

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

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 October 2014

	Individual period		Cumulative period	
	Current quarter 31/10/2014	Preceding quarter 31/10/2013	Current year to-date 31/10/2014	Preceding Year to-date 31/10/2013
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	49,971	19,317	220,625	60,576
Cost of sales	(39,352)	(7,426)	(187,784)	(38,066)
Gross profit	10,619	11,891	32,841	22,510
Other operating income (Schedule A Note 1)	6,718	13,006	64,303	47,811
Gain on disposal of subsidiaries	3,718	-	3,718	6,325
Administrative and other expenses (Schedule A Note 2)	(18,691)	(23,128)	(108,186)	(57,349)
Result from operating activities	2,364	1,769	(7,324)	19,297
Finance income	11,876	57	27,930	264
Finance costs	(9,833)	(15,642)	(25,564)	(42,897)
Profit/(Loss) before tax and share of results	4,407	(13,816)	(4,958)	(23,336)
Share of results in jointly controlled entities and associate companies	(41)	(443)	(332)	1,141
Profit/(Loss) before tax	4,366	(14,259)	(5,290)	(22,195)
Income tax	(1,093)	296	(4,499)	844
Profit/(Loss) for the period	3,273	(13,963)	(9,789)	(21,351)
Other comprehensive income				
Exchange difference on translation of foreign entity	1,180	9,722	(4,432)	5,024
Total comprehensive profit/(loss) for the period	4,453	(4,241)	(14,221)	(16,327)
Profit/(Loss) for the period attributable to:				
Owners of the Company	3,563	(13,072)	(8,220)	(20,456)
Non-controlling Interests	(290)	(891)	(1,569)	(895)
	3,273	(13,963)	(9,789)	(21,351)
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the Company	4,566	(6,095)	(11,988)	(18,177)
Non-controlling Interests	(113)	1,854	(2,233)	1,850
	4,453	(4,241)	(14,221)	(16,327)
Earnings per share ("EPS") (in sen)				
Basic	0.09	(0.32)	(0.20)	(0.50)
Diluted	0.09	(0.32)	(0.20)	(0.50)

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(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
(The figures have not been audited)

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

	Individual period		Cumulative period	
	Current year quarter 31/10/2014	Preceding Year quarter 31/10/2013	Current year to-date 31/10/2014	Preceding Year to-date 31/10/2013
	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	-	-	9,667	1,605
Gain on disposal of investment properties	-	360	-	1,371
(Loss)/Gain on disposal of property, plant and equipment	27	31	85	31
Provision for impairment on receivables no longer required	17	10,534	570	37,247
Provision for impairment on inventories no longer required	912	112	1,551	496
Rental income	60	361	(328)	950
Waiver of debts	-	-	45,675	-
2) Included in the Administrative and Other Expenses:				
Depreciation	(1,759)	(9,109)	(5,314)	(12,104)
Loss on disposal of property, plant and equipment	-	3	-	-
Compensation paid for termination of development project	-	-	(8,708)	-
Property, plant and equipment written off	-	(3)	(11)	(3)
Provision for liquidated and ascertained damages	(481)	(654)	(1,676)	(926)
Provision for impairment on receivables	-	(2,051)	(3,905)	(8,206)
Provision for impairment on property development	-	-	(46,300)	-
Provision for impairment on inventories	(2,650)	-	(8,798)	-
Bad debts written off	-	(143)	-	(143)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to the interim financial report.

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

Schedule B : Condensed Consolidated Statement of Financial Position
As at 31 July 2014

	Unaudited	Audited
	as at	as at
	31/10/2014	31/1/2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	106,937	113,756
Land held for property development	435,622	482,738
Investment properties	108,968	110,400
Interest in joint ventures	10,111	10,556
Interest in associates	3,469	3,606
Long term receivables	31,662	48,053
Total non-current assets	696,769	769,109
Current assets		
Property development costs	417,913	411,054
Inventories	88,076	95,948
Trade and other receivables	175,910	215,832
Amount owing by associates	21,644	47,500
Amount owing by jointly controlled entities	117,921	-
Sinking funds held by trustees	9	11,647
Cash and bank balances	24,020	24,261
	845,493	806,242
Assets held for sale	191,937	340,887
Total current assets	1,037,430	1,147,129
TOTAL ASSETS	1,734,199	1,916,238

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

Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 31 July 2014

	Unaudited as at 31/10/2014 RM'000	Audited as at 31/1/2014 RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	844,056	816,197
Treasury shares	(493)	(493)
Reserves	(267,617)	(243,917)
Equity attributable to owners of the Company	575,946	571,787
Non-controlling interests	1,472	3,893
Total equity	577,418	575,680
Non-current liabilities		
Borrowings	181,713	208,701
Other long term payables	-	114,811
Provision for liability	3,256	3,789
Deferred tax liabilities	926	2,121
Total non-current liabilities	185,895	329,422
Current liabilities		
Convertible securities	-	72,944
Provision for liability	7,272	7,950
Borrowings	59,271	81,752
Trade and other payables	771,509	697,221
Amount owing to associates	23	-
Amount owing to joint ventures	27,148	44,032
Current tax liabilities	105,663	107,237
Total current liabilities	970,886	1,011,136
Total liabilities	1,156,781	1,340,558
TOTAL EQUITY AND LIABILITIES	1,734,199	1,916,238
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 2014 and the accompanying explanatory notes attached to the interim financial report.

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

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2014

	Current year to-date 31/10/2014 RM'000	Preceding year to-date 31/10/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(5,290)	(22,195)
Adjustments for:		
Interest expenses:-		
- borrowings	15,673	39,603
- convertible securities	1,471	3,294
Impairment loss on receivables	3,335	8,206
Impairment loss on inventories	7,247	-
Impairment loss on property development costs	46,300	-
Depreciation:		
- property, plant and equipment	3,881	10,671
- investment properties	1,433	1,433
Bad debts written off	-	143
Finance liabilities at amortised costs	(27,369)	-
Finance assets at amortised costs	9,890	-
(Gain) / Loss on disposal of:		
- property, plant and equipment	(85)	(31)
- investment properties	-	(1,371)
- subsidiaries	-	(6,325)
Gains on early conversion and redemption of convertible securities	(9,667)	(1,605)
Impairment loss on receivables recovered	-	(37,247)
Impairment loss on inventories recovered	-	(496)
Additional provision for liquidated and ascertained damages	1,676	926
Property, plant and equipment written off	11	3
Waiver of debts	(45,675)	-
Interest income	(560)	(264)
Share of results of joint ventures and associates	332	(1,141)
Operating profit/(loss) before working capital changes	<u>2,603</u>	<u>(6,396)</u>
Changes in working capital:		
Property development costs	(6,045)	58,984
Asset held for sale	(61,231)	(1,431)
Inventories	568	5,557
Receivables	80,407	30,341
Payables	(7,002)	25,751
Operating profit after working capital changes	<u>9,300</u>	<u>112,806</u>
Interest received	560	264
Income tax paid	(6,565)	(1,995)
Interest paid	(15,673)	(39,603)
Payment for liquidated and ascertained damages	(2,887)	(2,756)
Net Cash Generated From Operating Activities	<u>(15,265)</u>	<u>68,716</u>

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(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
(The figures have not been audited)

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2014

	Current year to-date 31/10/2014 RM'000	Preceding year to-date 31/10/2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in associates balances	25,856	(106)
Net proceeds from disposal of:		
- assets held for sales	210,181	-
- property, plant and equipment	102	34
- investment properties	-	7,007
Dividends received	-	2,400
Net change in joint ventures balances	(134,306)	(217)
Purchase of property, plant and equipment	(575)	(396)
Net cash outflow arising from disposal of subsidiaries	-	(1)
Net Cash Generated In Investing Activities	<u>101,258</u>	<u>8,721</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Repayment of borrowings	(47,984)	(72,776)
Net changes in sinking funds held by trustees	11,638	800
Housing development accounts pledged as security values	-	64
Payment to financial liabilities	(49,865)	-
Net Cash Used In Financing Activities	<u>(86,211)</u>	<u>(71,912)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(218)	5,525
EFFECTS OF EXCHANGE DIFFERENCES	(23)	7
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	24,165	15,594
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>23,924</u>	<u>21,126</u>
Cash in hand and bank balances	21,418	20,245
Deposits with licensed banks	<u>2,602</u>	<u>977</u>
	24,020	21,222
Balances pledged as securities to licensed banks - HDA	<u>(96)</u>	<u>(96)</u>
	<u>23,924</u>	<u>21,126</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to the interim financial report.

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

Schedule D: Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 October 2014

	Attributable to owners of the Company							Non-Controlling Interests	Total Equity
	Non - Distributable						Total		
	Share Capital	Share Premium	Treasury Shares	Convertible Securities	Capital Reserves	Accumulated Losses			
RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	
At 1 February 2014	816,197	-	(493)	16,797	44,443	(305,157)	571,787	3,893	575,680
Convertible securities converted/redeemed during the financial year	27,859	4,647	-	(16,797)	-	-	15,709	-	15,709
Total comprehensive loss for the financial year	-	-	-	-	(3,768)	(8,220)	(11,988)	(2,233)	(14,221)
Acquisition of subsidiary	-	-	-	-	-	-	-	250	250
Acquisition of non-controlling interest	-	-	-	-	-	438	438	(438)	-*
At 31 October 2014	844,056	4,647	(493)	-	40,675	(312,939)	575,946	1,472	577,418
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	1,855	-	-	(1,969)	-	-	(114)	-	(114)
Total comprehensive income/(loss) for the financial year	-	-	-	-	2,279	(20,456)	(18,177)	1,850	(16,327)
Realisation of reserve on disposal of subsidiaries	-	-	-	-	(100)	100	-	-	-
At 31 October 2013	814,775	-	(493)	17,190	45,816	(335,945)	541,343	4,583	545,926

* Represent amount less than RM1,000/-

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to the interim financial report.

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

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 2014 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 2014 except for the following revised FRSS, amendment/improvement to FRSS, new IC Int and amendments to IC Int which have been adopted during the financial period.

Amendments/Improvement to FRSS

FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 127	Separate Financial Statement
FRS 132	Financial Instruments : Presentation
FRS 136	Impairment of Assets
FRS 139	Financial Instruments : Recognition & Measurement

Amendments to IC Int

IC Int 21	Levies
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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:-

		Effective for the financial period beginning on or after
<u>New FRSS</u>		
FRS 9	Financial Instruments	To be announced by the MASB
FRS 14	Regulatory Deferral Accounts	1 January 2016
<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 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interest in Other Entities	1 January 2014
FRS 13	Fair Value Measurement	1 July 2014
FRS 116	Property, Plant and Equipment	1 July 2014 and 1 January 2016
FRS 119	Employee Benefits	1 July 2014
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instrument : Presentation	1 January 2014

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

Schedule E : Significant Events and Transactions Pursuant to FRS 134

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>Amendments/Improvements to FRSs</u>		Effective for the financial period beginning on or after
FRS 136	Impairment of Assets	1 January 2014
FRS 138	Intangible Assets	1 July 2014 and 1 January 2016
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2014
FRS 140	Investment Property	1 July 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.

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.

TALAM TRANSFORM BERHAD (1120 – H)
(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
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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.

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 and current year-to-date, other than the following:

	Current Quarter 31/10/2014 Nos	Current year to-date 31/10/2014 Nos
<u>(a) Issuance of New Shares</u>		
- conversion of Redeemable Convertible Preference Share ("RCPS") 2009/2014 of RM0.20 each to ordinary share of RM0.20 each	-	139,294,473
<u>(b) Redemption of Loan Stocks</u>		
- redemption and cancellation of Redeemable Convertible Secured Loan Stock ("RCSLS") class A of RM0.20 each	-	197,716,250
- redemption and cancellation of RCSLS class B of RM0.20 each	-	51,612,905
Total	-	249,329,155

6. Dividend

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

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

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

7. Segment Information

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

	Quarter ended 31 October		Year-to-date ended 31 October	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Revenue</u>				
Property Development and Investment	47,300	11,727	212,809	41,495
Hotel and Recreation	<u>2,671</u>	<u>7,590</u>	<u>7,816</u>	<u>19,081</u>
	<u>49,971</u>	<u>19,317</u>	<u>220,625</u>	<u>60,576</u>
	Quarter ended 31 October		Year-to-date ended 31 October	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Profit/(Loss) before tax</u>				
Property Development and Investment	7,157	(10,646)	2,631	(12,805)
Hotel and Recreation	<u>(2,791)</u>	<u>(3,613)</u>	<u>(7,921)</u>	<u>(9,390)</u>
	<u>4,366</u>	<u>(14,259)</u>	<u>(5,290)</u>	<u>(22,195)</u>

8. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.

9. Contingent Liabilities

	<u>RM'000</u>
(a) Corporate guarantees given to financial institutions for credit facilities granted to associated company	4,500
(b) Assets pledged to financial institutions for credit facilities granted to Kumpulan Europlus Berhad group (The Group owes Kumpulan Europlus Berhad group RM24.21 million as at 31 October 2014)	31,326
	<u>35,826</u>

10. Events After the Reporting Period

There were no material events subsequent to current quarter ended 31 October 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.

TALAM TRANSFORM BERHAD (1120 – H)
(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
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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

(a) Overall Results Commentary:

For the current quarter

The Group recorded revenue of RM49.97 million, a 159% increase over the RM19.32 million generated during last year's corresponding quarter. The improvement is mainly due to disposal of development lands by the Property Development and Investment Division.

Group pre-tax profit was RM4.37 million compared to a pre-tax loss of RM14.26 million for the same quarter last year. The improvement is mainly due to higher finance income of RM11.88 million.

For the current year-to-date

Revenue for the Group rose to RM220.63 million from RM60.58 million, a year-on-year increase of 264%. The improvement is mainly due to disposal of development lands by the Property Development and Investment Division.

The Group recorded a pre-tax loss of RM5.29 million compared to pre-tax loss of RM22.20 million for the corresponding period of the preceding year. The better result was mainly contributed by higher gross profits and improvement in finance income and cost, but mitigated by higher administrative and other expenses.

(b) Segmental Results Commentary:

(i) Property Development and Investment Division

For the current quarter

The Division recorded revenue of RM47.30 million, a year-on-year increase of 303% over RM11.73 million. The improvement is mainly due to disposal of development lands during the current quarter.

The division recorded a pre-tax profit of RM7.16 million compared to a pre-tax loss of RM10.65 million for the same quarter last year. The improvement is mainly due to higher gross profit.

For the current year-to-date

The Group recorded revenue of RM212.81 million, an increase of 413% over the RM41.50 million from the corresponding period of the preceding year. The improvement is mainly due to disposal of development lands during the current year.

The Group recorded a pre-tax profit of RM2.63 million compared to the pre-tax loss of RM12.81 million reported for the same period last year. The improved profitability was mainly contributed by higher gross profits and improvement in finance income and cost, but mitigated by higher administrative and other expenses.

TALAM TRANSFORM BERHAD (1120 – H)
(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
(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)

1. Review of Performance

(b) Segmental Results Commentary:

(ii) Hotel and Recreation Division

For the current quarter

The Division's revenue fell to RM2.67 million from RM7.59 million, down 65% from the same quarter of the preceding year mainly due to the termination of tenancies by long staying Japanese guests.

The division recorded a lower pre-tax loss of RM2.79 million compared to a pre-tax loss of RM3.61 million for the corresponding quarter of the previous year mainly due to lower administrative and other expenses incurred.

For the current year-to-date

The Group's revenue fell 59% to RM7.82 million against the same period of the preceding year. The poorer result was mainly due to reasons explained above.

However, the Group's pre-tax loss improved to RM7.92 million from RM9.39 million year-on-year. The improvement was mainly due to greater operating income in the current year-to-date period.

2. Comparison with Preceding Quarter's Results (Quarter 3, 2015 vs Quarter 2, 2015)

	Current Quarter	Immediate preceding Quarter
	31 Oct 2014	31 July 2014
	RM'000	RM'000
Revenue	49,971	88,734
Profit before tax	4,366	10,492

The Group recorded a quarterly decrease of 43.68% in revenue to RM49.97 million from RM88.73 million. Pre-tax profit fell to RM4.37 million for the current quarter, compared to a pre-tax profit of RM10.49 million for the preceding quarter.

The decline in profits was mainly due to reduced sale of lands.

TALAM TRANSFORM BERHAD (1120 – H)
(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
(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)

3. Prospects

The Group will continue to enter into joint ventures with reputable corporations to develop its land banks, in addition to the current joint venture development projects. 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.

5. Income Tax Expense

	Current quarter	Current year to-date
<u>Group</u>	31/10/2014	31/10/2014
	RM'000	RM'000
Income tax		
- prior years	(219)	(219)
- current year	(191)	(4,648)
	(410)	(4,867)
Deferred taxation - current year	(683)	368
	(1,093)	(4,499)

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 quarter.

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

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 2014 are as follow:

	Total	
	RM'000	
<u>Secured</u>		
Short term borrowings		59,271
Long term borrowings		181,713
		240,984
	Foreign	RM
Foreign currency borrowings included above:	Currency	Equivalent
	'000	'000
Chinese Renminbi	81,957	43,929

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:

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 Menteri Besar Selangor (Incorporated) ("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 decided to proceed with full trial against BBB. The Court has fixed 08, 09, 10 and 12 December 2014 and 15, 16 and 17 December 2014 as full trial dates 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.

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

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)

(i) Talam Transform Berhad ("Talam")

- (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 and the Company has via its lawyer on 8 April 2014 filed an application to amend the statement of claims and included Star Publications (M) Bhd ("STAR") as co-defendant to the proceeding. Both applications were heard on 8 May 2014 and the Court struck out the defendant's application and allowed the Company's application to be amended to include STAR as co-defendant and has fixed 17,18 & 19 November 2014 for hearing.

However, the Parties have reached an amicable settlement and the suit was withdrawn on 10 October 2014.

9. Proposed dividend

No dividend has been declared for the current quarter.

10. 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.

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.

During the current year quarter, all RCPS and RCSLS had been redeemed and converted.

	Current quarter	Current year
	31 Oct 2014	to-date
	RM'000	31 Oct 2014
		RM'000
Weighted average number of ordinary shares in issue, excluding treasury shares	4,189,463	4,189,463
Profit attributable to owners of the Company	3,563	(8,220)
Earnings per share ("EPS") (in sen)		
Basic	0.09	(0.20)
Diluted	0.09	(0.20)

TALAM TRANSFORM BERHAD (1120 – H)
(Formerly known as Trinity Corporation Berhad)
Financial Report for the financial period ended 31 October 2014
(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)

11. Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the accumulated profits/(losses) of the Group as at 31 October 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 Oct 2014 RM'000	As at 31 Oct 2013 RM'000
Total accumulated losses of the Group and its subsidiaries		
- Realised	(302,079)	(320,439)
- Unrealised	(10,528)	(16,647)
 Joint ventures		
- Realised	(196)	1,232
 Associated companies		
- Realised	(136)	(91)
	<hr/> (312,939)	<hr/> (335,945)

12. Annual Audited Report

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2014 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 12 December 2014.

By order of the Board

Soo Kah Pik
 Company Secretary