

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial year ended 31 January 2015
(The figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial year ended 31 January 2015

| | Individual period | | Cumulative period | |
|---|-------------------|-------------------|----------------------|------------------------|
| | Current quarter | Preceding quarter | Current year to-date | Preceding Year to-date |
| | 31/01/2015 | 31/01/2014 | 31/01/2015 | 31/01/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Continuing Operations | | | | |
| Revenue | 79,765 | 149,940 | 292,574 | 191,435 |
| Cost of sales | (65,870) | (136,264) | (249,892) | (169,369) |
| Gross profit | 13,895 | 13,676 | 42,682 | 22,066 |
| Other operating income (Schedule A Note 1) | 12,384 | 62,662 | 76,626 | 110,473 |
| Gain on disposal of subsidiaries | 13,896 | 6,411 | 17,614 | 12,736 |
| Administrative and other expenses (Schedule A Note 2) | (134,486) | (50,848) | (233,656) | (87,355) |
| Result from operating activities | (94,311) | 31,901 | (96,734) | 57,920 |
| Finance income | 7,988 | 18,068 | 35,918 | 18,328 |
| Finance costs | (7,053) | (13,594) | (29,597) | (53,819) |
| Profit/(Loss) before tax and share of results | (93,376) | 36,375 | (90,413) | 22,429 |
| Share of results in jointly controlled entities and associate companies | (2,197) | (348) | (2,529) | 793 |
| Profit/(Loss) before tax | (95,573) | 36,027 | (92,942) | 23,222 |
| Income tax | (35,075) | (2,497) | (39,574) | (1,653) |
| Profit/(Loss) from continuing operations, net of tax | (130,648) | 33,530 | (132,516) | 21,569 |
| Loss from discontinuing operations, net of tax (Schedule E Note 7) | (4,463) | (4,203) | (12,384) | (13,593) |
| Profit/(Loss) for the period | (135,111) | 29,327 | (144,900) | 7,976 |

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

| | Individual period | | Cumulative period | |
|---|--|--|--|--|
| | Current year quarter 31/01/2015 RM'000 | Preceding Year quarter 31/01/2014 RM'000 | Current year to-date 31/01/2015 RM'000 | Preceding Year to-date 31/01/2014 RM'000 |
| Other comprehensive income | | | | |
| Exchange difference on translation of foreign entity | 7,342 | (600) | 2,910 | 4,424 |
| Total comprehensive profit/(loss) for the period | (127,769) | 28,727 | (141,990) | 12,400 |
| Profit/(Loss) for the period attributable to: | | | | |
| Owners of the Company | | | | |
| - continuing operations | (124,091) | 37,051 | (125,578) | 21,975 |
| - discontinuing operations | (3,794) | (6,174) | (10,527) | (11,554) |
| | (127,885) | 30,877 | (136,105) | 10,421 |
| Non-controlling Interests | (7,226) | (1,550) | (8,795) | (2,445) |
| | (135,111) | 29,327 | (144,900) | 7,976 |
| Total comprehensive profit/(loss) for the period attributable to: | | | | |
| Owners of the Company | | | | |
| - continuing operations | (119,249) | 33,498 | (120,738) | 19,032 |
| - discontinuing operations | (1,669) | (4,083) | (12,168) | (7,794) |
| | (120,918) | 29,415 | (132,906) | 11,238 |
| Non-controlling Interests | (6,851) | (688) | (9,084) | 1,162 |
| | (127,769) | 28,727 | (141,990) | 12,400 |
| Earnings per share from continuing operations attributable to owners of parent (in sen) | | | | |
| Earnings per share ("EPS") (in sen) | | | | |
| Basic | (3.06) | 0.76 | (3.26) | 0.26 |
| Diluted | (3.06) | 0.73 | (3.26) | 0.23 |
| Earnings per share from discontinuing operations attributable to owners of parent (in sen) | | | | |
| Basic | (0.09) | 0.05 | (0.25) | (0.28) |
| Diluted | (0.09) | 0.03 | (0.25) | (0.26) |

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Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial year ended 31 January 2015

| | Individual period | | Cumulative period | |
|--|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
| | Current year quarter 31/01/2015 | Preceding Year quarter 31/01/2014 | Current year to-date 31/01/2015 | Preceding Year to-date 31/01/2014 |
| | 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 | - | (121) | - | 1,484 |
| Gain on disposal of investment properties | 8,749 | 99,283 | 8,749 | 100,654 |
| (Loss)/Gain on disposal of property, plant and equipment | 61 | (18) | 85 | 13 |
| Provision for impairment on receivables no longer required | 7,021 | (29,215) | 7,591 | 8,032 |
| Provision for impairment on inventories no longer required | 896 | 785 | 2,447 | 1,281 |
| Rental income | 55 | 229 | (273) | 1,179 |
| Waiver of debts | - | - | 45,675 | - |
| 2) Included in the Administrative and Other Expenses: | | | | |
| Depreciation | 394 | (529) | (1,187) | (2,131) |
| Compensation paid for termination of development project | - | - | (8,708) | - |
| Property, plant and equipment written off | (26) | (66) | (26) | (66) |
| Provision for liquidated and ascertained damages | (1,179) | 888 | (2,855) | (38) |
| Provision for impairment on receivables | (36,845) | (4,720) | (40,750) | (12,894) |
| Provision for impairment on goodwill | - | (26,822) | - | (26,822) |
| Provision for impairment on land held for property development | (54,850) | (3,799) | (54,850) | (3,799) |
| Provision for impairment on property development | (17,648) | (4,432) | (63,948) | (4,432) |
| Provision for impairment on inventories | (9,095) | - | (17,893) | - |
| Bad debts written off | (423) | (45) | (423) | (188) |

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.

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(The figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position
As at 31 January 2015

| | Unaudited | Audited |
|---|-------------------|------------------|
| | as at | as at |
| | 31/01/2015 | 31/1/2014 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,265 | 113,756 |
| Land held for property development | 505,182 | 482,738 |
| Investment properties | 71,251 | 110,400 |
| Interest in joint ventures | 8,253 | 10,556 |
| Interest in associates | 8,180 | 3,606 |
| Other investment | 476 | - |
| Long term receivables | 33,532 | 48,053 |
| Total non-current assets | 628,139 | 769,109 |
| Current assets | | |
| Property development costs | 240,832 | 411,054 |
| Inventories | 66,828 | 95,948 |
| Trade and other receivables | 146,268 | 215,832 |
| Amount owing by associates | 20,021 | 47,500 |
| Amount owing by jointly controlled entities | 135,348 | - |
| Sinking funds held by trustees | 2 | 11,647 |
| Cash and bank balances | 29,590 | 24,261 |
| | 638,889 | 806,242 |
| Assets held for sale | 232,145 | 340,887 |
| Total current assets | 871,034 | 1,147,129 |
| TOTAL ASSETS | 1,499,173 | 1,916,238 |

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(The figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 31 January 2015

| | Unaudited as at 31/01/2015 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 | (378,860) | (243,917) |
| Equity attributable to owners of the Company | 464,703 | 571,787 |
| Non-controlling interests | (5,629) | 3,893 |
| Total equity | 459,074 | 575,680 |
| Non-current liabilities | | |
| Borrowings | 121,678 | 208,701 |
| Other long term payables | - | 114,811 |
| Provision for liability | 3,730 | 3,789 |
| Tax liabilities | 55,228 | - |
| Deferred tax liabilities | 926 | 2,121 |
| Total non-current liabilities | 181,562 | 329,422 |
| Current liabilities | | |
| Convertible securities | - | 72,944 |
| Provision for liability | 7,272 | 7,950 |
| Borrowings | 101,762 | 81,752 |
| Trade and other payables | 576,793 | 697,221 |
| Amount owing to joint ventures | 33,564 | 44,032 |
| Current tax liabilities | 80,853 | 107,237 |
| | 800,244 | 1,011,136 |
| Liabilities directly associated with assets classified as held for sale | 58,293 | - |
| Total current liabilities | 858,537 | 1,011,136 |
| Total liabilities | 1,040,099 | 1,340,558 |
| TOTAL EQUITY AND LIABILITIES | 1,499,173 | 1,916,238 |
| Net assets per share attributable to Owners of the Company (RM) | 0.11 | 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.

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 January 2015

| | Current year ended 31/01/2015 RM'000 | Preceding year ended 31/01/2014 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax from continuing operations | (92,942) | 23,222 |
| Loss before tax from discontinued operation | (12,384) | (13,593) |
| Adjustments for: | | |
| Interest expenses:- | | |
| - borrowings | 27,686 | 53,377 |
| - convertible securities | 1,471 | 4,363 |
| Impairment loss on receivables | 32,886 | 12,875 |
| Impairment loss on inventories | 17,893 | - |
| Impairment loss on goodwill | - | 26,822 |
| Impairment loss on land held for property development | 54,850 | 3,799 |
| Impairment loss on property development costs | 63,948 | 4,432 |
| Depreciation: | | |
| - property, plant and equipment | 267 | 12,462 |
| - investment properties | 920 | 1,910 |
| Bad debts written off | 423 | 188 |
| Bad debts recovered | - | (2,616) |
| Property, plant and equipment written off | 26 | 73 |
| Finance liabilities at amortised costs | (34,206) | (17,867) |
| Finance assets at amortised costs | 13,759 | 11,347 |
| (Gain) / Loss on disposal of: | | |
| - property, plant and equipment | (85) | (13) |
| - investment properties | (8,749) | (100,654) |
| - subsidiaries | (17,614) | (12,736) |
| Gains on early conversion and redemption of convertible securities | - | (1,482) |
| Impairment loss on receivables recovered | (7,591) | (8,036) |
| Impairment loss on inventories recovered | (2,447) | - |
| Additional provision for liquidated and ascertained damages | 2,855 | - |
| Reversal of provision for liquidated and ascertained damages | - | (293) |
| Waiver of debts | (45,675) | - |
| Interest income | (1,712) | (471) |
| Share of results of joint ventures and associates | 2,529 | (793) |
| Operating profit/(loss) before working capital changes | <u>(3,892)</u> | <u>(3,684)</u> |
| Changes in working capital: | | |
| Property development costs | 51,843 | 63,901 |
| Asset held for sale | 47,796 | 37,948 |
| Inventories | 13,751 | 12,184 |
| Receivables | 91,010 | (99,985) |
| Payables | (187,086) | 12,346 |
| Cash generated from operations carried forward | <u>13,422</u> | <u>22,710</u> |

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 January 2015

| | Current year ended 31/01/2015 RM'000 | Preceding year ended 31/01/2014 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating profit after working capital changes | 13,422 | 22,710 |
| Interest received | 1,712 | 471 |
| Income tax paid | (8,401) | (2,638) |
| Interest paid | (27,686) | (53,377) |
| Payment for liquidated and ascertained damages | (3,592) | (3,382) |
| Net Cash Utilised In Operating Activities | <u>(24,545)</u> | <u>(36,216)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net change in associates balances | 27,478 | (1,504) |
| Net proceeds from disposal of: | | |
| - assets held for sales | 163,146 | - |
| - property, plant and equipment | 124 | 20 |
| - investment properties | 50,000 | 119,948 |
| Dividends received | - | 2,400 |
| Net change in joint ventures balances | (145,816) | (1,577) |
| Additional of investment in associate | (4,800) | - |
| Additional of other investment | (476) | - |
| Purchase of property, plant and equipment | (1,130) | (1,250) |
| Net cash outflow arising from disposal of subsidiaries | (41) | (158) |
| Net Cash Generated From Investing Activities | <u>88,485</u> | <u>117,879</u> |

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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 January 2015

| | Current year ended 31/01/2015 RM'000 | Preceding year ended 31/01/2014 RM'000 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | (86,286) | (63,748) |
| Net increase of borrowings | 65,543 | |
| Net changes in sinking funds held by trustees | 11,645 | (9,423) |
| Housing development accounts pledged as security values | - | 64 |
| Payment to financial liabilities | (49,865) | - |
| Net Cash Utilised In Financing Activities | <u>(58,963)</u> | <u>(73,107)</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | 4,977 | 8,556 |
| EFFECTS OF EXCHANGE DIFFERENCES | 352 | 15 |
| 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>29,494</u> | <u>24,165</u> |
| Cash in hand and bank balances | 22,293 | 14,317 |
| Deposits with licensed banks | <u>7,297</u> | <u>9,944</u> |
| | 29,590 | 24,261 |
| Balances pledged as securities to licensed banks - HDA | <u>(96)</u> | <u>(96)</u> |
| | <u>29,494</u> | <u>24,165</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.

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Schedule D : Condensed Consolidated Statement of Changes in Equity
For the financial year ended 31 January 2015

| | Attributable to owners of the Company | | | | | | | Total | Non-Controlling Interests | Total Equity |
|---|---------------------------------------|---------------|-----------------|------------------------|------------------|----------------------|--------------------|----------------|---------------------------|----------------|
| | Share Capital | Share Premium | Treasury Shares | Non - Distributable | | Assets Held for Sale | Accumulated Losses | | | |
| | RM'000 | RM'000 | RM'000 | Convertible Securities | Capital Reserves | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 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 | 12,030 | - | (16,797) | - | - | 2,292 | 25,384 | - | 25,384 |
| Total comprehensive loss for the financial year | - | - | - | - | 3,200 | - | (136,105) | (132,906) | (9,084) | (141,990) |
| Reclassification of disposal to assets held for sale | - | - | - | - | (40,511) | 40,511 | - | - | - | - |
| Acquisition of non-controlling interest | - | - | - | - | - | - | 438 | 438 | (438) | -* |
| At 31 January 2015 | 844,056 | 12,030 | (493) | - | 7,132 | 40,511 | (438,532) | 464,703 | (5,629) | 459,074 |
| 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 income/(loss) for the financial year | - | - | - | - | 817 | - | 10,421 | 11,238 | 1,162 | 12,400 |
| Disposal of a subsidiary | - | - | - | - | - | - | - | - | (2) | (2) |
| Realisation of reserve on disposal of subsidiaries | - | - | - | - | (11) | - | 11 | - | - | - |
| At 31 January 2014 | 816,197 | - | (493) | 16,797 | 44,443 | - | (305,157) | 571,787 | 3,893 | 575,680 |

* 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.

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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 2015 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 |
|-----------|--------|

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

| | | Effective for the financial period beginning on or after |
|---|---|---|
| <u>New FRSs</u> | | |
| FRS 9 | Financial Instruments | 1 January 2018 |
| FRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| <u>Amendments/Improvements to FRSs</u> | | |
| FRS 1 | First-time Adoption of Financial Reporting Standards | 1 July 2014 |
| FRS 2 | Share-based Payment | 1 July 2014 |
| FRS 3 | Business Combinations | 1 July 2014 |
| FRS 5 | Non-current Asset Held for Sale and Discontinued Operations | 1 January 2016 |
| FRS 7 | Financial Instruments: Disclosures | 1 January 2016 |
| FRS 8 | Operating Segments | 1 July 2014 |
| FRS 10 | Consolidated Financial Statements | 1 January 2016 |
| FRS 11 | Joint Arrangements | 1 January 2016 |
| 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 and 1 January 2016 |
| FRS 124 | Related Party Disclosures | 1 July 2014 |
| FRS 127 | Separate Financial Statements | 1 January 2016 |
| FRS 128 | Investments in Associates and Joint Ventures | 1 January 2016 |

Schedule E : Significant Events and Transactions Pursuant to FRS 134

1. Basis of Preparation (Cont'd)

| | | |
|---------|---------------------|-----------------------------------|
| FRS 138 | Intangible Assets | 1 July 2014 and 1 January 2016 |
| 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 are 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.

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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 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 ended 31/01/2015 Nos | Current year ended 31/01/2015 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.

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

7. Discontinuing operation and disposal classified as held for sale

On 4 April 2014, the Company announced the decision of its Board of Directors to dispose of one of its subsidiary, Jilin Province Maxcourt Hotel Limited (“JPMHL”), which is reported in the hotel and recreation segment.

In the current year quarter, the assets and liabilities related to JPMHL have been presented in the statement of financial position as “Assets held for sale” and “Liabilities directly associated with assets classified as held for sale”

Statement of financial position disclosures

The major classes of assets and liabilities of JPMHL classified as held for sale as at 31 January 2015 are as below :

| | Year ended 31 Jan | |
|--|------------------------------|---------------|
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Assets: | | |
| Property, plant and equipment | 112,933 | 113,321 |
| Inventories | 1,544 | 1,821 |
| Trade and other receivables | 2,163 | 2,876 |
| Cash and bank balance | 1,351 | 162 |
| Assets held for sale | 117,991 | 118,180 |
| Liabilities: | | |
| Short term borrowing | 32,264 | 48,332 |
| Trade and other payables | 26,026 | 24,589 |
| Liabilities directly associated with assets classified as held for sale | 58,290 | 72,921 |

Other than the assets held for sale related to this discontinuing operation, the consolidated statement of financial position also included other non-current assets classified as held for sale which amounted to RM 114.15 million.

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

7. Discontinuing operation and disposal classified as held for sale (Cont'd)

Statement of comprehensive income disclosure

The result of JPMHL for the current year are as follows :

| | Quarter ended 31 Jan | | Year ended 31 Jan | |
|--|-------------------------|----------------|----------------------|-----------------|
| | 2015 RM'000 | 2014 RM'000 | 2015 RM'000 | 2014 RM'000 |
| Revenue | 2,571 | 6,201 | 10,387 | 25,282 |
| Expenses | <u>(6,047)</u> | <u>(9,155)</u> | <u>(18,765)</u> | <u>(34,954)</u> |
| Loss from operations | (3,476) | (2,954) | (8,378) | (9,672) |
| Finance costs | <u>(987)</u> | <u>(1,249)</u> | <u>(4,006)</u> | <u>(3,921)</u> |
| Loss before tax from discontinuing operation | (4,463) | (4,203) | (12,384) | (13,593) |
| Taxation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Loss from discontinuing operation | (4,463) | (4,203) | (12,384) | (13,593) |
| Translation reserve | <u>2,500</u> | <u>(600)</u> | <u>(1,931)</u> | <u>4,424</u> |
| Total comprehensive loss from discontinuing operation | <u>(1,963)</u> | <u>(4,803)</u> | <u>(14,315)</u> | <u>(9,169)</u> |

Statement of cash flows disclosures

The cash flows attributable to JPMHL are as follows :

| | Year ended 31 Jan | |
|----------------------------------|----------------------|----------------|
| | 2015 RM'000 | 2014 RM'000 |
| Cash flow generated from/use in: | | |
| Operating activities | 21,565 | 3,416 |
| Investing activities | (4,308) | (9,559) |
| Financing activities | (16,068) | 6,222 |
| Net cash inflow/(outflow) | <u>1,189</u> | <u>79</u> |

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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 quarter and year-to-date, as follow:-

| <u>Revenue</u> | Quarter | | Year | |
|--|------------------------------------|----------------|------------------------------------|----------------|
| | ended 31 January 2015 RM'000 | 2014 RM'000 | ended 31 January 2015 RM'000 | 2014 RM'000 |
| Property Development and Investment | 79,765 | 149,940 | 292,574 | 191,435 |
| Hotel and Recreation (Discontinuing) | 2,571 | 6,201 | 10,387 | 25,282 |
| | <u>82,336</u> | <u>156,141</u> | <u>302,961</u> | <u>216,717</u> |

| <u>Profit/(Loss) before tax</u> | Quarter | | Year | |
|--|------------------------------------|----------------|------------------------------------|----------------|
| | ended 31 January 2015 RM'000 | 2014 RM'000 | ended 31 January 2015 RM'000 | 2014 RM'000 |
| Property Development and Investment | (95,573) | 36,026 | (92,942) | 23,222 |
| Hotel and Recreation (Discontinuing) | (4,463) | (4,203) | (12,384) | (13,593) |
| | <u>(100,036)</u> | <u>31,823</u> | <u>(105,326)</u> | <u>9,629</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 | 4,000 |
| (b) Assets pledged to financial institutions for credit facilities granted to Kumpulan Europlus Berhad group (The Group owes Kumpulan Europlus Berhad group RM22.94 million as at 31 January 2015) | 32,443 |
| | <u>36,443</u> |

10. Events After the Reporting Period

There were no material events subsequent to current year ended 31 January 2015 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 RM79.77 million, a 46.80% decrease from the RM149.94 million generated during last year's corresponding quarter. The decrease is mainly due to lower proceeds from sale of development lands.

Group pre-tax loss was RM95.57 million compared to a pre-tax profit of RM36.03 million for the same quarter last year. The Group's performance was affected by lower revenue and higher impairment losses of RM177.44 million.

For the current financial year

Revenue for the Group rose to RM292.57 million from RM191.44 million, a year-on-year increase of 52.83%. The improvement is mainly due to more proceeds from disposals of development lands.

The Group recorded a pre-tax loss of RM92.94 million compared to pre-tax profit of RM23.22 million for the corresponding period of the preceding year. The result was mainly due to higher impairment losses of RM177.44 million.

(b) Segmental Results Commentary:

(i) Property Development and Investment Division

For the current quarter

The Division recorded revenue of RM79.77 million, a year-on-year decrease of 46.80% from RM149.94 million. The performance is mainly due to lower proceeds from sale of development lands during the current quarter.

The division recorded a pre-tax loss of RM95.57 million compared to a pre-tax profit of RM36.03 million for the same quarter last year. The result is mainly due to higher impairment losses of RM177.44 million.

For the current financial year

The Group recorded revenue of RM292.57 million, an increase of 52.83% over the RM191.44 million from the corresponding period of the preceding year. The improvement is mainly due to more proceeds from disposals of development lands during the current year.

The Group recorded a pre-tax loss of RM92.94 million compared to the pre-tax profit of RM23.22 million reported for the same period last year. The performance is mainly due to higher impairment losses of RM177.44.

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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 RM2.57 million from RM6.20 million, revenue down by 58.55% from the same quarter of the preceding year mainly due to the winding-down of operations.

The division recorded a higher pre-tax loss of RM4.46 million compared to a pre-tax loss of RM4.20 million for the corresponding quarter of the previous year mainly due to higher administrative and other expenses incurred.

For the current financial year

The Group's revenue fell 58.92% to RM10.39 million year-on-year while pre-tax loss came in lower at RM1.21 million against the same period. The poorer result was mainly due to reason explained above.

2. Comparison with Preceding Quarter's Results (Quarter 4, 2015 vs Quarter 3, 2015)

| | Current Quarter ended 31 January 2015 RM'000 | Immediate preceding ended 31 October 2014 RM'000 |
|--------------------------|---|---|
| Revenue | 79,765 | 49,971 |
| (Loss)/Profit before tax | (95,573) | 4,366 |

The Group recorded a quarterly increase of 59.64% in revenue to RM79.77 million from RM49.97 million. The current quarter recorded a pre-tax loss RM95.57 million compared to a pre-tax profit of RM4.37 million for the preceding quarter.

The decline in profits was mainly due to lower proceeds from disposal of lands and higher impairment losses of RM177.44.

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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

| <u>Group</u> | Current quarter ended 31/01/2015 RM'000 | Current year ended 31/01/2015 RM'000 |
|----------------------------------|--|---|
| Income tax - prior years | (13,300) | (13,519) |
| - current year | (21,775) | (26,423) |
| | <hr/> | <hr/> |
| | (35,075) | (39,942) |
| Deferred taxation - current year | - | 368 |
| | <hr/> | <hr/> |
| | (35,075) | (39,574) |

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.

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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)

7. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 January 2015 are as follow:

| | Total | |
|---|-----------------|-------------------|
| | RM'000 | |
| <u>Secured</u> | | |
| Short term borrowings | | 101,762 |
| Long term borrowings | | 121,678 |
| | | 223,440 |
| | Foreign | RM |
| Foreign currency borrowings included above: | Currency | Equivalent |
| | '000 | '000 |
| Chinese Renminbi | 55,956 | 32,264 |

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 foreclosing 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 proceeded with full trial against BBB. The Court has fixed 31 March, 06, 07, 09, 10, 15, 16 and 17 April 2015 for the continuation of the full trial hearing. 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.

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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)

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 ended 31 January 2015 RM'000 | Current year ended 31 January 2015 RM'000 |
|---|---|--|
| Weighted average number of ordinary shares in issue, excluding treasury shares | 4,174,300 | 4,174,300 |
| Profit from continuing operations attributable to owners of the Company | (124,091) | (125,578) |
| Profit from discontinuing operations attributable to owners of the Company | (3,794) | (10,527) |
| Profit attributable to owners of the Company | <u>(127,885)</u> | <u>(136,105)</u> |
| Earnings per share ("EPS") (in sen) | | |
| Basic | (3.06) | (3.26) |
| Diluted | <u>(3.06)</u> | <u>(3.26)</u> |

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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)

11. Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the accumulated profits/(losses) of the Group as at 31 January 2015 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 2015 RM'000 | As at 31 Oct 2014 RM'000 |
|---|---|---|
| Total accumulated losses of the Group and its subsidiaries | | |
| - Realised | (100,796) | (88,396) |
| - Unrealised | (335,206) | (224,211) |
| | | |
| Joint ventures | | |
| - Realised | (2,303) | (196) |
| | | |
| Associated companies | | |
| - Realised | (226) | (136) |
| | <u>(438,531)</u> | <u>(312,939)</u> |

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 27 March 2015.

By order of the Board

Soo Kah Pik
 Company Secretary