

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 31 January 2016
(These figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 January 2016

	Individual period		Cumulative period	
	Current quarter 31/01/2016	Preceding quarter 31/01/2015 (restated)	Current year ended 31/01/2016	Preceding year ended 31/01/2015 (restated)
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	32,020	79,765	155,932	204,548
Cost of sales	(31,722)	(65,870)	(87,056)	(164,068)
Gross profit/(loss)	298	13,895	68,876	40,480
Other operating income (Schedule A Note 1)	4,214	12,384	35,766	107,665
(Loss)/Gain on disposal of subsidiaries	(6,772)	13,896	263,345	17,614
Administrative expenses (Schedule A Note 2)	(6,536)	(8,737)	(20,297)	(54,462)
Other income/(expenses) (Schedule A Note 3)	14,643	(125,749)	(300,042)	(179,054)
Result from operating activities	5,847	(94,311)	47,648	(67,757)
Finance income	852	7,988	4,148	1,713
Finance costs	(13,742)	(7,053)	(38,157)	(29,597)
Profit/(Loss) before tax and share of results	(7,043)	(93,376)	13,639	(95,641)
Share of results in jointly controlled entities and associate companies	(1,174)	(2,197)	(1,253)	(2,270)
Profit/(Loss) before tax	(8,217)	(95,573)	12,386	(97,911)
Income tax	(90)	(35,075)	(13,639)	(39,611)
Profit/(Loss) from continuing operations, net of tax	(8,307)	(130,648)	(1,253)	(137,522)
Loss from discontinued operations, net of tax (Schedule E Note 8)	(4,369)	(4,463)	(22,407)	(12,479)
Loss for the period	(12,676)	(135,111)	(23,660)	(150,001)

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial period ended 31 January 2016

	Individual period		Cumulative period	
	Current quarter 31/01/2016 RM'000	Preceding quarter 31/01/2015 RM'000	Current year ended 31/01/2016 RM'000	Preceding Year ended 31/01/2015 RM'000
Other comprehensive income/(loss)				
Exchange difference on translation of foreign entity	1,956	7,342	5,102	3,006
Total comprehensive loss for the period	(10,720)	(127,769)	(18,558)	(146,995)
Profit/(Loss) for the period attributable to:				
Owners of the Company				
- continuing operations	(7,581)	(124,091)	(1,658)	(134,130)
- discontinued operations	(3,713)	(3,794)	(19,046)	(7,608)
	(11,294)	(127,885)	(20,704)	(141,738)
Non-controlling Interests	(1,382)	(7,226)	(2,956)	(8,263)
	(12,676)	(135,111)	(23,660)	(150,001)
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the Company				
- continuing operations	(3,930)	(119,249)	1,993	(133,855)
- discontinued operations	(5,154)	(1,669)	(17,813)	(4,602)
	(9,084)	(120,918)	(15,820)	(138,457)
Non-controlling Interests	(1,636)	(6,851)	(2,738)	(8,538)
	(10,720)	(127,769)	(18,558)	(146,995)
Earnings per share from continuing operations attributable to owners of parent (in sen)				
Earnings per share ("EPS") (in sen)				
Basic	(0.18)	(2.93)	(0.04)	(3.13)
Diluted	(0.18)	(2.93)	(0.04)	(3.13)
Earnings per share from discontinued operations attributable to owners of parent (in sen)				
Basic	(0.09)	(0.02)	(0.45)	(0.18)
Diluted	(0.09)	(0.02)	(0.45)	(0.18)

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial period ended 31 January 2016

	Individual period		Cumulative period	
	Current quarter 31/01/2016	Preceding quarter 31/01/2015	Current year ended 31/01/2016	Preceding Year ended 31/01/2015
	RM'000	RM'000	RM'000	RM'000
NOTE :				
1) Included in the Other Operating Income:				
Creditors written off	908	-	908	-
Forfeiture income	-	-	2,322	-
Gain on assignment of debt	-	-	17,175	-
Gains on early conversion and redemption of convertible securities	-	-	-	9,667
Gains on legal claim from purchaser	-	-	8,157	-
Provision for impairment of receivables no longer required	1,947	17	3,296	570
Provision for impairment of inventories no longer required	-	912	-	1,551
Waiver of debts	-	-	-	45,675
2) Included in the Administrative				
Compensation paid for termination of development project	-	-	(1,543)	(8,708)
3) Included in the Other expenses				
Depreciation	(303)	(1,759)	(1,189)	(5,314)
Provision no longer required/(provision) for impairment of receivables and jointly controlled entities	5,982	-	(23,709)	(3,905)
Provision for impairment of goodwill no longer required	5,185	-	-	-
Provision no longer required/(provision) for impairment of land held for property development	5,167	-	(254,332)	-
Provision for loss on disposal of development properties	-	-	-	(46,300)
Provision no longer required/(provision) for impairment of inventories	162	(2,650)	(12,828)	(8,798)
Bad debts written off	(1,815)	-	(4,671)	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2015 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 31 January 2016
(These figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position
As at 31 January 2016

	Unaudited as at 31/01/2016	Audited As at 31/1/2015 (restated)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	115,087	117,744
Land held for property development	289,158	496,232
Investment properties	69,982	70,871
Interest in joint ventures	7,087	8,512
Interest in associates	25,327	8,180
Other investment	476	476
Long term receivables	46,090	33,532
Total non-current assets	553,207	735,547
Current assets		
Property development costs	188,085	237,367
Inventories	50,411	68,372
Trade and other receivables	123,430	164,231
Amount owing by associates	156,220	20,021
Amount owing by jointly controlled entities	-	135,348
Sinking funds held by trustees	-	2
Cash and bank balances	7,720	30,941
	525,866	656,282
Assets held for sale	53,858	110,985
Total current assets	579,724	767,267
TOTAL ASSETS	1,132,931	1,502,814

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 31 January 2016
(These figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 31 January 2016

	Unaudited as at 31/01/2016	Audited as at 31/1/2015 (restated)
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	844,056	844,056
Treasury shares	(493)	(493)
Reserves	(400,231)	(384,411)
Equity attributable to owners of the Company	443,332	459,152
Non-controlling interests	(8,524)	(5,083)
Total equity	434,808	454,069
Non-current liabilities		
Borrowings	60,357	121,945
Other long term payables	157,420	145,047
Tax liabilities	-	59,719
Deferred tax liabilities	1,286	926
Total non-current liabilities	219,063	327,637
Current liabilities		
Provision for liability	18,530	24,092
Borrowings	142,183	133,759
Trade and other payables	259,771	442,507
Amount owing to joint ventures	54,864	33,564
Current tax liabilities	3,712	87,186
Total current liabilities	479,060	721,108
Total liabilities	698,123	1,048,745
TOTAL EQUITY AND LIABILITIES	1,132,931	1,502,814
Net assets per share attributable to Owners of the Company (RM)	0.11	0.11

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2015 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 31 January 2016
(These figures have not been audited)

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 January 2016

	Current year ended 31/01/2016	Preceding year ended 31/01/2015 (restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	12,386	(97,911)
Profit/(Loss) before tax from discontinued operation	(22,407)	(12,479)
Adjustments for:		
Interest expenses:-		
- borrowings	12,050	18,372
- convertible securities	-	1,471
Impairment of receivables	23,709	40,746
Impairment of inventories	12,828	-
Impairment of property development costs	254,332	118,742
Property, plant and equipment impaired	4,606	25
Depreciation:		
- property, plant and equipment	5,351	5,456
- investment properties	890	921
Bad debts written off	4,555	423
Bad debts recovered	-	(4,684)
Finance liabilities at amortised costs	26,106	(8,001)
Finance assets at amortised costs	(2,515)	(7,954)
(Gain) / Loss on disposal of:		
- property, plant and equipment	-	(24)
- subsidiaries	(263,345)	(17,614)
- investment property	-	(8,749)
Impairment loss on receivables no longer required	(3,296)	(7,051)
Additional provision for liquidated and ascertained damages	-	2,713
Waiver of debts	-	(45,621)
Interest income	(1,633)	(1,713)
Share of results of joint ventures and associates	1,253	2,270
Provision for completion of project	-	13,090
Operating profit/(loss) before working capital changes	<u>64,870</u>	<u>(7,572)</u>

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Financial Report for the financial period ended 31 January 2016
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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 January 2016

	Current year ended 31/01/2016	Preceding year ended 31/01/2015 (restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit/(loss) before working capital changes	64,870	(7,572)
Changes in working capital:		
Property development costs	964	30,226
Asset held for sale	58,456	235,508
Inventories	1,272	33,526
Receivables	(6,268)	71,806
Payables	(62,025)	(202,766)
Cash generated from operations carried forward	<u>57,269</u>	<u>160,728</u>
Interest received	1,633	1,713
Income tax paid	(7,354)	(2,068)
Interest paid	(12,050)	(18,372)
Payment for liquidated and ascertained damages	-	(3,450)
Net Cash Generated/(Utilised) In Operating Activities	<u>39,498</u>	<u>138,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in associates balances	1,777	27,479
Net proceeds from disposal of:		
- property, plant and equipment	-	265
- investment properties	-	50,000
Dividends received	200	-
Net change in joint ventures balances	14,682	(145,816)
Additional of investment in associate	(17,175)	(4,800)
Additional of other investment	-	(476)
Purchase of property, plant and equipment	(237)	(875)
Net cash outflow arising from disposal of subsidiaries	(517)	(39)
Net Cash Generated/(Utilised) From Investing Activities	<u>(1,270)</u>	<u>(74,262)</u>

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Financial Report for the financial period ended 31 January 2016
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Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 January 2016

	Current year ended 31/01/2016	Preceding year ended 31/01/2015 (restated)
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(60,165)	(71,059)
Net changes in sinking funds held by trustees	2	11,644
Net Cash Generated/(Utilised) In Financing Activities	<u>(60,163)</u>	<u>(59,415)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(21,935)	4,874
EFFECTS OF EXCHANGE DIFFERENCES	66	454
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	29,493	24,165
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>7,624</u>	<u>29,493</u>
Cash in hand and bank balances	7,042	26,710
Deposits with licensed banks	<u>678</u>	<u>2,880</u>
	7,720	29,590
Balances pledged as securities to licensed banks - HDA	<u>(96)</u>	<u>(97)</u>
	<u>7,624</u>	<u>29,493</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 January 2015 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (1120 – H)
Financial Report for the financial period ended 31 January 2016
(These figures have not been audited)

Schedule D : Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 January 2016

	Attributable to owners of the Company						Total	Non-Controlling Interests	Total Equity
	← Non - Distributable →								
	Share Capital	Share Premium	Treasury Shares	Convertible Securities	Capital Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2015 (restated)	844,056	12,030	(493)	-	47,724	(444,165)	459,152	(5,083)	454,069
Total comprehensive income/(loss) for the financial year	-	-	-	-	4,884	(20,704)	(15,820)	(2,738)	(18,558)
Disposal of a subsidiary	-	-	-	-	-	-	-	(703)	(703)
At 31 January 2016	844,056	12,030	(493)	-	52,608	(464,869)	443,332	(8,524)	434,808
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 income/(loss) for the financial year	-	-	-	-	3,281	(141,738)	(138,457)	(8,538)	(146,995)
Acquisition of non-controlling interest	-	-	-	-	-	438	438	(438)	-*
At 31 January 2015	844,056	12,030	(493)	-	47,724	(444,165)	459,152	(5,083)	454,069

* 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 2015 and the accompanying explanatory notes attached to this interim financial report.

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 2015 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.

2. Changes in Accounting Policies

Amendments/Improvement to FRSS

MFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 138	Intangible Assets
MFRS 140	Investment Property

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 MFRSS</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
<u>Amendments/Improvements to MFRSS</u>		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interest in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statement	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 134	Interim Financial Reporting	1 January 2016
MFRS 138	Intangible Assets	1 January 2016

Schedule E : Significant Events and Transactions Pursuant to FRS 134

2. Changes in Accounting Policies (Cont'd)

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, with exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreement for Construction of Real Estate”, including their parent, significant investors and venturers (herein called “Transitioning Entities”).

Based on the MASB announcement on 2 September 2014, the adoption of the amendments to MFRS 116 and MFRS 141 “Agriculture: Bearer Plants” will be mandatory for annual periods beginning on or after 1 January 2016.

MASB made an announcement on 8 September 2015 regarding the deferral of the effective date for MFRS 15 “Revenue from Contract with Customers”. According to the announcement, the adoption of MFRS 15 will be mandatory for annual periods beginning on or after 1 January 2018.

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 2018. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 31 January 2019.

3. Seasonality or Cyclicity of Operations

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

4. 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.

5. 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.

6. 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.

7. Dividend

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

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

8. Discontinued operation

On 13 November 2015, the Company announced the official termination of the Share Sale Agreement (SSA) between Malim Enterprise (HK) Limited and Cre8ive Hotel Management Limited for the proposed disposal of the entire 85% equity interest in Jilin Province Maxcourt Hotel Limited (JPMHL). The termination of this SSA was due to the failure of the purchaser to provide the relevant documents for submission to the local authorities and to settle the outstanding bank loan of the JPMHL.

Following the termination of this SSA, the major classes of assets and liabilities of JPMHL, previously classified as held for sale in the audited financial statements as at 31 January 2015, are now being reclassified as below :

	Audited Year ended 31 January 2015 RM'000
Assets:	
Property, plant and equipment	116,477
Inventories	1,545
Trade and other receivables	2,163
Cash and bank balance	1,351
Assets held for sale	<u>121,536</u>
Liabilities:	
Short term borrowing	32,264
Trade and other payables	26,029
Liabilities directly associated with assets classified as held for sale	<u>58,293</u>

Accordingly, the depreciation charge for the financial year ended 31 January 2015 amounting to RM3.545 million on the above fixed assets also has to be restated into the audited Income Statement of that year.

JPMHL is a wholly-owned subsidiary of the Group which is reported in the hotel and recreation segment, has already ceased operations.

8. Discontinued operation (cont'd)

Statement of comprehensive income disclosure :

The results of JPMHL for the current period are as follows :

	Individual period		Cumulative period	
	Current quarter 31/01/2016 RM'000	Preceding quarter 31/01/2015 RM'000	Current year 31/01/2016 RM'000	Preceding year ended 31/01/2015 RM'000
Revenue	976	2,571	4,053	10,388
Expenses	<u>(5,242)</u>	<u>(6,048)</u>	<u>(23,409)</u>	<u>(18,861)</u>
Loss from operations	(4,266)	(3,477)	(19,356)	(8,473)
Finance costs	<u>(103)</u>	<u>(986)</u>	<u>(3,051)</u>	<u>(4,006)</u>
Loss before tax from discontinued operation	(4,369)	(4,463)	(22,407)	(12,479)
Taxation	-	-	-	-
Loss from discontinued operation	(4,369)	(4,463)	(22,407)	(12,479)
Translation reserve	<u>(1,694)</u>	<u>3,199</u>	<u>1,451</u>	<u>(1,931)</u>
Total comprehensive loss from discontinued operation	<u>(6,063)</u>	<u>(1,264)</u>	<u>(20,956)</u>	<u>(14,410)</u>

Statement of cash flows disclosures :

The cash flows attributable to JPMHL are as follows :

	Individual period		Cumulative period	
	Current quarter 31/01/2016 RM'000	Preceding quarter 31/01/2015 RM'000	Current year 31/01/2016 RM'000	Preceding year ended 31/01/2015 RM'000
Cash flow generated from/use in:				
Operating activities	57	14,854	(572)	15,284
Investing activities	-	-	-	78
Financing activities	-	(13,937)	(649)	(14,174)
Net cash inflow/(outflow)	<u>57</u>	<u>917</u>	<u>(1,221)</u>	<u>1,188</u>
Cash flow at the beginning of the financial year	-	-	1,350	162
Cash and cash equivalent at the end of financial year	<u>57</u>	<u>917</u>	<u>129</u>	<u>1,350</u>

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

9. Segment Information

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

	Quarter		Year-To-Date	
	ended 31 January		ended 31 January	
<u>Revenue</u>	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Property Development and Investment	32,020	(8,261)	155,932	204,548
Hotel and Recreation (Discontinued)	976	2,572	4,053	10,388
	<u>32,996</u>	<u>(5,689)</u>	<u>159,985</u>	<u>214,936</u>
 <u>Profit/(Loss) before tax</u>				
Property Development and Investment	(8,217)	(91,526)	12,386	(97,911)
Hotel and Recreation (Discontinued)	(4,369)	(4,463)	(22,407)	(12,479)
	<u>(12,586)</u>	<u>(95,989)</u>	<u>(10,021)</u>	<u>(110,390)</u>

10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter except that:-

G.L. Development Sdn Bhd, a wholly-owned subsidiary of the Group, had on 29 January 2016 entered into a sale and purchase agreement to dispose of 250,000 ordinary shares of RM1.00 each representing 100% equity interest in Bay Vista Sdn Bhd ("EV") for a consideration of RM2.00 ("Disposal"). With the Disposal, EV ceased as a wholly-owned subsidiary of the Group.

11. Contingent Liabilities and Assets

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

12. Events After the Reporting Period

There was no material event subsequent to current quarter.

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 revenues of RM32.02 million, a 59.86% decrease from the RM79.77 million generated during last year's corresponding quarter. The decrease is mainly due to lower sales of development lands.

Group pre-tax loss was RM8.22 million compared to a pre-tax loss of RM95.57 million for the same quarter last year. The Group's results improved mainly due to lower impairment provisions and other expenses.

For the current year-to-date

The Group recorded revenues of RM155.93 million, a 23.77% decrease from the RM204.55 million generated during last year's corresponding period. The decrease is mainly due to lower proceeds from sale of development lands.

Group pre-tax profit was RM12.39 million compared to a pre-tax loss of RM97.91 million for the same period last year. The Group's performance improved mainly due to higher gross profits and higher gains from disposal of subsidiaries, mitigated by higher impairment provisions on assets.

(b) Segmental Results Commentary:

(i) Property Development and Investment Division

For the current quarter

The division recorded revenues of RM32.02 million, a 59.86% decrease from the RM79.77 million generated during last year's corresponding quarter. The result was mainly due to the reasons stated above.

The division recorded a pre-tax loss of RM8.22 million compared to a pre-tax loss of RM95.57 million for the same quarter last year. The result was mainly due to the reasons stated above.

For the current year-to-date

The division recorded revenues of RM155.93 million, a 23.77% decrease from the RM204.55 million generated during last year's corresponding period. The decrease was mainly due to the reason stated above.

The division's pre-tax profit was RM12.39 million compared to a pre-tax loss of RM97.91 million for the same period last year. The division's performance was mainly due to the reasons stated above.

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 RM0.98 million from RM2.57 million, down by 61.87% from the same quarter of the preceding year mainly due to the cessation of operations.

The division recorded a lower pre-tax loss of RM4.37 million compared to a pre-tax loss of RM4.46 million for the corresponding quarter of the previous year mainly due to the retrospective adjustment on the depreciation charges to restate the charge into the previous financial year, as described in Schedule E, Note 8.

For the current year-to-date

The division's revenue fell 61.02% to RM4.05 million from RM10.39 million generated in the same period last year. The poorer result was mainly due to the reason explained above.

The division recorded a higher pre-tax loss of RM22.41 million compared to a pre-tax loss of RM12.48 million for the corresponding period of the previous year mainly due to property, plant and equipment and inventories being written off and provision of doubtful debt for receivables.

2. Comparison with Preceding Quarter's Results (Quarter 4, 2016 vs Quarter 3, 2016)

	Current Quarter ended 31 January 2016 RM'000	Immediate preceding Quarter ended 31 October 2015 RM'000
Revenue	32,020	3,153
(Loss)/Profit before tax	(8,217)	16,440

The Group recorded a quarterly increase of 916.51% in revenue to RM32.02 million from RM3.15 million. The improvement was mainly due to a disposal of some agriculture land during the current quarter.

The current quarter recorded a pre-tax loss of RM8.22 million compared to a pre-tax profit of RM16.44 million for the preceding quarter. The Group's results were affected mainly by lower other income, higher finance costs resulting from FRS139 adjustments and also lower gains from disposal of subsidiaries which was mitigated by lower impairment losses on assets.

3. Prospects

The Group's joint venture projects are on-going. In addition, the Group has submitted its new development plans on various parcels of land and will launch them once approvals are obtained from the relevant authorities. However, the Board foresees a challenging environment ahead for the Group due to market conditions brought about by tougher lending guidelines by Bank Negara Malaysia and an increasing construction costs environment.

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

4. Profit Forecast and Profit Guarantee

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

5. Income Tax Expense

<u>Group</u>	Current quarter 31/01/2016 RM'000	Current year ended 31/01/2016 RM'000
Income tax		
- prior years	-	2,666
- current year	-	(15,946)
	<hr/>	<hr/>
	-	(13,280)
 Deferred taxation - prior years	 (90)	 (359)
	<hr/>	<hr/>
	(90)	(13,639)
	<hr/>	<hr/>

6. Status of Corporate Proposals

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

7. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 January 2016 are as follows:

	Total RM'000
<u>Secured</u>	
Short term borrowings	79,282
Long term borrowings	123,258
	<hr/>
	202,540
	<hr/>
	Foreign Currency '000
Foreign currency borrowings included above:	RM Equivalent '000
Chinese Renminbi	54,998
	<hr/>
	34,682
	<hr/>

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:

Talam Transform Berhad (“Talam”)

TTB had initiated legal proceedings against Bangkok Bank Berhad (“**BBB**”) for foreclosing a piece of property that was pledged to BBB for credit facilities granted to a related party, Keuro Leasing Sdn Bhd, a then wholly-owned subsidiary of TTB. 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 TTB and MBI which was made known to BBB. Notwithstanding the above, BBB, had on 7 September 2010, proceeded to auction the property to a purchaser for RM15.00 million which was well below the transacted value with MBI of RM48.70 million.

TTB proceeded with full trial against BBB. However, the High Court had dismissed TTB’s claims with cost on 22 October 2015.

TTB had on 5 November 2015, filed an appeal to the Court of Appeal against the decision of the High Court.

Based on legal counsel’s advice, the Board of Directors of TTB believes that TTB has a reasonably good and valid appeal.

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 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 quarter ended 31 January 2016 RM'000	Current year ended 31 January 2016 RM'000
Weighted average number of ordinary shares in issue, excluding treasury shares	4,217,644	4,217,644
Profit/(Loss) from continuing operations attributable to owners of the Company	(7,581)	(1,658)
Profit/(Loss) from discontinuing operations attributable to owners of the Company	(3,713)	(19,046)
Profit/(Loss) attributable to owners of the Company	(11,294)	(20,703)

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

10. Earnings Per Share (Con't)

	Current quarter ended 31 January 2016 RM'000	Current year ended 31 January 2016 RM'000
Earnings per share ("EPS") (in sen)		
Basic	(0.27)	(0.49)
Diluted	(0.27)	(0.49)
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Earnings per share from continuing operations attributable to owners of parent (in sen)		
Basic	(0.18)	(0.04)
Diluted	(0.18)	(0.04)
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Earnings per share from discontinued operations attributable to owners of parent (in sen)		
Basic	(0.09)	(0.45)
Diluted	(0.09)	(0.45)
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11. Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the accumulated profits/(losses) of the Group as at 31 January 2016 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 2016 RM'000	As at 31 October 2015 RM'000
Total accumulated losses of the Group		
- Realised	(436,514)	(422,937)
- Unrealised	(19,816)	(19,725)
Joint ventures		
- Realised	(3,694)	(2,509)
Associated companies		
- Realised	(4,846)	(4,857)
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	(464,869)	(450,028)
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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)

12. Annual Audited Report

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2015 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 31 March 2016.

By order of the Board

Soo Kah Pik
Company Secretary