

TALAM TRANSFORM BERHAD (192001000012) (1120 – H)
Financial Report for the financial period ended 30 June 2020
(These figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 30 June 2020

	Individual period		Cumulative period	
	Current quarter ended 30/6/2020	Preceding year quarter ended 30/6/2019	Current year period ended 30/6/2020	Preceding year period ended 30/6/2019
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	1,723	-	1,723	-
Cost of sales	(1,093)	-	(1,093)	-
Gross profit	630	-	630	-
Other operating income (Schedule A Note 1)	591	-	591	-
Administrative expenses	(2,751)	-	(2,751)	-
Authority and professional expenses	(337)	-	(337)	-
Other expenses (Schedule A Note 2)	(1,315)	-	(1,315)	-
Result from operating activities	(3,182)	-	(3,182)	-
Finance income (Schedule A Note 3)	1,174	-	1,174	-
Finance costs	(5,471)	-	(5,471)	-
Loss before tax and share of results	(7,479)	-	(7,479)	-
Share of results of jointly controlled entities and associate companies	6	-	6	-
Loss before tax	(7,473)	-	(7,473)	-
Income tax expense	(7)	-	(7)	-
Loss from continuing operations, net of tax	(7,480)	-	(7,480)	-
Results from discontinued operations, net of tax	-	-	-	-
Loss for the period	(7,480)	-	(7,480)	-

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
 For the financial period ended 30 June 2020

	Individual period		Cumulative period	
	Current quarter ended 30/6/2020	Preceding year quarter ended 30/6/2019	Current year period ended 30/6/2020	Preceding year period ended 30/6/2019
	RM'000	RM'000	RM'000	RM'000
Other comprehensive loss				
Exchange difference on translation of foreign entity	(66)	-	(66)	-
Total comprehensive loss for the period	(7,546)	-	(7,546)	-
Loss for the period attributable to:				
Owners of the Company				
- continuing operations	(7,342)	-	(7,342)	-
- discontinued operation	-	-	-	-
	(7,342)	-	(7,342)	-
Non-controlling Interests	(138)	-	(138)	-
	(7,480)	-	(7,480)	-
Total comprehensive loss for the period attributable to:				
Owners of the Company				
- continuing operations	(7,422)	-	(7,422)	-
- discontinued operation	-	-	-	-
	(7,422)	-	(7,422)	-
Non-controlling Interests	(124)	-	(124)	-
	(7,546)	-	(7,546)	-
Loss per share from continuing operations attributable to owners of parent (in sen)				
Loss per share ("EPS") (in sen)				
Basic	(0.17)	-	(0.17)	-
Diluted	(0.17)	-	(0.17)	-

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial period ended 30 June 2020

NOTE :

1) Included in the Other Operating Income:

Reversal of provision for impairment of receivables no longer required

2) Included in the Other Expenses

Amortisation and depreciation

3) Included in Finance Income

Amortisation of financial instruments

Individual period		Cumulative period	
Current quarter ended 30/6/2020	Preceding year quarter ended 30/6/2019	Current year period ended 30/6/2020	Preceding year period ended 30/6/2019
RM'000	RM'000	RM'000	RM'000
498	-	498	-
(1,247)	-	(1,247)	-
1,173	-	1,173	-

Notes:

- i) There are no comparative figures disclosed for the quarter ended June 30, 2020 due to the change in financial year end as stated in Schedule E Note 8.
- ii) The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the period ended March 31, 2020 and the accompanying explanatory notes attached to this interim financial report.

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Schedule B : Condensed Consolidated Statement of Financial Position
As at 30 June 2020

	Unaudited	Audited
	as at	As at
	30/6/2020	31/3/2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,047	1,108
Inventories	350,432	350,432
Investment properties	186,077	187,465
Interest in joint ventures	303	303
Interest in associates	18,455	18,449
Other investment	2	2
Long term associate	32,512	31,818
Long term receivables	31,858	31,379
Total non-current assets	620,686	620,956
Current assets		
Inventories	49,184	49,430
Contract assets	63	63
Trade and other receivables	17,969	20,032
Amount owing by associates	85,273	85,550
Tax recoverable	176	176
Sinking funds held by trustees	4	4
Short term investment	67	247
Cash and bank balances	2,522	3,685
Total current assets	155,258	159,187
TOTAL ASSETS	775,944	780,143

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Financial Report for the financial period ended 30 June 2020
(These figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 30 June 2020

	Unaudited as at 30/6/2020	Audited as at 31/3/2020
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	859,086	859,086
Treasury shares	(493)	(493)
Reserves	(504,280)	(496,858)
Equity attributable to owners of the Company	354,313	361,735
Non-controlling interests	(7,547)	(7,423)
Total equity	346,766	354,312
Non-current liabilities		
Borrowings	365	393
Other long term payables	579	579
Total non-current liabilities	944	972
Current liabilities		
Provision for liability	731	731
Contract liabilities	470	470
Borrowings	75,201	75,220
Trade and other payables	351,502	348,112
Amount owing to associates	325	325
Current tax liabilities	5	1
Total current liabilities	428,234	424,859
Total liabilities	429,178	425,831
TOTAL EQUITY AND LIABILITIES	775,944	780,143
Net assets per share attributable to Owners of the Company (RM)	0.08	0.08

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the period ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial report.

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 June 2020

	Current year period ended <u>30/6/2020</u> RM'000	Preceding year period ended <u>30/6/2019</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(7,473)	-
Adjustments for:		
Depreciation:		
- property, plant and equipment	61	-
- investment properties	1,186	-
Gain through amortisation on financial assets	(1,173)	-
Interest expenses	5,471	-
Impairment loss on receivables no longer required	(498)	-
Interest income	(1)	-
Share of results of joint ventures and associates	(6)	-
Operating loss before working capital changes	<u>(2,433)</u>	<u>-</u>
Changes in working capital:		
Inventories	246	-
Receivables	2,561	-
Payables	3,444	-
Cash used in operations	<u>3,818</u>	<u>-</u>
Interest received	1	-
Income tax paid	(3)	-
Interest paid	<u>(5,471)</u>	<u>-</u>
Net Cash Used In Operating Activities	<u>(1,655)</u>	<u>-</u>

Schedule C : Condensed Consolidated Statement of Cash Flows (Cont'd)
For the financial period ended 30 June 2020

	Current year period ended 30/6/2020 RM'000	Preceding year period ended 30/6/2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from associate companies	277	-
Draw down from other investment	180	-
Net Cash Generated From Investing Activities	<u>457</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(27)	-
Changes in balances pledged as security	1,200	-
Net Cash Generated From Financing Activities	<u>1,173</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25)	-
EFFECTS OF EXCHANGE DIFFERENCES	62	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	2,440	-
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>2,477</u>	<u>-</u>
Cash in hand and bank balances	2,477	-
Deposits with licensed banks	45	-
	<u>2,522</u>	<u>-</u>
Balances pledged as securities to licensed banks - HDA	(45)	-
	<u>2,477</u>	<u>-</u>

Notes:

- i) There are no comparative figures disclosed for the quarter ended June 30, 2020 due to the change in financial year end as stated in Schedule E Note 8.
- ii) The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

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Schedule D : Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 June 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
At 1 April 2020	859,086	(493)	49,428	-	(546,286)	361,735	(7,423)	354,312
Total comprehensive loss for the financial period	-	-	(80)	-	(7,342)	(7,422)	(124)	(7,546)
As at 30 June 2020	859,086	(493)	49,348	-	(553,628)	354,313	(7,547)	346,766

Notes:

- i) There are no comparative figures disclosed for the quarter ended June 30, 2020 due to the change in financial year end as stated in Schedule E Note 8.
- ii) The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the period ended 31 March 2020 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 period ended 31 March 2020 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 June 30, 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 period ended 31 March 2020.

(a) Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”)

The Group and the Company have adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int 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.

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

2. Changes in Accounting Policies (Cont'd)

(b) New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
 <u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^]
MFRS 3	Business Combinations	1 January 2023# 1 January 2022/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2022 [^] 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 June 2020/ 1 January 2022 [^]
MFRS 101	Presentation of Financial Statements	1 January 2022/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRS Standards 2018-2020*

[#] *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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

On 11 March 2020, the World Health Organisation declared the novel coronavirus (“Covid-19”) outbreak a global pandemic in recognition of its rapid spread across the globe. The Malaysian Government had imposed the Movement Control Order (“MCO”) starting from 18 March 2020 to 3 May 2020 and thereafter the Conditional MCO (“CMCO”) to 9 June 2020 and subsequently the Recovery MCO (“RMCO”) until 31 August 2020. The MCO had mandated the closure of all government offices and private business premises except those involved in the provision of essential services, to curb the spread of Covid-19 in Malaysia. The global pandemic had also resulted in imposition of travel restrictions, lockdowns and other precautionary measures throughout Malaysia, similar to other countries around the world.

The Group had complied with and will continue to observe the government and regulatory directives during the MCO, CMCO and RMCO periods. The Covid-19 pandemic and resulting MCO have adversely impacted the businesses of many of the Group’s tenants in Menara Maxisegar and Pandan Kapital Shopping Complex, though certain tenants had remained open to provide essential services to the local community. The Group has formulated plans to assist affected tenants to recover from their tight cash flow position by offering rental assistance in the form of rebates and/or deferment to tenants who qualify. This, however, will have a knock-on effect, although not significant, on the Group’s revenue, cash flow and the value of investment properties.

The Group’s construction operations also had to be shut down during the MCO and CMCO periods and this has caused several months of delay in revenue and cash-flow. Our construction site operations were only able to resume on 9 June 2020 upon full compliance with government Standard Operating Procedures (“SOPs”).

The marketing of the Group’s almost completed “build then sell” Seroja Apartments which was expected to bring in cash-flows of around RM48 million was delayed due to the MCO and CMCO. This delay had a direct impact on the Group’s revenue and cash-flows resulting in the Group’s inability to meet certain interest payment obligations on time. However, the Group has succeeded in getting the loans due dates extended and/or the interests deferred.

With the post-MCO resumption of construction activities and sales of our Seroja Apartments, the Group expects to generate cash flows in the region of RM20 million during the new financial year, thus enabling the Group to sustain its operating expenditures and meet part of its debt obligations. Furthermore, in an effort to reduce operating costs, the Group has implemented a salary reduction scheme involving employees earning above RM4,000 per month and directors, with reductions ranging from 20% to 50%, coupled with a corresponding reduction of 1 to 2 working days per week, commencing in May 2020.

The Covid-19 pandemic has brought significant economic uncertainties to the whole world. As the current situation is unprecedented and fluid, it is very difficult to predict the economic eventualities and ascertain the actual impact to the Group with a high degree of precision. However, notwithstanding the above, the Group is cautiously confident that there will be minimal effect on the Group’s operations other than what has been disclosed here. Nevertheless, the Group is monitoring the situation closely and continues to evaluate the possible ramifications of the prolonged effect of COVID-19 and the after effects of the MCO on the operations, financial position, cash flows and operating results of the Group as the situation develops, while taking appropriate and timely measures to minimise the impact of an outbreak on the Group’s operations. Prudent cash flow management will be key during such times.

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

4. Unusual Items due to their Nature, Size or Incidence (Cont')

Since May 2020, the government has progressively relaxed the MCO and by June 2020, most of the restrictions have been lifted while some still remain. The Group reopened its office at Menara Maxisegar on 4 May 2020 and prior to that, employees were required to work from home. Meanwhile, business activities have to adapt to a new normal, for the time being. The Group will continue to support the Government's efforts in combating the pandemic through strict compliance with the relevant SOPs and guidelines issued by relevant competent authorities in ensuring that the best recommended practices are being adhered to at all times while always prioritising the health and safety of our staff. Safety measures taken include restricting access into buildings to only 1 main entrance at lobby and 1 from car park, temperature scanning and recording of all employees, tenants and visitors entering the buildings, providing hand sanitisers at all entrances, limiting number of lift passengers to a maximum of 4 at any one time, practising social distancing in seating arrangements of employees in office and meeting rooms and requiring all to wear face masks. The Group's construction site activities have to comply with all applicable SOPs and obtain all necessary approvals from relevant authorities, including the requirement for all site workers to perform a Covid-19 test, before the site works are allowed to recommence. All the sites have obtained approval and are able to start works in 1st week of June 2020 and are slowly regaining momentum.

The Board is confident that the Group will survive this economic downturn as it continues to engage with new investors and new joint venture partners whilst exploring new business opportunities.

There were no unusual items that have material effect on the assets, liabilities, equity, net income, or cash flows for the current period 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

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current quarter 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. Therefore, these unaudited condensed consolidated financial statements are for a period of 3 months from April 1, 2020 to June 30, 2020 being the first quarter of the financial year ending March 31, 2021. Due to the change in the financial year, the performance of the current financial quarter ended June 30, 2020 is not comparable with the first quarter of the previous financial period ended March 31, 2020.

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:-

	3 Months ended 30 June		3 Months ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<u>Revenue</u>				
Property Development	222	-	222	-
Property Investment and Management	1,501	-	1,501	-
Construction	-	-	-	-
	<u>1,723</u>	<u>-</u>	<u>1,723</u>	<u>-</u>
<u>(Loss)/Profit before tax</u>				
Property Development	(6,372)	-	(6,372)	-
Property Investment and Management	(1,101)	-	(1,101)	-
Construction	-	-	-	-
	<u>(7,473)</u>	<u>-</u>	<u>(7,473)</u>	<u>-</u>
<u>Segment assets</u>				
Property Development			600,818	-
Property Investment and Management			172,324	-
Construction			2,802	-
			<u>775,944</u>	<u>-</u>
<u>Segment liabilities</u>				
Property Development			377,276	-
Property Investment and Management			48,066	-
Construction			3,836	-
			<u>429,178</u>	<u>-</u>

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

10. Changes in the Composition of the Group

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

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 period other than as described in (4) above.

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 RM1.72 million, out of which rental income contributed RM1.50 million. The low revenue was due to the Group's business operations being adversely affected by the Malaysian government's imposition of the nationwide Movement Control Order (MCO) since 18 March 2020 which was followed by the Conditional MCO, to curb the outbreak of Covid-19 in Malaysia. During this period, the Group and most of its employees were in lockdown and thus unable to perform any business activities. All site construction works, too, had to be completely shut down during most of the financial quarter.

Group pre-tax loss was RM7.47 million of which RM5.47 million was attributable to finance costs.

(b) Segmental Results Commentary:

(i) Property Development Division

For the current quarter

The division recorded a revenue of RM0.22 million with a pre-tax loss of RM6.37 million.

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

(ii) Property Investment and Management Division

For the current quarter

The division recorded a revenue of RM1.50 million with a pre-tax loss of RM1.10 million.

The Covid-19 pandemic and resulting MCO had adversely impacted the businesses of many of the Group's tenants in Menara Maxisegar and Pandan Kapital Shopping Complex. Most were forced to close their doors, though certain tenants had remained open to provide essential services to the local community. The Group had formulated rental assistance plans to assist affected tenants in the form of rebates and/or deferment to tenants who qualify. This, in turn will have a knock-on effect, although not significant, on the Group's revenue.

(iii) Construction Division

For the current quarter

The division did not generate any revenue during the current quarter because construction activities had to shut down during the MCO and CMCO periods. Site operations were only able to resume on 9 June 2020 upon full compliance with government Standard Operating Procedures. Social distancing is being practiced at the site, thereby adversely affecting the speed of construction activities.

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

2. Comparison with Preceding Period's Results (Current Quarter Ended 30 June 2020 vs 2-month Period Ended 31 March 2020, FPE 2020)

Due to the change in the financial year end, the performance of the current quarter ended 30 June 2020 is not comparable with the preceding 2-month period reported previously.

3. Prospects

The Group's joint venture projects are on-going albeit at a slow pace due to the soft property market. 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. However, the Group is cautiously reassessing the take up rate due to the soft market. The Group's first "Build then Sell" project was delayed due to the MCO and CMCO and is now expecting to obtain the Certificate of Completion and Compliance in October so that sales could be launched in the 3rd quarter of FY2021. However, the Board foresees a challenging environment ahead for the Group due to market conditions caused by the economic uncertainties brought about by the Covid-19 pandemic, coupled with the already weakened state of the property market which had existed since end of 2019.

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

	Current quarter ended 30/6/2020 RM'000	Current year period ended 30/6/2020 RM'000
<u>Group</u>		
Income tax expense	(7)	(7)

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. The Company then 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)
1	Partially finance the balance construction cost of Seroja Apartments project.	2,500		700	1,800
2	Partial repayment of borrowings (Settlement BalDS)	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
	TOTAL	18,979	3,000	3,000	15,979

The balance of the Proposed Utilisation had 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. Subsequently, on 9 April 2020 on behalf of the Board, UOB Kay Hian Securities (M) Sdn. Bhd. had announced that the Private Placement had lapsed on that date.

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

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	
As at 31.03.2020	75,220	393	75,613
Repayment	(27)	-	(27)
Reclassified from long term borrowing to short term borrowing	28	(28)	-
Forex movement	(20)	-	(20)
As at 30.06.2020	75,201	365	75,566
		Foreign Currency '000	RM Equivalent '000
Foreign currency borrowings included above:			
Chinese Renminbi		14,998	9,083

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. UHSB’s Solicitors had on 14 May 2020 served a Notice of Appeal dated 1st April 2020 to appeal to the Court of Appeal against part of the decision of the High Court dismissing UHSB’s High Court Civil Suit.

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.

	Current quarter ended 30 June 2020 RM'000	Current year period ended 30 June 2020 RM'000
Weighted average number of ordinary shares in issue, excluding treasury shares	4,292,644	4,292,644
Loss from continuing operations attributable to owners of the Company	(7,342)	(7,342)
Loss attributable to owners of the Company	<u>(7,342)</u>	<u>(7,342)</u>
Loss per share ("EPS") (in sen)		
Basic	<u>(0.17)</u>	<u>(0.17)</u>
Diluted	<u>(0.17)</u>	<u>(0.17)</u>

11. Annual Audited Report

The Company's external auditors, Messrs Baker Tilly Monteiro Heng PLT, has issued a qualified audit opinion for the audited financial statements for the financial period ended 31 March 2020 on the basis they are unable to determine whether any expected credit loss was necessary in accordance to MFRS 9 Financial Instruments, pertaining to an amount of RM31.82 million owing by an associate of the Group as at 31 March 2020 in relation to a property development project.

The Board wishes to clarify that this associate has a joint venture project with the Group for 100 units of superlink houses in Ulu Kelang and the Group is confident that this debt will be fully recoverable from the associate once they implement their project to coincide with when the country's economy recovers from the global Covid-19 pandemic and property prices have better value, especially since the development land is located in a choice location. The board of the associate company had presented the feasibility study and the Group has assessed the recoverability based on the feasibility study presented.

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 28 August 2020.

By order of the Board

Soo Kah Pik
 Company Secretary