

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

	Individual period		Cumulative period	
	Current quarter ended 30/9/2020	Preceding year quarter ended 30/9/2019	Current year period ended 30/9/2020	Preceding year period ended 30/9/2019
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	4,968	-	6,691	-
Cost of sales	(4,320)	-	(5,412)	-
Gross profit	648	-	1,279	-
Other operating income (Schedule A Note 1)	643	-	1,235	-
Administrative expenses	(2,535)	-	(5,286)	-
Authority and professional expenses	(715)	-	(1,052)	-
Other expenses (Schedule A Note 2)	(2,669)	-	(3,984)	-
Result from operating activities	(4,628)	-	(7,808)	-
Finance income (Schedule A Note 3)	953	-	2,127	-
Finance costs	(5,305)	-	(10,776)	-
Loss before tax and share of results	(8,980)	-	(16,457)	-
Share of results of jointly controlled entities and associate companies	(12)	-	(5)	-
Loss before tax	(8,992)	-	(16,462)	-
Income tax expense	(1)	-	(8)	-
Loss from continuing operations, net of tax	(8,993)	-	(16,470)	-
Results from discontinued operations, net of tax	-	-	-	-
Loss for the period	(8,993)	-	(16,470)	-

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

	Individual period		Cumulative period	
	Current quarter ended 30/9/2020 RM'000	Preceding year quarter ended 30/9/2019 RM'000	Current year period ended 30/9/2020 RM'000	Preceding year period ended 30/9/2019 RM'000
Other comprehensive loss				
Exchange difference on translation of foreign entity	251	-	184	-
Total comprehensive loss for the period	(8,742)	-	(16,286)	-
Loss for the period attributable to:				
Owners of the Company				
- continuing operations	(8,873)	-	(16,212)	-
- discontinued operation	-	-	-	-
	(8,873)	-	(16,212)	-
Non-controlling Interests	(120)	-	(258)	-
	(8,993)	-	(16,470)	-
Total comprehensive loss for the period attributable to:				
Owners of the Company				
- continuing operations	(8,566)	-	(15,986)	-
- discontinued operation	-	-	-	-
	(8,566)	-	(15,986)	-
Non-controlling Interests	(176)	-	(300)	-
	(8,742)	-	(16,286)	-
Loss per share from continuing operations attributable to owners of parent (in sen)				
Loss per share ("EPS") (in sen)				
Basic	(0.21)	-	(0.38)	-
Diluted	(0.21)	-	(0.38)	-

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

	Individual period		Cumulative period	
	Current quarter ended 30/9/2020	Preceding year quarter ended 30/9/2019	Current year period ended 30/9/2020	Preceding year period ended 30/9/2019
	RM'000	RM'000	RM'000	RM'000
NOTE :				
1) Included in the Other Operating Income:				
Reversal of provision for impairment of inventories	332	-	332	-
Reversal of provision for impairment of receivables no longer required	190	-	688	-
2) Included in the Other Expenses				
Amortisation and depreciation	(1,262)	-	(2,509)	-
Loss on disposal of investment in join venture	(13)	-	(13)	-
3) Included in Finance Income				
Amortisation of financial instruments	948	-	2,121	-

Notes:

- i) There are no comparative figures disclosed for the quarter ended September 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.

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

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

	Unaudited as at 30/9/2020 RM'000	Audited As at 31/3/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	988	1,108
Inventories	350,359	350,432
Investment properties	185,634	187,465
Interest in joint ventures	-	303
Interest in associates	18,444	18,449
Other investment	2	2
Long term associate	95,332	31,818
Long term receivables	32,338	31,379
Total non-current assets	683,097	620,956
Current assets		
Inventories	49,703	49,430
Contract assets	-	63
Trade and other receivables	19,946	20,032
Amount owing by associates	22,958	85,550
Tax recoverable	178	176
Sinking funds held by trustees	4	4
Short term investment	68	247
Cash and bank balances	2,333	3,685
Total current assets	95,190	159,187
TOTAL ASSETS	778,287	780,143

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

	Unaudited as at 30/9/2020	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	(514,506)	(496,858)
Equity attributable to owners of the Company	344,087	361,735
Non-controlling interests	(6,061)	(7,423)
Total equity	338,026	354,312
Non-current liabilities		
Borrowings	338	393
Other long term payables	212,415	579
Total non-current liabilities	212,753	972
Current liabilities		
Provision for liability	731	731
Contract liabilities	567	470
Borrowings	75,475	75,220
Trade and other payables	150,407	348,112
Amount owing to associates	325	325
Current tax liabilities	3	1
Total current liabilities	227,508	424,859
Total liabilities	440,261	425,831
TOTAL EQUITY AND LIABILITIES	778,287	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 September 2020

	Current year period ended 30/9/2020 RM'000	Preceding year period ended 30/9/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(16,462)	-
Adjustments for:		
Depreciation:		
- property, plant and equipment	120	-
- investment properties	2,387	-
Gain through amortisation on financial assets	(2,121)	-
Reversal of impairment of inventories	(332)	-
Interest expenses	10,776	-
Impairment loss on receivables no longer required	(688)	-
Interest income	(6)	-
Loss on disposal of investment in a joint venture	13	-
Share of results of joint ventures and associates	5	-
Operating loss before working capital changes	<u>(6,308)</u>	<u>-</u>
Changes in working capital:		
Inventories	132	-
Receivables	1,076	-
Payables	14,083	-
Cash generated from operations	<u>8,983</u>	<u>-</u>
Interest received	6	-
Income tax paid	(8)	-
Interest paid	<u>(10,776)</u>	<u>-</u>
Net Cash Used In Operating Activities	<u>(1,795)</u>	<u>-</u>

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

	Current year period ended 30/9/2020 RM'000	Preceding year period ended 30/9/2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment in a joint venture	290	-
Draw down from other investment	180	-
Net Cash Generated From Investing Activities	<u>470</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(54)	-
Drawdown of new loan	200	-
Changes in balances pledged as security	1,200	-
Net Cash Generated From Financing Activities	<u>1,346</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	21	-
EFFECTS OF EXCHANGE DIFFERENCES	(173)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	2,440	-
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>2,288</u>	<u>-</u>
Cash in hand and bank balances	2,288	-
Deposits with licensed banks	<u>45</u>	<u>-</u>
	2,333	-
Balances pledged as securities to licensed banks - HDA	<u>(45)</u>	<u>-</u>
	<u>2,288</u>	<u>-</u>

Notes:

- i) There are no comparative figures disclosed for the quarter ended September 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.

Schedule D : Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 September 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
Changes in a subsidiary's ownership interest that do not result in a loss of control	-	-	-	-	(1,662)	(1,662)	1,662	0.01
Total comprehensive loss for the financial period	-	-	226	-	(16,212)	(15,986)	(300)	(16,286)
As at 30 September 2020	859,086	(493)	49,654	-	(564,160)	344,087	(6,061)	338,026

Notes:

- i) There are no comparative figures disclosed for the quarter ended September 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 September 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

Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus (“Covid-19”) outbreak a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government had imposed a series of Movement Control Orders (“MCO”), starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak had also resulted in travel restrictions, lockdowns and other precautionary measures imposed in various other countries.

The emergence of the Covid-19 outbreak has brought significant economic uncertainties to Malaysia where the Group primarily operates. The Group continuously assesses the overall impact of the situation on the Group’s operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities. However, as this is an interim report, the evaluation is not yet complete and still on-going.

The Group continues to actively pursue new opportunities to develop, both, new and existing businesses, as well as strive to implement cost optimisation efforts to ensure that the Group remains competitive in a challenging post-MCO business environment and endeavour to deliver sustainable growth in the long term.

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.

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

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 July 1, 2020 to September 30, 2020, being the second 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 September 30, 2020 is not comparable with the second quarter of the previous financial period ended March 31, 2020, which was for the 3 months ending July 31, 2019.

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 30 September 2020	2019	ended 30 September 2020	2019
<u>Revenue</u>	RM'000	RM'000	RM'000	RM'000
Property Development	345	-	567	-
Property Investment and Management	1,611	-	3,112	-
Construction	3,012	-	3,012	-
	<u>4,968</u>	<u>-</u>	<u>6,691</u>	<u>-</u>
<u>Loss before tax</u>				
Property Development	(8,102)	-	(14,472)	-
Property Investment and Management	(1,008)	-	(2,108)	-
Construction	118	-	118	-
	<u>(8,992)</u>	<u>-</u>	<u>(16,462)</u>	<u>-</u>
<u>Segment assets</u>				
Property Development			601,603	-
Property Investment and Management			172,969	-
Construction			3,715	-
			<u>778,287</u>	<u>-</u>
<u>Segment liabilities</u>				
Property Development			386,834	-
Property Investment and Management			48,127	-
Construction			5,300	-
			<u>440,261</u>	<u>-</u>

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

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

10. Changes in the Composition of the Group

On 23 September 2020, Envy Vista Sdn Bhd, a wholly-owned subsidiary of the Group had entered into a Shareholders Agreement with Smart Hybrid Resources Sdn Bhd and Skyscraper Airhydro Industries Sdn Bhd to formalise and regulate their relationship with each other as shareholders in the joint venture through equity participation in Seaview Plantations Sdn Bhd (a subsidiary of the Group).

The issued and paid-up share capital of the joint venture company is RM5,540,000.00 divided into 5,540,000 Ordinary Shares, and are held by the Parties in the amounts and proportions set below :-

Name of Party	No. of Ordinary Shares held	Percentage of Shareholding (%)
Envy Vista Sdn Bhd	3,878,000	70
Smart Hybrid Resources Sdn Bhd	1,662,000	30
Total	5,540,000	100

This JV is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Group for the financial year ending 31 March,2021.

Other than the above, there are no changes in 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

The Company was notified by on 25 November 2020 that a liquidation order was granted by Jilin Province City of Changchun Intermediate People's Court via a Civil Ruling and was served on Jilin Province Maxcourt Hotel Ltd. ("JPMHL") at its office address in Changchun, Jilin Province by Beijing Ding Yuen Group ("the Plaintiff") and Jilin Province Yangtze River Bankruptcy Liquidation Services Co. Ltd was appointed as the administrator of JPMHL.

JPMHL had already ceased operation since 2014 and is not a major subsidiary of the Group under the definition of Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd.. As such, there is no material financial and operational impact to the Group arising from this winding-up proceeding. Based on our latest available valuation of the assets of JPMHL, the recoverable value of the assets is expected to exceed the liabilities of JPMHL and consequently, the Group does not foresee further losses.

JPMHL is seeking legal advice to appeal against the liquidation order and at the same time is negotiating with the Plaintiff for an amicable settlement.

A detailed announcement on this matter was released to Bursa Malaysia on 25 November 2020.

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 RM4.97 million, mainly contributed by construction and rental income, which stood at RM3.01 million and RM1.61 million respectively. Movement restrictions were relaxed from 10 June 2020 upon the nation entering into the Recovery Movement Control Order (“RMCO”) phase in the battle against the Covid-19 pandemic, thus enabling a return to some business activities.

Group pre-tax loss was RM8.99 million, of which RM5.31 million was attributable to finance costs. In an effort to reduce operating costs, the Company had 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.

For the current year-to-date

Group revenue of RM6.69 million was derived mainly from construction RM3.01 million and rental income of RM3.11 million.

Group pre-tax loss was RM16.46 million, of which RM10.78 million was attributable to finance costs.

(b) Segmental Results Commentary:

(i) Property Development Division

For the current quarter

The division recorded a revenue of RM0.36 million from sales of stock and land with a pre-tax loss of RM8.10 million.

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

For the current year-to-date

The division recorded a revenue of RM0.57 million with pre-tax loss of RM14.47 million, mainly due to the impact of the various MCO's.

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)

(ii) Property Investment and Management Division

For the current quarter

The division recorded a revenue of RM1.61 million with a pre-tax loss of RM0.69 million.

The Covid-19 pandemic and resulting MCO, CMCO and RMCO had adversely impacted the businesses of many of the Group's tenants in Menara Maxisegar and Pandan Kapital Shopping Complex. 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 had a knock-on effect, although not significant, on the Group's revenue and profits.

For the current year-to-date

The division recorded a revenue of RM3.11 million with pre-tax loss of RM1.37 million.

(iii) Construction Division

For the current quarter

The division recorded a revenue of RM3.01 million with pre-tax profit of RM0.12 million. The Group's construction operations, which had to be shut down during the MCO and CMCO periods, were resumed in June 2020 as a result of the relaxation of the movement restrictions with full compliance with government Standard Operating Procedures. Social distancing is being practiced at the site, thereby adversely affecting the speed of construction activities.

For the current year-to-date

Because construction activities were shut down during the MCO and CMCO periods, the division did not generate any revenue during the first quarter ended 30 June 2020. Consequently, revenue and pre-tax profit for the current year-to-date remain the same as for the current quarter.

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 2, FYE 2021 vs Quarter 1, FYE 2021)

	Current Quarter ended 30 September 2020 RM'000	Immediate preceding Quarter ended 30 June 2020 RM'000
Revenue	4,968	1,723
Loss before tax	(8,992)	(7,474)

The Group recorded a 188.33% quarterly increase in revenue from RM1.72 million to RM4.97 million, being mainly due to a RM3.01 million increase in construction revenue as construction activities had resumed following the relaxation of the movement restrictions in June 2020.

The current quarter recorded a pre-tax loss of RM8.99 million against a pre-tax loss of RM7.47 million for the immediate preceding quarter.

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 reintroduction of CMCO in Selangor and is now expecting to obtain the Certificate of Completion and Compliance in December so that sales could be launched in the 4th 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.

The Group is now diversifying into agriculture and has, during this quarter, entered into a joint venture to carry out the business of developing large-scale, sustainable, modern, commercial melon farming or any crop on part of our Bukit Beruntung land, to produce premium quality, safe food and to market the products to both the local and international markets.

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 30/9/2020 RM'000	Current year period ended 30/9/2020 RM'000
<u>Group</u>		
Income tax expense	(1)	(8)

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 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
	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	(54)	-	(54)
New loan	200	-	200
Reclassified from long term borrowing to short term borrowing	55	(55)	-
Forex movement	54	-	54
As at 30.09.2020	75,475	338	75,813
		Foreign Currency '000	RM Equivalent '000
Foreign currency borrowings included above:			
Chinese Renminbi		14,999	9,157

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 September 2020 RM'000	Current year period ended 30 September 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	(8,873)	(16,212)
Loss attributable to owners of the Company	(8,873)	(16,212)
Loss per share ("EPS") (in sen)		
Basic	(0.21)	(0.38)
Diluted	(0.21)	(0.38)

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 27 November 2020.

By order of the Board

Soo Kah Pik
 Company Secretary