

**TALAM TRANSFORM BERHAD (1120 – H )**  
**Financial Report for the financial period ended 30 April 2017**  
*(These figures have not been audited)*

**Schedule A : Condensed Consolidated Statement of Comprehensive Income**  
**For the financial period ended 30 April 2017**

	Individual period		Cumulative period	
	Current quarter 30/04/2017	Preceding year quarter 30/04/2016	Current year period ended 30/04/2017	Preceding year period ended 30/04/2016
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	4,380	5,806	4,380	5,806
Cost of sales	(3,386)	(4,977)	(3,386)	(4,977)
<b>Gross profit</b>	994	829	994	829
Other operating income (Schedule A Note 1)	256	469	256	469
Gain on disposal of subsidiaries	2,399	-	2,399	-
Administrative expenses	(2,422)	(2,227)	(2,422)	(2,227)
Authority and professional expenses	(1,320)	(845)	(1,320)	(845)
Other expenses (Schedule A Note 2)	(2,823)	(349)	(2,823)	(349)
<b>Result from operating activities</b>	(2,916)	(2,123)	(2,916)	(2,123)
Finance income (Schedule A Note 3)	3,112	928	3,112	928
Finance costs (Schedule A Note 4)	(4,551)	(7,942)	(4,551)	(7,942)
<b>Loss before tax and share of results</b>	(4,355)	(9,137)	(4,355)	(9,137)
Share of results in jointly controlled entities and associate companies	(1,252)	(759)	(1,252)	(759)
<b>Loss before tax</b>	(5,607)	(9,896)	(5,607)	(9,896)
Income tax	(6)	26	(6)	26
<b>Loss from continuing operations, net of tax</b>	(5,613)	(9,870)	(5,613)	(9,870)
Loss from discontinued operations, net of tax (Schedule E Note 8)	(963)	(2,412)	(963)	(2,412)
<b>Loss for the period</b>	(6,576)	(12,282)	(6,576)	(12,282)

**TALAM TRANSFORM BERHAD (1120 – H)**  
**Financial Report for the financial period ended 30 April 2017**  
*(These figures have not been audited)*

**Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)**  
**For the financial period ended 30 April 2017**

	Individual period		Cumulative period	
	Current quarter 30/04/2017 RM'000	Preceding year quarter 30/04/2016 RM'000	Current year period ended 30/04/2017 RM'000	Preceding year period ended 30/04/2016 RM'000
<b>Other comprehensive loss</b>				
Exchange difference on translation of foreign entity	(975)	(1,974)	(975)	(1,974)
<b>Total comprehensive loss for the period</b>	<b>(7,551)</b>	<b>(14,256)</b>	<b>(7,551)</b>	<b>(14,256)</b>
Loss for the period attributable to:				
Owners of the Company				
- continuing operations	(5,612)	(9,870)	(5,612)	(9,870)
- discontinued operation	(819)	(2,050)	(819)	(2,050)
	(6,431)	(11,920)	(6,431)	(11,920)
Non-controlling Interests	(145)	(362)	(145)	(362)
	(6,576)	(12,282)	(6,576)	(12,282)
Total comprehensive loss for the period attributable to:				
Owners of the Company				
- continuing operations	(6,678)	(11,920)	(6,678)	(11,920)
- discontinued operation	(742)	(1,985)	(742)	(1,985)
	(7,420)	(13,905)	(7,420)	(13,905)
Non-controlling Interests	(131)	(351)	(131)	(351)
	(7,551)	(14,256)	(7,551)	(14,256)
<b>Earnings per share from continuing operations attributable to owners of parent (in sen)</b>				
<b>Earnings per share ("EPS") (in sen)</b>				
Basic	(0.13)	(0.23)	(0.13)	(0.23)
Diluted	(0.13)	(0.23)	(0.13)	(0.23)
<b>Earnings per share from discontinued operations attributable to owners of parent (in sen)</b>				
Basic	(0.02)	(0.05)	(0.02)	(0.05)
Diluted	(0.02)	(0.05)	(0.02)	(0.05)

**TALAM TRANSFORM BERHAD (1120 – H)**  
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**Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)**  
**For the financial period ended 30 April 2017**

	Individual period		Cumulative period	
	Current quarter 30/04/2017	Preceding year quarter 30/04/2016	Current year period ended 30/04/2017	Preceding year period ended 30/04/2016
	RM'000	RM'000	RM'000	RM'000
<b>NOTE :</b>				
<b>1) Included in the Other Operating Income:</b>				
Provision for impairment of receivables no longer required	-	142	-	142
<b>2) Included in the Other Expenses</b>				
Amortisation and depreciation	(323)	(302)	(323)	(302)
Provision for impairment of receivables and jointly controlled entities	(2,411)	-	(2,411)	-
<b>3) Included in Finance Income</b>				
Gain on discounting of financial assets, net of amortisation	3,038	919	3,038	919
<b>4) Included in Finance Costs</b>				
Loss on discounting of financial liabilities, net of amortisation	(287)	(4,661)	(287)	(4,661)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2017 and the accompanying explanatory notes attached to this interim financial report.

**TALAM TRANSFORM BERHAD (1120 – H)**  
**Financial Report for the financial period ended 30 April 2017**  
*(These figures have not been audited)*

**Schedule B : Condensed Consolidated Statement of Financial Position**  
**As at 30 April 2017**

	<b>Unaudited</b>	<b>Audited</b>
	<b>as at</b>	<b>As at</b>
	<b>30/04/2017</b>	<b>31/1/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	698	737
Land held for property development	331,304	333,385
Investment properties	96,431	96,676
Interest in joint ventures	4,282	4,585
Interest in associates	18,621	19,570
Other investment	476	476
Long term associate	99,737	98,001
Long term receivables	62,300	61,099
<b>Total non-current assets</b>	<b>613,849</b>	<b>614,529</b>
<b>Current assets</b>		
Property development costs	35,115	35,094
Inventories	49,720	49,720
Trade and other receivables	81,406	83,796
Amount owing by associates	3,677	3,677
Sinking funds held by trustees	54	54
Short term investment	1,280	223
Cash and bank balances	9,110	11,914
	<b>180,362</b>	<b>184,478</b>
Assets held for sale	154,838	157,278
<b>Total current assets</b>	<b>335,200</b>	<b>341,756</b>
<b>TOTAL ASSETS</b>	<b>949,049</b>	<b>956,285</b>

**TALAM TRANSFORM BERHAD (1120 – H)**  
**Financial Report for the financial period ended 30 April 2017**  
*(These figures have not been audited)*

**Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)**  
**As at 30 April 2017**

	<b>Unaudited as at 30/04/2017 RM'000</b>	<b>Audited as at 31/1/2017 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	856,086	856,086
Treasury shares	(493)	(493)
Reserves	(453,200)	(445,780)
Equity attributable to owners of the Company	402,393	409,813
<b>Non-controlling interests</b>	<b>(9,788)</b>	<b>(9,658)</b>
<b>Total equity</b>	<b>392,605</b>	<b>400,155</b>
<b>Non-current liabilities</b>		
Borrowings	69,864	70,024
Other long term payables	161,457	161,606
Deferred tax liabilities	2	2
Total non-current liabilities	231,323	231,632
<b>Current liabilities</b>		
Provision for liability	5,206	5,206
Borrowings	29,217	29,217
Trade and other payables	225,761	224,782
Current tax liabilities	2,938	2,938
	263,122	262,143
Liabilities directly associated with assets classified as held for sale	61,999	62,355
<b>Total current liabilities</b>	<b>325,121</b>	<b>324,498</b>
<b>Total liabilities</b>	<b>556,444</b>	<b>556,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>949,049</b>	<b>956,285</b>
Net assets per share attributable to Owners of the Company (RM)	0.10	0.10

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2017 and the accompanying explanatory notes attached to this interim financial report.

**TALAM TRANSFORM BERHAD (1120 – H )**  
**Financial Report for the financial period ended 30 April 2017**  
*(These figures have not been audited)*

**Schedule C : Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 30 April 2017**

	<b>Current period ended 30/04/2017</b>	<b>Preceding year period ended 30/04/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(5,607)	(9,896)
Loss before tax from discontinued operation	(963)	(2,412)
Adjustments for:		
Depreciation:		
- property, plant and equipment	77	1,011
- investment properties	246	226
Finance liabilities at amortised costs	287	4,661
Finance assets at amortised costs	(3,038)	(919)
Gain on disposal of subsidiaries	(2,399)	-
Interest expenses	5,290	3,281
Impairment of receivables	2,411	-
Interest income	(74)	(9)
Share of results of joint ventures and associates	1,252	759
Operating loss before working capital changes	<u>(2,518)</u>	<u>(3,298)</u>
Changes in working capital:		
Property development activities and assets held for sale	4,145	3,052
Inventories	-	179
Receivables	84	2,444
Payables	3,838	3,010
Cash generated from operations carried forward	<u>5,549</u>	<u>5,387</u>
Interest received	74	9
Interest paid	<u>(5,290)</u>	<u>(3,281)</u>
Net Cash Generated In Operating Activities	<u>333</u>	<u>2,115</u>

**TALAM TRANSFORM BERHAD (1120 – H)**  
**Financial Report for the financial period ended 30 April 2017**  
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**Schedule C : Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 30 April 2017**

	<b>Current period ended 30/04/2017 RM'000</b>	<b>Preceding year period ended 30/04/2016 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in other investment	(1,057)	(608)
Purchase of property, plant and equipment	(34)	(1)
Net Cash Utilised From Investing Activities	<u>(1,091)</u>	<u>(609)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(441)	(2,043)
Net Cash Utilised In Financing Activities	<u>(441)</u>	<u>(2,043)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,199)	(537)
<b>EFFECTS OF EXCHANGE DIFFERENCES</b>	(1,605)	(75)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	11,869	6,610
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<u>9,065</u>	<u>5,998</u>
<b>Cash in hand and bank balances</b>	<b>6,630</b>	<b>5,869</b>
<b>Deposits with licensed banks</b>	<u><b>2,480</b></u>	<u><b>174</b></u>
	<b>9,110</b>	<b>6,043</b>
<b>Balances pledged as securities to licensed banks - HDA</b>	<u><b>(45)</b></u>	<u><b>(45)</b></u>
	<u><b>9,065</b></u>	<u><b>5,998</b></u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 January 2017 and the accompanying explanatory notes attached to this interim financial report.

**TALAM TRANSFORM BERHAD (1120 – H)**  
**Financial Report for the financial period ended 30 April 2017**  
*(These figures have not been audited)*

**Schedule D : Condensed Consolidated Statement of Changes in Equity**  
**For the financial period ended 30 April 2017**

	Attributable to owners of the Company							Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Capital Reserves	Assets Held for Sale	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 February 2017</b>	856,086	-	(493)	11,955	41,658	(499,393)	409,813	(9,658)	400,155
Total comprehensive loss for the financial year	-	-	-	(988)	-	(6,431)	(7,420)	(131)	(7,551)
Disposal of a subsidiary	-	-	-	-	-	-	-	1	1
<b>At 30 April 2017</b>	<b>856,086</b>	<b>-</b>	<b>(493)</b>	<b>10,967</b>	<b>41,658</b>	<b>(505,824)</b>	<b>402,393</b>	<b>(9,788)</b>	<b>392,605</b>
<b>At 1 February 2016</b>	844,056	12,030	(493)	52,608	-	(464,890)	443,311	(8,525)	434,786
Total comprehensive income/(loss) for the financial year	-	-	-	1,005	-	(34,503)	(33,498)	(148)	(33,646)
Reclassification of disposal to assets held for sale	-	-	-	(41,658)	41,658	-	-	-	-
Transition to no-par value regime on 31.01.2017	12,030	(12,030)	-	-	-	-	-	-	-
Realisation of reserve on disposal of subsidiaries	-	-	-	-	-	-	-	(985)	(985)
<b>At 31 January 2017</b>	<b>856,086</b>	<b>-</b>	<b>(493)</b>	<b>11,955</b>	<b>41,658</b>	<b>(499,393)</b>	<b>409,813</b>	<b>(9,658)</b>	<b>400,155</b>



**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 2017 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

**2. Changes in Accounting Policies**

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 2017.

**(a) Adoption of amendments/improvements to FRSs**

The Group has adopted the following amendments/improvements to FRSs that are mandatory:

**Amendments/Improvements to FRSs**

FRS 12	Disclosure of Interest in Other Entities
FRS 107	Statement of Cash Flow
FRS 112	Income Taxes

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

**(b) New FRSs, amendments/improvements to FRSs that are issued, but not yet effective and have not been early adopted**

The Group intends to adopt the following standards, where applicable, when they become effective. The adoption of the following standards is not expected to have material effect on the financial statements:-

	<b>Effective for the financial period beginning on or after</b>
<b><u>New FRSs</u></b>	
FRS 9      Financial Instruments	1 January 2018
<b><u>Amendments/Improvements to FRSs</u></b>	
FRS 1      First- time adoption of MFRSs	1 January 2018
FRS 2      Share-based Payment	1 January 2018
FRS 4      Insurance Contracts	1 January 2018
FRS 10     Consolidated Financial Statements	Deferred
FRS 128    Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140    Investment Property	1 January 2018
<b><u>New IC Int</u></b>	
IC Int 22    Foreign Currency Transactions and Advance Consideration	1 January 2018

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

**2. Changes in Accounting Policies (Cont'd)**

**(b) New FRSs, amendments/improvements to FRSs that are issued, but not yet effective and have not been early adopted (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 issued 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 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 was paid since the beginning of the current quarter.

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

**8. Discontinued operation**

On 5 January 2017, Malim Enterprise (HK) Limited, a wholly-owned subsidiary of the Company entered into a Share Sale Agreement with Jilin Province Zhuo Yue Investment Co. Limited to dispose of its subsidiary, Jilin Province Maxcourt Hotel Limited (“JPMHL”), which as reported in the hotel and recreation segment, has already ceased operation.

The approval from the Bureau of Economic Cooperation of People’s Republic of China has already been obtained while still pending the approval of the Trade and Industry of Jilin Province.

The assets and liabilities related to JPMHL are being 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 disclosure :**

The financial position of JPMHL is as follows :

	<b>As at 30/04/2017</b>	<b>As at 31/01/2017 (audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets:</b>		
Property, plant and equipment	110,322	112,588
Trade and other receivables	594	762
Cash and bank balance	318	322
Total assets	<u>111,234</u>	<u>113,672</u>
<b>Liabilities:</b>		
Short term borrowings	32,165	32,828
Trade and other payables	29,834	29,527
Total liabilities	<u>61,999</u>	<u>62,355</u>

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

**8. Discontinued operation (Cont'd)**

**Statement of comprehensive income disclosure :**

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

	Individual period		Cumulative period	
	Current quarter 30/04/2017 RM'000	Preceding year quarter 30/04/2016 RM'000	Current year period ended 30/04/2017 RM'000	Preceding year period ended 30/04/2016 RM'000
Income	569	568	569	568
Expenses	<u>(507)</u>	<u>(2,056)</u>	<u>(507)</u>	<u>(2,056)</u>
Loss from operations	62	(1,488)	62	(1,488)
Finance costs	<u>(1,025)</u>	<u>(923)</u>	<u>(1,025)</u>	<u>(923)</u>
Loss before tax from discontinued operation	(963)	(2,411)	(963)	(2,411)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss from discontinued operation	(963)	(2,411)	(963)	(2,411)
Translation reserve	<u>90</u>	<u>76</u>	<u>90</u>	<u>76</u>
Total comprehensive loss from discontinued operation	<u>(873)</u>	<u>(2,335)</u>	<u>(873)</u>	<u>(2,335)</u>

**Statement of cash flows disclosures :**

The cash flows attributable to JPMHL are as follows :

	Individual period		Cumulative period	
	Current quarter 30/04/2017 RM'000	Preceding year quarter 30/04/2016 RM'000	Current year period ended 30/04/2017 RM'000	Preceding year period ended 30/04/2016 RM'000
Cash flow generated from/use in:				
Operating activities	(5)	2,483	(5)	2,483
Investing activities	-	-	-	-
Financing activities	-	(2,021)	-	(2,021)
Net cash inflow/(outflow)	<u>(5)</u>	<u>462</u>	<u>(5)</u>	<u>462</u>
Cash flow at the beginning of the financial period	-	-	323	1,350
Cash and cash equivalent at the end of financial period	<u>(5)</u>	<u>462</u>	<u>318</u>	<u>1,812</u>

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

**9. Segmental Information**

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

	Quarter ended 30 April		Year-To-Date ended 30 April	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<u>Revenue</u>				
Property Development	2,614	3,535	2,614	3,535
Hotel and Recreation (Discontinued)	-	568	-	568
Property Investment and Management	1,766	2,271	1,766	2,271
	<u>4,380</u>	<u>6,374</u>	<u>4,380</u>	<u>6,374</u>
 <u>Loss before tax</u>				
Property Development	(4,007)	(9,017)	(4,007)	(9,017)
Hotel and Recreation (Discontinued)	(963)	(2,412)	(963)	(2,412)
Property Investment and Management	(1,600)	(879)	(1,600)	(879)
	<u>(6,570)</u>	<u>(12,308)</u>	<u>(6,570)</u>	<u>(12,308)</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 Beautiful Peninsular Sdn. Bhd. ("BPSB"), a 70%-owned indirect subsidiary of the Group was struck off from the register of companies by the Companies Commission of Malaysia and published in the Gazette pursuant to Section 308 of the Companies Act, 1965. Accordingly, BPSB was dissolved and ceased to be a 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 year 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 a revenue of RM4.38 million, a 24.6% decrease from the RM5.81 million generated during last year's corresponding quarter. The drop is mainly due to lower sales of development lands.

Group pre-tax loss was RM5.61 million compared to RM9.90 million for the same quarter last year. The improvement was primarily due to higher finance income arising from the unwinding of FRS139 charges amounting to RM3 million and lower finance cost. A dormant subsidiary was struck-off during the quarter and resulted in a gain on deconsolidation of RM2.40 million which is completely offset by the realisation of a bad debt provision recorded under "Other Expenses".

**(b) Segmental Results Commentary:**

**(i) Property Development Division**

For the current quarter

The division recorded a revenue of RM2.61 million, a 26.27% decrease from the RM3.54 million generated during last year's corresponding quarter. The result is mainly due to lower sales of development lands.

The division's pre-tax loss was RM4.01 million compared to RM9.02 million for the same quarter last year. The improvement was primarily due to higher finance income arising from the unwinding of FRS139 charges amounting to RM3 million and lower finance cost.

**(ii) Hotel and Recreation Division**

The division did not generate any revenue for the current quarter since the hotel had already ceased operation. However, the division continued to receive office rental income of RM0.57 million for the current quarter for a portion of the ground and fifth floors of the building, which are still tenanted.

For the current quarter

The division recorded a pre-tax loss of RM0.96 million compared to a pre-tax loss of RM2.41 million for the same quarter last year. The improvement is mainly due to the suspension of depreciation charges for the current quarter as the fixed assets of the hotel are now classified as assets held for sale.

**(iii) Property Investment and Management Division**

For the current quarter

The division recorded a revenue of RM1.77 million, a 22.03% decrease from the RM2.27 million generated during last year's corresponding quarter. The result is mainly due to lower management fee income and rental income.

The division's pre-tax loss was RM1.60 million compared to RM0.88 million for the same quarter last year. The decline was primarily due to reasons as explained above.

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

**2. Comparison with Preceding Quarter's Results (Quarter 1, 2018 vs Quarter 4, 2017)**

	<b>Current Quarter ended 30 April 2017 RM'000</b>	<b>Immediate preceding Quarter ended 31 January 2017 RM'000</b>
Revenue	4,380	27,011
Loss before tax	(5,607)	(11,050)

The Group recorded a quarterly decrease of 83.78% in revenue to RM4.38 million from RM27.01 million. The decrease was mainly due to lower sales of property development lands.

The current quarter recorded a pre-tax loss of RM5.61 million compared to a pre-tax loss of RM11.06 million for the preceding quarter. The results of the last quarter had included a one-off charge of RM26.3 million emanating from the discounting effect of FRS139 on long term receivables which was mitigated by the net reversal of provisions for impairment losses of RM11.5 million. There was also an overprovision of future costs to complete a project which are no longer required, amounting to RM12 million. At the same time, the current quarter saw a higher finance income arising from the unwinding of the above-mentioned FRS139 charges amounting to RM3 million.

**3. Prospects**

The Group's joint venture projects are on-going. In addition, the Group had submitted its new development plans on various parcels of land, some of which has already been approved by the relevant authorities. The Group has started its build then sell projects which are being funded by cash flows from asset sales that are already locked in. 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.

**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.

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

5. Income Tax Expense

Group	Current quarter 30/04/2017 RM'000	Current year period ended 30/04/2017 RM'000
Income tax expenses - prior years	(5)	(5)
- current year	(1)	(1)
	(6)	(6)

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 30 April 2017 are as follows:

<u>Secured</u>	<u>Total</u> RM'000
Short term borrowings	29,217
Long term borrowings	69,864
	99,080



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

**8. Material Litigation**

Save as disclosed below, neither the Group and the Company 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 of Directors 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 the Group:

- (i) 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 wholly-owned subsidiary of WCE Holdings Bhd. The property, valued at RM48.70 million, was part and parcel of 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 and 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 and the appeal was fully heard on 21 and 22 April 2016 and on 22 August 2016 the Court of Appeal had dismissed the appeal with costs.

TTB had on 19 September 2016 filed a Notice of Motion for leave pursuant to Section 96 of the Courts of Judicature Act, 1964 to appeal to the Federal Court against part of the decision of the Court of Appeal given on 22 August 2016 in the Court of Appeal Civil Appeal No. B-02(W)-1890-11/2015 dismissing TTB and Continental Heights Development Sdn. Bhd.’s appeal against the Judgment dated 22 October 2015 of the High Court at Shah Alam. The Federal Court had on 2 March 2017 heard our Notice of Motion for leave to appeal to the Federal Court and the application for leave to appeal was dismissed with cost.

TTB has recourse to and will seek recovery of losses from Keuro Leasing Sdn. Bhd. and WCE Holdings Bhd..

- (ii) A Writ of Summons and the Statement of Claim was filed in the Kuala Lumpur High Court by Universal Healthcare (R&D) Sdn Bhd (“UHSB”) against TTB and 3 other Defendants who were Directors of Pandan Indah Medical Management Sdn. Bhd. (In Liquidation), a former subsidiary of TTB (“PIMM”).

UHSB claims against TTB for the Declarations that TTB is a director of PIMM and that the business of PIMM was carried out by its Directors and/ or TTB and that the Directors of PIMM and/or TTB are personally liable to UHSB. Consequently, UHSB is seeking an order that the Directors of PIMM and/ or TTB pay jointly and/ or severally, the alleged debt arising from the judgment sum of RM23.82 million assessed by UHSB against PIMM together with interest at the rate of 8% per annum from the date of Writ of Summons until full settlement amounting to RM49.23 million (as at 12 October 2015) and/ or in the alternative, damages to be assessed.

TTB has filed its defence and also counterclaimed against UHSB and the 3 Directors of UHSB for general damages, exemplary damages and aggravated damages for the tort of abuse of process and/ or malicious prosecution.

The full trial of the Civil Suit was part heard on 19 to 24 January 2017 and fixed for continued hearing on 19, 20 and 21 June 2017 and 31 July, 01, 02 and 03 August 2017.

Based on legal counsel’s advice, the Civil Suit by UHSB is unlikely to succeed.

**Schedule F : Additional Disclosures Pursuant to Appendix 9B of the 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 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.

	<b>Current quarter ended 30 April 2017 RM'000</b>	<b>Current year-to-date 30 April 2017 RM'000</b>
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	(5,612)	(5,612)
Profit/(Loss) from discontinuing operations attributable to owners of the Company	(819)	(819)
Profit/(Loss) attributable to owners of the Company	(6,431)	(6,431)
<b>Earnings per share ("EPS") (in sen)</b>		
Basic	(0.15)	(0.15)
Diluted	(0.15)	(0.15)
<b>Earnings per share from continuing operations attributable to owners of parent (in sen)</b>		
Basic	(0.13)	(0.13)
Diluted	(0.13)	(0.13)
<b>Earnings per share from discontinued operations attributable to owners of parent (in sen)</b>		
Basic	(0.02)	(0.02)
Diluted	(0.02)	(0.02)

**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 2017 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.

	<b>As at 30 April 2017 RM'000</b>	<b>As at 31 January 2017 RM'000</b>
<b>Total accumulated losses of the Group</b>		
- Realised	(488,306)	(483,125)
- Unrealised	(5,208)	(5,208)
 <b>Joint ventures</b>		
- Realised	(5,968)	(5,665)
 <b>Associated companies</b>		
- Realised	(6,343)	(5,395)
	<hr/> <b>(505,824)</b> <hr/>	<hr/> <b>(499,393)</b> <hr/>

**12. Annual Audited Report**

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2017 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 29 June 2017.

By order of the Board

Soo Kah Pik  
 Company Secretary