

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 January 2020**  
*(These figures have not been audited)*

**Schedule A : Condensed Consolidated Statement of Comprehensive Income**  
**For the financial year ended 31 January 2020**

	Individual period		Cumulative period	
	Current quarter ended 31/1/2020	Preceding year quarter ended 31/1/2019	Current year period ended 31/1/2020	Preceding year period ended 31/1/2019
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	4,058	-	20,598	-
Cost of sales	(3,623)	-	(16,872)	-
<b>Gross profit</b>	435	-	3,726	-
Other operating income (Schedule A Note 1)	1,810	-	61,749	-
Administrative expenses	(2,927)	-	(11,632)	-
Authority and professional expenses	(271)	-	(5,887)	-
Other expenses (Schedule A Note 2)	(1,699)	-	(8,823)	-
<b>Result from operating activities</b>	(2,652)	-	39,133	-
Finance income (Schedule A Note 3)	1,843	-	8,402	-
Finance costs (Schedule A Note 4)	(4,979)	-	(20,839)	-
<b>(Loss)/Profit before tax and share of results</b>	(5,788)	-	26,696	-
Share of results of jointly controlled entities and associate companies	(796)	-	(2,105)	-
<b>(Loss)/Profit before tax</b>	(6,584)	-	24,591	-
Income tax	6	-	(1)	-
<b>(Loss)/Profit from continuing operations, net of tax</b>	(6,578)	-	24,590	-
Results from discontinued operations, net of tax	-	-	-	-
<b>(Loss)/Profit for the period</b>	(6,578)	-	24,590	-

**Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)**  
 For the financial year ended 31 January 2020

	Individual period		Cumulative period	
	Current quarter ended 31/1/2020 RM'000	Preceding year quarter ended 31/1/2019 RM'000	Current year period ended 31/1/2020 RM'000	Preceding year period ended 31/1/2019 RM'000
<b>Other comprehensive loss</b>				
Exchange difference on translation of foreign entity	(320)	-	(1,482)	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(6,898)</b>	<b>-</b>	<b>23,108</b>	<b>-</b>
(Loss)/Profit for the period attributable to:				
Owners of the Company				
- continuing operations	(6,428)	-	25,285	-
- discontinued operation	-	-	-	-
	(6,428)	-	25,285	-
Non-controlling Interests	(150)	-	(695)	-
	(6,578)	-	24,590	-
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company				
- continuing operations	(6,773)	-	23,634	-
- discontinued operation	-	-	-	-
	(6,773)	-	23,634	-
Non-controlling Interests	(125)	-	(526)	-
	(6,898)	-	23,108	-
<b>(Loss)/Earnings per share from continuing operations attributable to owners of parent (in sen)</b>				
<b>(Loss)/Earnings per share ("EPS") (in sen)</b>				
Basic	(0.15)	-	0.59	-
Diluted	(0.15)	-	0.59	-

**Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)**  
**For the financial year ended 31 January 2020**

	Individual period		Cumulative period	
	Current quarter ended 31/1/2020	Preceding year quarter ended 31/1/2019	Current year period ended 31/1/2020	Preceding year period ended 31/1/2019
	RM'000	RM'000	RM'000	RM'000
<b>NOTE :</b>				
<b>1) Included in the Other Operating Income:</b>				
Net gain on settlement with WCE Holding Bhd	-	-	33,391	-
Gain on disposal of property, plant and equipment	-	-	58	-
Reversal of provision for impairment of inventories	-	-	7,693	-
Reversal of provision for impairment of receivables no longer required	1,633	-	5,948	-
Interest over-accrued	-	-	1,793	-
Waiver of debts	-	-	12,192	-
<b>2) Included in the Other Expenses</b>				
Amortisation and depreciation	(1,225)	-	(4,913)	-
Bad debts written off	-	-	(157)	-
Provision for impairment of receivables, associates and jointly controlled entities	-	-	(1,797)	-
Provision for impairment of inventories	-	-	(31)	-
<b>3) Included in Finance Income</b>				
Amortisation of financial instruments	1,831	-	8,153	-
<b>4) Included in Finance Costs</b>				
Amortisation of financial instruments	-	-	(1,301)	-

Note:

As announced to Bursa Malaysia on 17 December 2019, the Board had on that day approved the change of the financial year end of the Company from January 31 to March 31 to enable the quarterly reporting to be aligned to calendar quarters and also in conjunction with Talam's 100 year anniversary celebration of its incorporation on March 15, 1920. The next set of audited financial statements shall be for a period of fourteen (14) months from February 1, 2019 to March 31, 2020. As such, there will be no comparative financial information available for the financial period ended January 31, 2020.

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 January 2020**  
*(These figures have not been audited)*

**Schedule B : Condensed Consolidated Statement of Financial Position**  
**As at 31 January 2020**

	<b>Unaudited</b>	<b>Audited</b>
	<b>as at</b>	<b>As at</b>
	<b>31/1/2020</b>	<b>31/1/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,144	471
Inventories	356,323	348,549
Investment properties	185,531	193,512
Interest in joint ventures	3,755	5,793
Interest in associates	18,462	18,529
Other investment	2	2
Long term associate	96,069	89,377
Long term receivables	33,653	32,616
<b>Total non-current assets</b>	<b>694,939</b>	<b>688,849</b>
<b>Current assets</b>		
Inventories	66,600	69,724
Contract assets	4	8
Trade and other receivables	17,879	27,304
Amount owing by associates	23,998	23,696
Tax recoverable	175	167
Sinking funds held by trustees	4	4
Short term investment	30	3,603
Cash and bank balances	3,981	10,647
<b>Total current assets</b>	<b>112,671</b>	<b>135,153</b>
<b>TOTAL ASSETS</b>	<b>807,610</b>	<b>824,002</b>

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 January 2020**  
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**Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)**  
**As at 31 January 2020**

	<b>Unaudited as at 31/1/2020</b>	<b>Audited as at 31/1/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	859,086	856,086
Treasury shares	(493)	(493)
Reserves	(475,567)	(499,201)
Equity attributable to owners of the Company	383,026	356,392
<b>Non-controlling interests</b>	<b>(7,149)</b>	<b>(6,623)</b>
<b>Total equity</b>	<b>375,877</b>	<b>349,769</b>
<b>Non-current liabilities</b>		
Borrowings	399	4,955
Other long term payables	209,690	203,547
Total non-current liabilities	210,089	208,502
<b>Current liabilities</b>		
Provision for liability	731	731
Contract liabilities	203	606
Borrowings	74,969	67,823
Trade and other payables	145,414	196,465
Amount owing to associates	325	104
Current tax liabilities	2	2
<b>Total current liabilities</b>	<b>221,644</b>	<b>265,731</b>
<b>Total liabilities</b>	<b>431,733</b>	<b>474,233</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>807,610</b>	<b>824,002</b>
Net assets per share attributable to Owners of the Company (RM)	0.09	0.08

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to this interim financial report.

**Schedule C : Condensed Consolidated Statement of Cash Flows**  
**For the financial year ended 31 January 2020**

	<b>Current year period ended <u>31/1/2020</u> RM'000</b>	<b>Preceding year period ended <u>31/1/2019</u> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	24,591	-
Adjustments for:		
Bad debts written off	157	-
Depreciation:		
- property, plant and equipment	269	-
- investment properties	4,644	-
Finance liabilities at amortised costs	1,301	-
Finance assets at amortised costs	(8,153)	-
Interest expenses	19,538	-
Impairment of receivables	1,797	-
Impairment of inventories	31	-
Net gain on settlement with WCE Holding Bhd.	(33,391)	-
Gain on disposal of property, plant and equipment	(58)	-
Reversal of provision for impairment of inventories	(7,693)	-
Impairment loss on receivables no longer required	(5,948)	-
Interest income	(249)	-
Interest over-accrued	(1,793)	-
Share of results of joint ventures and associates	2,105	-
Waiver of debts	(12,192)	-
Operating loss before working capital changes	<u>(15,044)</u>	<u>-</u>
Changes in working capital:		
Inventories	2,580	-
Receivables	44,668	-
Payables	(40,905)	-
Cash used in operations	<u>(8,701)</u>	<u>-</u>
Interest received	249	-
Income tax paid	(8)	-
Interest paid	(19,538)	-
Net Cash Used In Operating Activities	<u>(27,998)</u>	<u>-</u>

**Schedule C : Condensed Consolidated Statement of Cash Flows**  
**For the financial year ended 31 January 2020**

	<b>Current year period ended 31/1/2020 RM'000</b>	<b>Preceding year period ended 31/1/2019 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	73	-
Advances from associate companies	12,339	-
Cash inflow arising from private placement	3,000	-
Draw down from other investment	3,573	-
Purchase of property, plant and equipment	(964)	-
<b>Net Cash Generated From Investing Activities</b>	<b>18,021</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(11,025)	-
Drawdown of new loan	13,572	-
<b>Net Cash Generated From Financing Activities</b>	<b>2,547</b>	<b>-</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,430)</b>	<b>-</b>
<b>EFFECTS OF EXCHANGE DIFFERENCES</b>	<b>764</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<b>9,043</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<b>2,377</b>	<b>-</b>
<b>Cash in hand and bank balances</b>	<b>2,377</b>	<b>-</b>
<b>Deposits with licensed banks</b>	<b>1,604</b>	<b>-</b>
	<b>3,981</b>	<b>-</b>
<b>Balances pledged as securities to licensed banks - HDA</b>	<b>(1,604)</b>	<b>-</b>
	<b>2,377</b>	<b>-</b>

Notes:

- i) As announced to Bursa Malaysia on 17 December 2019, the Board had on that day approved the change of the financial year end of the Company from January 31 to March 31 to enable the quarterly reporting to be aligned to calendar quarters and also in conjunction with Talam's 100 year anniversary celebration of its incorporation on March 15, 1920. The next set of audited financial statements shall be for a period of fourteen (14) months from February 1, 2019 to March 31, 2020. As such, there will be no comparative financial information available for the financial period ended January 31, 2020.
- ii) The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

**Schedule D : Condensed Consolidated Statement of Changes in Equity**  
**For the financial year ended 31 January 2020**

	Attributable to owners of the Company					Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Reserves	Assets Held for Sale	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 February 2019</b>	856,086	(493)	49,667	-	(548,868)	356,392	(6,623)	349,769
Issued during the financial period	3,000	-	-	-	-	3,000	-	3,000
Total comprehensive (loss)/income for the financial year	-	-	(1,651)	-	25,285	23,634	(526)	23,108
<b>As at 31 January 2020</b>	<b>859,086</b>	<b>(493)</b>	<b>48,016</b>	<b>-</b>	<b>(523,583)</b>	<b>383,026</b>	<b>(7,149)</b>	<b>375,877</b>

Notes:

- i) As announced to Bursa Malaysia on 17 December 2019, the Board had on that day approved the change of the financial year end of the Company from January 31 to March 31 to enable the quarterly reporting to be aligned to calendar quarters and also in conjunction with Talam's 100 year anniversary celebration of its incorporation on March 15, 1920. The next set of audited financial statements shall be for a period of fourteen (14) months from February 1, 2019 to March 31, 2020. As such, there will be no comparative financial information available for the financial period ended January 31, 2020.
- ii) The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to this interim financial report.



## **Schedule E : Significant Events and Transactions Pursuant to MFRS 134**

### **1. Basis of Preparation**

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 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 2019 where applicable and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

Due to the change of the financial year end of the Company from January 31 to March 31, there will be no comparative financial information available for the financial period ended January 31, 2020 with regard to the Condensed Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows.

### **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 2019.

#### **(a) Adoption of new MFRSs and amendments/improvements to MFRSs**

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

##### **New MFRS**

MFRS 16 Leases

##### **Amendments/Improvements to MFRSs**

MFRS 3 Business Combinations  
MFRS 9 Financial Instruments  
MFRS 11 Joint Arrangements  
MFRS 112 Income Taxes  
MFRS 119 Employee Benefits  
MFRS 123 Borrowing Costs  
MFRS 128 Investment in Associates and Joint Ventures

##### **New IC Int**

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new and amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group.

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

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

**(b) Amendments/improvements to MFRSs 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 MFRSs</u></b>	
MFRS 17 Insurance Contracts	1 January 2021
<b><u>Amendments/Improvements to MFRSs</u></b>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021
MFRS 2 Share-based Payment	1 January 2020
MFRS 3 Business Combinations	1 January 2020
MFRS 5 Non-current Assets Held for Sale and Discontinued Operation	1 January 2021
MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
MFRS 7 Financial Instruments: Disclosures	1 January 2021
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 14 Regulatory Deferral Accounts	1 January 2020
MFRS 15 Revenue from Contracts with Customers	1 January 2021
MFRS 17 Insurance Contract	1 January 2021
MFRS 101 Presentation of Financial Statements	1 January 2020
MFRS 107 Statement of Cash Flows	1 January 2021
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 116 Property, Plant and Equipment	1 January 2021
MFRS 132 Financial Instruments: Presentation	1 January 2021
MFRS 134 Interim Financial Reporting	1 January 2020
MFRS 136 Impairment of Assets	1 January 2021
MFRS 137 Provision, Contingent Liabilities and Contingent Assets	1 January 2020
MFRS 138 Intangible Assets	1 January 2020
MFRS 140 Investment Property	1 January 2021
<b><u>New IC Int</u></b>	
IC Int 23 Service Concession Arrangements	1 January 2020
<b><u>Amendments to IC Int</u></b>	
IC Int 12 Service Concession Arrangements	1 January 2020
IC Int 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
IC Int 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
IC Int 132 Intangible Assets – Web Site Costs	1 January 2020

The initial application of the abovementioned standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group.

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

**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 effect on the assets, liabilities, equity, net income, or cash flows for the current quarter other than what has already been disclosed in this report.

**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**

During the financial period ended 31 January 2020, changes in equity are as follows: -

	<b>No. of shares issued ('000 unit)</b>	<b>RM'000</b>
Issued and paid-up share capital as at 1 February 2019	4,220,280	856,086
Issuance of new ordinary shares from private placement at RM0.04 each	75,000	3,000
Issued and paid-up share capital as at 31 January 2020	<u>4,295,280</u>	<u>859,086</u>

Save for the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial period under review.

**7. Dividend**

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

**8. Change of Financial Year End**

As announced to Bursa Malaysia on 17 December 2019, the Board had on that day approved the change of financial year end of the Company from 31 January to 31 March to enable its quarterly reporting to be aligned to calendar quarters and also in conjunction with Talam's 100 years anniversary celebration of its incorporation on 15 March 1920. Therefore, the new financial period shall commence from 1 February 2019 to 31 March 2020, covering a period of fourteen (14) months. Thereafter, the financial year of the Company shall revert to twelve (12) months ending 31 March, for each subsequent year.

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

**9. Segmental Information**

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

	Quarter		Year-To-Date	
	ended 31 January 2020	2019	ended 31 January 2020	2019
<u>Revenue</u>	RM'000	RM'000	RM'000	RM'000
Property Development	38	-	2,268	-
Property Investment and Management	1,690	-	6,766	-
Construction	2,330	-	11,564	-
	<u>4,058</u>	<u>-</u>	<u>20,598</u>	<u>-</u>
<u>(Loss)/Profit before tax</u>				
Property Development	(4,993)	-	30,582	-
Property Investment and Management	(1,693)	-	(6,504)	-
Construction	102	-	513	-
	<u>(6,584)</u>	<u>-</u>	<u>24,591</u>	<u>-</u>
<u>Segment assets</u>				
Property Development			632,575	-
Property Investment and Management			171,750	-
Construction			3,285	-
			<u>807,610</u>	<u>-</u>
<u>Segment liabilities</u>				
Property Development			376,767	-
Property Investment and Management			51,115	-
Construction			3,851	-
			<u>431,733</u>	<u>-</u>

Note: Due to the change in the financial year end as stated in Note 8, no comparable figures are presented.

The Hotel and Recreation segment has been merged into the Property Investment and Management segment in view that the division had ceased operation and is merely receiving some office rental income. During the last financial year, the division's assets had already been reclassified from "Assets Held For Sale" to "Investment Properties" in the Consolidated Statement of Financial Position as at 31 January 2019.

**10. Changes in the Composition of the Group**

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

**11. Contingent Liabilities and Assets**

As at the date of this report, the Group does not have any contingent liability or contingent asset.

**12. Events After the Reporting Period**

There was no material event subsequent to the current year quarter.

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

**1. Review of Performance**

Due to the change in the financial year end as stated in Note 8, no comparable figures are presented.

**(a) Overall Results Commentary:**

For the current quarter

The Group recorded a revenue of RM4.06 million. Revenue contribution from construction, property investment and management and sales of stock stood at RM2.33 million, RM1.69 million and RM0.04 million respectively.

Group pre-tax loss was RM6.58 million. This result was after including a recovery of previously impaired receivables amounting to RM1.63 million.

The profitability of the current quarter was adversely impacted by a higher depreciation charge of RM0.91 million that arose from the reclassification of the assets of the Hotel and Recreation Division from “Assets Held For Sale” to “Investment Properties” as reported under Schedule E, Note 9.

For the current year-to-date

The Group recorded a revenue of RM20.60 million. Revenue contribution from construction, property investment and management and sales of stock stood at RM11.56 million, RM6.77 million and RM2.27 million respectively.

Group pre-tax profit of RM24.60 million included a net gain of RM33.4 million that arose from the Global Settlement Agreement with WCE Holdings Bhd. together with the RM12.2 million debts waived and a reversal of impairment of receivables and inventories amounting to RM10.82 million as disclosed in previous quarterly reports. In the current quarter, the group's results were enhanced by the reversal of impairment of receivables as explained above. At the same time, profitability was adversely impacted by a higher depreciation charge of RM3.63 million that came about from the reclassification of the assets of the Hotel and Recreation Division from “Assets Held For Sale” to “Investment Properties”.

**(b) Segmental Results Commentary:**

**(i) Property Development Division**

For the current quarter

The division recorded a revenue of RM0.04 million with a pre-tax loss of RM4.99 million.

The results of this current quarter was mainly due to the same explanations as presented in Schedule F Note 1 (a) above.

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

**1. Review of Performance (Cont'd)**

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

**(i) Property Development Division**

For the current year-to-date

The division recorded a revenue of RM2.23 million with a pre-tax profit of RM30.58 million.

The reasons for lower in pre-tax profit are already explained in Schedule F Note 1 (a) above.

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

For the current quarter

The division recorded a revenue of RM1.690 million with a pre-tax loss of RM1.693 million.

There was an additional RM0.91 million of depreciation charge on the hotel assets due to the reclassification of the hotel assets from “Assets Held For Sale” to “Investment Properties”. At the same time, there were savings from lower land use and property tax from a partial tax exemption granted by the China tax authority effective from April 2019 onwards.

For the current year-to-date

The division recorded a revenue of RM6.77 million with a pre-tax loss of RM6.51 million.

This result was after including an additional depreciation charge of RM3.63 million for the 12-month period as explained above. China property taxes and loan interests also contributed RM0.93 million and RM0.88 million respectively to the loss while local quit rents and assessments account for another RM2.20 million.

**(iii) Construction Division**

For the current quarter

The division recorded a revenue of RM2.33 million. Construction revenue from one of our projects is tapering off as it is nearing completion while revenue from another project is expected to pick up pace soon in view that the building construction works has just commenced.

As a result of the above, the division’s pre-tax profit amounted to RM0.10 million.

For the current year-to-date

The division recorded a revenue of RM11.56 million with the pre-tax profit of RM0.51 million.

The explanation for the division’s performance is as 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 4, FYE 2020 vs Quarter 3, FYE 2020)**

	<b>Current Quarter ended 31 January 2020 RM'000</b>	<b>Immediate preceding Quarter ended 31 October 2019 RM'000</b>
Revenue	4,058	5,301
(Loss)/Profit before tax	(6,584)	640

The Group recorded a 23.45% quarterly decrease in revenue from RM5.30 million to RM4.06 million, being mainly due to a decline in construction revenue from RM3.55 million to RM2.33 million.

The current quarter recorded a pre-tax loss of RM6.58 million against a pre-tax profit of RM0.64 million for the immediate preceding quarter. The profit of the preceding quarter was mainly derived from a reversal of impairment of inventories amounting to RM7.69 million which the current quarter did not enjoy.

**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 had already been approved by the relevant authorities. The Group's first "Build then Sell" project will be completing very soon and the sales launch is targeted to take place in the first quarter of the next financial year. However, the Board foresees a challenging environment ahead for the Group due to market conditions brought about by stringent lending guidelines by Bank Negara Malaysia, amid a soft property market.

**4. Profit Forecast and Profit Guarantee**

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

**5. Income Tax Expense**

	<b>Current quarter ended 31/1/2020 RM'000</b>	<b>Current year period ended 31/1/2020 RM'000</b>
<u>Group</u>		
Income tax expenses	3	(1)

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

**6. Status of Corporate Proposals**

On 22 March 2019, the Company announced the proposal to undertake a private placement of up to 10% of the total number of issued shares at a proposed issue price of RM0.045 per placement share. This proposal was approved by Bursa Malaysia on 10 April 2019. Subsequently, the Company announced on 9 May 2019 that the price for the private placement has been fixed at RM0.04 per placement share. As at the date of this report, 75,000,000 new shares have been placed, thus enabling the Company to raise fresh capital funds of RM 3.0 million.

A summary of the utilisation of the RM3 million proceeds is presented below :

	Utilisation	Proposed Utilisation Submitted (RM'000)	Actual Proceeds Raised (RM'000)	Actual Utilisation (RM'000)	Balance of Proceeds To Be Placed (RM'000)	Explanations
1	Partially finance the balance construction cost of Seroja Apartments project.	2,500		700	1,800	The balance of the Proposed Utilisation has not been utilised as the Placement has not yet completed. On behalf of the Board, UOB Kay Hian Securities (M) Sdn. Bhd. had on 30 September 2019 announced that Bursa Malaysia Securities Berhad had, vide its letter dated 27 September 2019, resolved to grant a further extension of time until 9 April 2020 for Talam to complete the Private Placement.
2	Partial repayment of borrowings (Settlement BaIDS)	2,641		0	2,641	
3a	General working capital – payment to contractors and purchase of construction materials for other on-going projects.	6,000		0	6,000	
3b	General working capital – Operating expenses :				0	
	General Administrative expenses	3,297		402	2,895	
	Staff Related expenses	2,871		851	2,020	
	Professional Fees	600		589	11	
	Miscellaneous	970		398	572	
4	Placement expenses	100		60	40	
	<b>TOTAL</b>	<b>18,979</b>	<b>3,000</b>	<b>3,000</b>	<b>15,979</b>	

**7. Group Borrowings and Debt Securities**

The Group's borrowings and debt securities are as follows:

	Secured		Total RM'000
	Short term RM'000	Long term RM'000	
<b>As at 31.01.2019</b>	67,823	4,955	72,778
Repayment	(5,392)	(5,633)	(11,025)
New loan	5,000	8,572	13,572
Reclassified from long term borrowing to short term borrowing	7,847	(7,847)	-
Reclassified from disposal group	-	-	-
Forex movement	(309)	352	43
<b>As at 31.01.2020</b>	<b>74,969</b>	<b>399</b>	<b>75,368</b>
Foreign currency borrowings included above:		<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
Chinese Renminbi		14,998	8,840



**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 nor 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:

A Writ of Summons and the Statement of Claim was filed in the Kuala Lumpur High Court Civil Suit No. 22NCC-327-10/2015 (“Civil Suit”) 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 a total alleged claim of 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 commenced on 19, 23 and 24 January 2017 and continued to be heard on 19 and 20 June 2017, 1, 2 and 3 August 2017, 20 and 24 October 2017, 27 and 28 November 2017, 18, 19 and 29 January 2018, 9 and 12 February 2018, 15 March 2018 and 5, 7, and 8 June 2018. The full hearing was completed on 25 June 2018. Both parties had put in their written submissions on 20 August 2018 and the reply on 12 September 2018. The Court had on 10 January 2019 and 12th to 14th June 2019 heard oral submissions and fixed 29 August 2019 to deliver its decision which was then deferred to 29 January 2020 and subsequently to 6 March 2020.

The High Court had on 6 March 2020 delivered its decision and dismissed UHSB’s Civil Suit and also TTB’s Counter Claim with no order as to costs .

**9. Proposed dividend**

No dividend has been declared for the current quarter.

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

**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 31 January 2020 RM'000</b>	<b>Current year period ended 31 January 2020 RM'000</b>
Weighted average number of ordinary shares in issue, excluding treasury shares	4,292,644	4,273,894
(Loss)/Profit from continuing operations attributable to owners of the Company	(6,428)	25,285
(Loss)/Profit attributable to owners of the Company	(6,428)	25,285
<b>(Loss)/Earnings per share ("EPS") (in sen)</b>		
Basic	(0.15)	0.59
Diluted	(0.15)	0.59

**11. Annual Audited Report**

The auditors' report on the financial statements of the Group for the financial year ended 31 January 2019 did not contain any qualification.

**12. 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 17 March 2020.

By order of the Board

Soo Kah Pik  
 Company Secretary