL EQUITY AND LIABILITIES	1,972,404	1,995,730
Net assets per share attributable to Owners of 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 2013 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 year ended 31 January 2014

	Current year to-date 31/01/2014 RM'000	Preceding year to-date 31/01/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	5,160	(13,994)
Adjustments for:		
Interest expenses:-		
- borrowings	52,533	36,779
- convertible securities	4,365	4,633
Impairment loss on receivables	842	35,353
Impairment loss on inventories required	7,298 (1,281)	- -
Impairment loss on goodwill	26,822	-
Impairment loss on property development costs	-	5,387
Depreciation:		
- property, plant and equipment	12,463	6,312
- investment properties	1,909	2,076
Bad debts written off	143	485
(Gain) / Loss on disposal of:		
- property, plant and equipment	(13)	551
- investment properties	(100,671)	(1,297)
- subsidiaries	(12,661)	(67,404)
Discount on settlement of debt	-	(5,938)
Gains on early conversion and redemption of convertible securities	1,919	(892)
Impairment loss on receivables recovered	-	(1,972)
Impairment loss on property development costs no longer required	-	(12,648)
(Reversal)Additional provision for liquidated and ascertained damages	1,029	(1,808)
Property, plant and equipment written off	73	5,761
Sub total carried forward	<u>(70)</u>	<u>(8,616)</u>

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 January 2014

	Current year to-date 31/01/2014	Preceding year to-date 31/01/2013
	RM'000	RM'000
CASH FLOWS FROM		
OPERATING ACTIVITIES		
(Cont'd)		
Sub total brought forward	(70)	(8,616)
Waiver of debts:		
Interest income	(471)	(723)
Share of results of jointly controlled entities and associates	(794)	(5,519)
Operating (loss)/profit before working capital	<u>(1,335)</u>	<u>(14,858)</u>
Changes in working capital:		
Land held for property development	-	(11,798)
Property development costs	63,111	45,952
Asset held for sale	33,770	111,201
Inventories	3,007	3,966
Receivables	(127,774)	42,238
Payables	31,455	(137,161)
Operating profit after working capital changes	<u>2,234</u>	<u>39,540</u>
Interest received	471	723
Income tax paid	(2,803)	(3,119)
Interest paid	(52,533)	(19,353)
Payment for liquidated and ascertained damages	(4,704)	(2,690)
Net Cash Generated From Operating Activities	<u>(57,335)</u>	<u>15,101</u>

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 January 2014

	Current year to-date 31/01/2014 RM'000	Preceding year to-date 31/01/2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in associates balances	414	(20,176)
Net proceeds from disposal of:		
- property, plant and equipment	21	5,354
- investment properties	118,887	1,839
Dividends received	2,400	11,000
Net change in jointly controlled entities balances	(1,577)	20,666
Purchase of property, plant and equipment	(1,251)	(1,171)
Net cash outflow arising from disposal of subsidiaries	(8)	(1,010)
Net Cash Generated/(Used) In Investing Activities	<u>118,886</u>	<u>16,502</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(41,296)	(24,129)
Net changes in sinking funds held by trustees	(9,423)	(2,189)
Housing development accounts pledged as security values	64	12
Net Cash Used In Financing Activities	<u>(50,655)</u>	<u>(26,306)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,896	5,297
EFFECTS OF EXCHANGE DIFFERENCES	15	11
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	15,594	10,286
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>26,505</u>	<u>15,594</u>
Cash in hand and bank balances	24,855	15,526
Deposits with licensed banks	1,746	228
	26,601	15,754
Balances pledged as securities to licensed banks - HDA	(96)	(160)
	26,505	15,594

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 January 2013 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 year ended 31 January 2014

	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 2013	812,920	(493)	19,159	43,637	(315,589)	559,634	2,733	562,367
Convertible securities converted/redeemed during the financial year	3,277	-	(2,362)	-	-	915	-	915
Total comprehensive loss for the financial year	-	-	-	(1,796)	9,579	7,783	(1,321)	6,462
Disposal of a subsidiary	-	-	-	-	-	-	(2)	(2)
Realisation of reserve on disposal of subsidiaries	-	-	-	(11)	11	-	-	-
At 31 January 2014	816,197	(493)	16,797	41,830	(305,999)	568,332	1,410	569,742
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 year	1,725	-	(1,413)	-	-	312	-	312
Total comprehensive income/(loss) for the financial year	-	-	-	6,517	(20,145)	(13,628)	146	(13,482)
Realisation of reserve on disposal of subsidiaries	-	-	-	(8,809)	8,809	-	-	-
At 31 January 2013	812,920	(493)	19,159	43,637	(315,589)	559,634	2,733	562,367

* *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 2013 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

1. Basis of Preparation

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 January 2013 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2013 except for the following revised FRSSs, amendment/improvement to FRSSs, new IC Int and amendments to IC Int which have been adopted during the financial period.

New FRSSs

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures of Interests in Other Entities
FRS 13	Fair Value Measurement

Revised FRSSs

FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures

Amendments/Improvement to FRSSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments : Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 132	Financial Instruments : Presentation
FRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
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Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments
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Schedule E : Significant Events and Transactions Pursuant to FRS 134 (Cont'd)

1. Basis of Preparation (Cont'd)

The Group has not early adopted the following standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:-

<u>New FRSs</u>		Effective for the financial period beginning on or after
FRS 9	Financial Instruments	To be announced by the MASB
 <u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting	1 July 2014
FRS 2	Share-based Payment	1 July 2014
FRS 3	Business Combinations	1 July 2014
FRS 7	Financial Instruments: Disclosures	Applies when FRS 9 is applied
FRS 8	Operating Segments	1 July 2014
FRS 9	Financial Instruments	To be announced by the MASB
FRS 10	Consolidated Financial Statements	1 January 2014
FRS 12	Disclosure of Interests in Other Entities	1 January 2014
FRS 13	Fair Value Measurement	1 July 2014
FRS 116	Property, Plant and Equipment	1 July 2014
FRS 119	Employee Benefits	1 July 2014
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statement	1 January 2014
FRS 132	Financial Instruments : Presentation	1 January 2014
FRS 136	Impairment of Assets	1 January 2014
FRS 138	Intangible Assets	1 July 2014
FRS 139	Financial Instruments : Recognition & Measurement	1 January 2014
FRS 140	Investment Property	1 July 2014
 <u>Amendments to IC Int</u>		
IC Int 21	Levies	1 January 2014

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 to financial periods beginning on or after 1 January 2014. 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 to financial year beginning on 1 February 2015. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31 January 2016.

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

1. Basis of Preparation (Cont'd)

As at 31 January 2013, 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 2014 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.

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.

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.

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

5. Debt and Equity Securities

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

	Current year Quarter 31/01/2014 Nos	Current year to-date 31/01/2014 Nos
<u>(a) Issuance of New Shares</u>		
- conversion of RCPS 2009/2014 of RM0.20 each to ordinary share of RM0.20 each	7,107,000	16,384,300
<u>(b) Redemption of Loan Stocks</u>		
- redemption and cancellation of RCCLS class A of RM0.20 each	-	38,525,000
- redemption and cancellation of RCCLS class B of RM0.20 each	-	11,000,000
Total	-	49,525,000

6. Dividend

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

7. Segment Information

The segment analysis for the Group for the quarter and year-to-date, as follow:-

	Quarter ended 31 January		Year-to-date ended 31 January	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Revenue</u>				
Property Development and Investment	104,697	23,539	146,192	188,074
Hotel and Recreation	6,439	5,684	25,520	24,562
	<u>111,136</u>	<u>29,223</u>	<u>171,712</u>	<u>212,636</u>
	Quarter ended 31 January		Year-to-date ended 31 January	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Profit/(Loss) before tax</u>				
Property Development and Investment	31,069	2,163	18,264	295
Hotel and Recreation	(3,714)	(8,371)	(13,104)	(14,289)
	<u>27,355</u>	<u>(6,208)</u>	<u>5,160</u>	<u>(13,994)</u>

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

8. Changes in the Composition of the Group

In respect of this quarter, the Company disposed of its investment in the following subsidiaries:

- Talam General Foods Sdn. Bhd., a wholly-owned subsidiary consisting of 2 ordinary shares of RM1.00 each for a total consideration of RM10.00.
- Talam Manufacturing Sdn. Bhd. (“TMSB”), a wholly-owned subsidiary consisting of 2 ordinary shares of RM1.00 each for a total consideration of RM10.00. TMS owned 100% equity interest in Crystal Ace Pte. Ltd., a company incorporated in Singapore and 100% equity interest in Talam Tractors Sdn. Bhd. and 99.77% equity interest in Talam Refrigeration Sdn. Bhd. both companies were incorporated in Malaysia.

In the previous quarters, the Company disposed of its investment in its wholly-owned subsidiary Ideal Synergy Sdn. Bhd., consisting of 350,000 ordinary share of RM1.00 each for a consideration of RM1.00.

9. Contingent Liabilities

	RM'000
(a) Corporate guarantees given to financial institutions for :-	
- credit facilities granted to jointly controlled entities	666
- credit facilities granted to associated company	6,000
	6,666
(b) Assets pledged to financial institutions for credit facilities granted to Kumpulan Europlus Berhad group (The Group owes Kumpulan Europlus Berhad group RM25.23 million as at 31 January 2014)	37,311
	43,977

10. Events After the Reporting Period

Other than the redemption of debt securities, RCSLS-B as disclosed in Note 7 of schedule F below, there were no material events subsequent to the current year quarter ended 31 January 2014 that have not been reflected in the financial statements.

11. Contingent Assets

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

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

1. Review of Performance

(a) Overall Results Commentary:

For the current quarter

The Group recorded revenue of RM111.14 million which is an increase of 280.36% when compared to the preceding year quarter of RM29.22 million. The improvement is mainly due to gain on disposals of development lands by the Property and Investment Division and additional new commercial tenancies achieved by the Hotel and Recreation Division. The Group achieved a pre-tax profit of RM27.36 million which is an increase of 540.58% compared to the preceding year quarter of pre-tax loss of RM6.21 million. The improvement is mainly due to gain on disposal of investment properties of RM99.30 million, reduced by provision for impairment on goodwill of RM26.82 million, higher finance costs and lower gain on disposal of subsidiaries.

For the current year-to-date

The Group recorded revenue of RM171.71 million which is a decrease of 19.25% when compared to the preceding year-to-date of RM212.64 million mainly due to lower progress billings achieved by the Property Development and Investment Division. The Group achieved a pre-tax profit in the current year-to-date of RM5.16 million which an increase of 136.88% compared to the preceding year-to-date pre-tax loss of RM13.99 million. The improvement is mainly due to gain on disposal of investment properties of RM100.67 million, reduced by provision for impairment on goodwill of RM26.82 million, higher finance costs and lower gain on disposal of subsidiaries.

(b) Segmental Results Commentary:

(i) Property Development and Investment Division

For the current quarter

The Division recorded revenue of RM104.70 million which is an increase of 344.77% when compared to the preceding year quarter of RM23.54 million mainly due to disposals of development lands. The pre-tax profit increased by 1,338.43% to RM31.07 million compared to the preceding year quarter of RM2.16 million. The improvement is mainly due to gain on disposal of investment properties of RM99.30 million, reduced by provision for impairment on goodwill of RM26.82 million, higher finance costs and lower gain on disposal of subsidiaries.

For the current year-to-date

The Division recorded revenue of RM146.19 million which is a decrease of 22.27% when compared to the preceding year-to-date of RM188.07 million mainly due to lower progress billings achieved. The pre-tax profit increased by to RM18.26 million compared to the preceding year-to-date of RM0.30 million. The improvement is mainly due to gain on disposal of investment properties of RM100.67 million, reduced by provision for impairment on goodwill of RM26.82 million, higher finance costs and lower gain on disposal of subsidiaries.

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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 (Cont'd)

(b) Segmental Results Commentary (Cont'd):

(ii) Hotel and Recreation Division

For the current quarter

The Division recorded revenue of RM6.44 million which is an increase of 13.38% when compared to the preceding year quarter of RM5.68 million mainly due additional new commercial tenancies achieved. The pre-tax loss decreased by 55.68% to RM3.71 million compared to the preceding year quarter of RM8.37 million mainly due to higher provision for property taxes in the preceding year quarter.

For the current year-to-date

The Division recorded revenue of RM25.52 million which is an increase of 3.91% when compared to the preceding year-to-date of RM24.56 million mainly due to additional new commercial tenancies and higher occupancy rate achieved. The pre-tax loss decreased by 8.33% to RM13.10 million compared to the preceding year-to-date of RM14.29 million. The improvement is mainly due to reasons mentioned above.

2. Comparison with Preceding Quarter's Results (Quarter 4, 2014 vs Quarter 3, 2014)

	31 January 2014	31 October 2013
	RM'000	RM'000
Revenue	111,136	19,317
Profit/(Loss) before tax	27,355	(14,259)

The Group recorded revenue of RM111.14 million for the current year quarter, higher by 475.26% compared to RM19.32 million of the immediate preceding quarter. The pre-tax profit was RM27.35 million for the current year quarter, higher by 291.80% compared to pre-tax loss of RM14.26 million of the immediate preceding quarter.

The improvement was mainly due to the reasons mentioned above.

3. Prospects

The Group has completed all of the uncompleted houses. Besides current joint venture development projects, the Group will continue to enter into joint ventures with reputable corporations to develop its land banks. 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 market conditions brought about by tougher lending guidelines by Bank Negara Malaysia and an increasing construction costs environment.

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.

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

5. Income Tax Expense

<u>Group</u>	Current year quarter 31/01/2014 RM'000	Current year to-date 31/01/2014 RM'000
Income tax		
- prior years	(116)	(41)
- current year	(971)	(1,017)
	(1,087)	(1,058)
Deferred taxation - current year	196	1,011
	(891)	(47)

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.

7. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 January 2014 are as follow:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	122,352	-	122,352
Long term borrowings	193,701	-	193,701
RCCLS - A	38,621	-	38,621
RCCLS - B	10,090	-	10,090
RCPS	-	24,233	24,233
	364,764	24,233	388,997

Subsequent to the balance sheet date, all of the RCCLS-B, were fully redeemed.

Foreign currency borrowings included above:	Foreign Currency '000	RM Equivalent '000
Chinese Renminbi	87,400	48,332

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

8. Material Litigation

Save as disclosed below, neither Talam Transform Berhad (“Talam”) 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 Talam Group:

(i) Euoplus Corporation Sdn Bhd (“EC”)

The Inland Revenue Board (“IRB”) has taken legal actions to claim sums of RM42.90 million from EC, a wholly-owned subsidiary of Talam.

The IRB has agreed with an amicable settlement and EC has commenced paying monthly instalments to settle the claim. The legal claim does not have any effect on the Group’s financial position as the tax liabilities have been fully provided in the financial statements.

(ii) Maxisegar Sdn Bhd (“MSB”)

The IRB has initiated legal proceeding for the outstanding tax payable for the sum of RM43.67 million against MSB, a wholly-owned subsidiary of Talam.

MSB had put forth a proposal and is in the midst of finalising a settlement with the IRB. On 12 February 2014 IRB and MSB entered a consent judgment and MSB has since commenced paying monthly instalments to settle the claim.

The settlement will not have any material effect on the Group’s financial position as the tax liabilities have been provided in the financial statements.

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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)

8. Material Litigation (Cont'd)

(iii) Talam Transform Berhad (“Talam”)

- (a) Talam 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 Europlus 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.

The Company’s applications against the successful bidder were not successful and the Company has now decided to proceed with full trial against BBB and the Court has fixed 5th to 9th May 2014 as a full trial date for the above matter.

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.

- (b) Talam has on 14 November 2013 via its lawyers initiated a legal proceeding for a sum of RM324 million as damages against Datuk Chua Tee Yong for utterance of defamatory statements against Talam on the media.

Datuk Chua Tee Yong has on 26 November 2013 via his lawyers filed an appearance with a view to defend.

On 10 February 2014, Datuk Chua Tee Yong via his lawyer filed an application to strike out the statement of claims (“the Application”) and the Application is now fixed for 18 April 2014 for hearing.

9. Proposed dividend

No dividend has been declared for the current year quarter.

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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 profit 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 January 2014	Current year to-date 31 January 2014
Profit attributable to owners of the Company (RM'000)	30,035	9,579
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	4,066,739	4,070,116
Basic earning per share (sen)	0.74	0.24

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the current year quarter attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year 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 year.

	Current year quarter 31 January 2014	Current year to-date 31 January 2014
Profit attributable to owners of the Company (RM'000)	30,035	9,579
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	4,066,739	4,070,116
Adjustment for assumed conversion of RCPS ('000)	139,294	139,294
Adjustment for assumed conversion of RCSLS ('000)	249,329	249,329
Adjusted weighted average number of Ordinary shares in issue and issuable ('000)	4,455,362	4,458,739
Diluted earning per share (sen)	0.67	0.21

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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 January 2014 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 January 2014 RM'000	As at 31 January 2013 RM'000
Total accumulated losses of the Group and its subsidiaries		
- Realised	(295,053)	(285,160)
- Unrealised	(11,739)	(19,543)
 Jointly controlled entities		
- Realised	1,003	1,193
 Associated companies		
- Realised	(210)	(12,079)
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	(305,999)	(315,589)

12. Annual Audited Report

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2013 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 28 March 2014.

By order of the Board

Raw Koon Beng
Company Secretary