

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 December 2021**  
*(These figures have not been audited)*

**Schedule A : Condensed Consolidated Statement of Comprehensive Income**  
**For the financial period ended 31 December 2021**

	Individual period		Cumulative period	
	Current quarter ended 31/12/2021	Preceding year quarter ended 31/12/2020	Current year period ended 31/12/2021	Preceding year period ended 31/12/2020
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	36,686	7,486	48,823	13,229
Cost of sales	(18,984)	(6,289)	(29,415)	(11,701)
<b>Gross profit</b>	17,702	1,197	19,408	1,528
Other operating income (Schedule A Note 1)	275	115	433	1,348
Gain on deconsolidation of subsidiaries	-	67,729	-	67,729
Administrative expenses	(2,303)	(2,603)	(6,207)	(7,766)
Authority, utilities and professional expenses	(1,065)	(988)	(2,261)	(1,863)
Other expenses (Schedule A Note 2)	(449)	(53,774)	(1,443)	(55,850)
<b>Result from operating activities</b>	14,160	11,677	9,930	5,125
Finance income (Schedule A Note 3)	1,178	2,137	3,475	4,264
Finance costs (Schedule A Note 4)	(5,260)	(20,463)	(16,700)	(30,781)
<b>Profit/(Loss) before tax and share of results</b>	10,078	(6,649)	(3,295)	(21,392)
Share of results of jointly controlled entities and associate companies	(1)	(2)	(4)	(7)
<b>Profit/(Loss) before tax</b>	10,077	(6,652)	(3,299)	(21,399)
Income tax expense	(30)	29	(62)	20
<b>Profit/(Loss) from continuing operations, net of tax</b>	10,047	(6,623)	(3,361)	(21,379)
Results from discontinued operations, net of tax	-	(840)	-	(2,555)
<b>Profit/(Loss) for the period</b>	10,047	(7,463)	(3,361)	(23,934)

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**Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)**  
**For the financial period ended 31 December 2021**

	Individual period		Cumulative period	
	Current quarter ended 31/12/2021	Preceding year quarter ended 31/12/2020	Current year period ended 31/12/2021	Preceding year period ended 31/12/2020
	RM'000	RM'000	RM'000	RM'000
<b>Other comprehensive loss</b>				
Exchange difference on translation of foreign assets	-	(46,076)	-	(45,892)
<b>Total comprehensive loss for the period</b>	10,047	(53,539)	(3,361)	(69,826)
Profit/(Loss) for the period attributable to:				
Owners of the Company				
- continuing operations	10,105	(6,984)	(3,279)	(21,740)
- discontinued operation	-	(714)	-	(2,172)
	10,105	(7,698)	(3,279)	(23,911)
Non-controlling Interests	(58)	235	(82)	(23)
	10,047	(7,463)	(3,361)	(23,934)
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the Company				
- continuing operations	10,105	(7,026)	(3,279)	(21,741)
- discontinued operation	-	(46,790)	-	(48,062)
	10,105	(53,816)	(3,279)	(69,803)
Non-controlling Interests	(58)	277	(82)	(23)
	10,047	(53,539)	(3,361)	(69,826)
<b>Profit/(Loss) per share from continuing operations attributable to owners of parent (in sen)</b>				
<b>Profit/(Loss) per share ("EPS") (in sen)</b>				
Basic	0.24	(0.16)	(0.08)	(0.51)
Diluted	0.24	(0.16)	(0.08)	(0.51)

**Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)**  
**For the financial period ended 31 December 2021**

**NOTE :**

**1) Included in the Other Operating Income:**

Reversal of provision for impairment of inventories  
 Reversal of provision for impairment of receivables  
 no longer required

**2) Included in the Other Expenses**

Amortisation and depreciation  
 Provision for impairment of inventories  
 Provision for impairment of receivables, associates  
 and jointly entity company  
 Provision for impairment of goodwill  
 Provision for impairment of investment in  
 foreign subsidiary  
 Gain/(Loss) on disposal of investment in joint venture

**3) Included in Finance Income**

Amortisation of financial instruments

**4) Included in Finance Costs**

Amortisation of financial instruments

	Individual period		Cumulative period	
	Current quarter ended 31/12/2021	Preceding year quarter ended 31/12/2020	Current year period ended 31/12/2021	Preceding year period ended 31/12/2020
	RM'000	RM'000	RM'000	RM'000
	-	-	-	332
	181	24	193	712
	(308)	(647)	(924)	(903)
	(59)	(7,188)	(59)	(7,188)
	-	(11,765)	-	(11,765)
	-	-	(120)	-
	-	(34,128)	-	(34,128)
	17	-	-	(13)
	1,167	2,135	3,462	4,256
	-	(15,305)	-	(15,305)

Notes:

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended March 31, 2021 and the accompanying explanatory notes attached to this interim financial report.

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 December 2021**  
*(These figures have not been audited)*

**Schedule B : Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2021**

	<b>Unaudited</b>	<b>Audited</b>
	<b>as at</b>	<b>As at</b>
	<b>31/12/2021</b>	<b>31/3/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	700	874
Inventories	333,060	320,316
Investment properties	72,741	73,478
Interest in associates	18,409	18,413
Long term associate	116,191	114,146
Long term receivables	27,082	25,665
<b>Total non-current assets</b>	<b>568,183</b>	<b>552,892</b>
<b>Current assets</b>		
Inventories	40,580	49,829
Contract assets	22	1,437
Trade and other receivables	105,007	100,011
Amount owing by associates	419	517
Tax recoverable	193	191
Sinking funds held by trustees	4	4
Short term investment	69	68
Cash and bank balances	3,213	3,223
<b>Total current assets</b>	<b>149,507</b>	<b>155,280</b>
<b>TOTAL ASSETS</b>	<b>717,690</b>	<b>708,172</b>

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 December 2021**  
*(These figures have not been audited)*

**Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)**  
**As at 31 December 2021**

	<b>Unaudited as at 31/12/2021</b>	<b>Audited as at 31/3/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	859,086	859,086
Treasury shares	(493)	(493)
Reserves	(580,905)	(577,626)
Equity attributable to owners of the Company	277,688	280,967
Non-controlling interests	1,730	1,565
<b>Total equity</b>	<b>279,418</b>	<b>282,532</b>
<b>Non-current liabilities</b>		
Borrowings	33,276	72,488
Other long term payables	235,817	219,448
Total non-current liabilities	269,093	291,936
<b>Current liabilities</b>		
Provision for liability	731	731
Contract liabilities	113	4
Borrowings	40,125	114
Trade and other payables	128,189	132,838
Current tax liabilities	21	17
<b>Total current liabilities</b>	<b>169,179</b>	<b>133,704</b>
<b>Total liabilities</b>	<b>438,272</b>	<b>425,640</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>717,690</b>	<b>708,172</b>
Net assets per share attributable to Owners of the Company (RM)	0.06	0.07

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 December 2021**  
*(These figures have not been audited)*

**Schedule C : Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 31 December 2021**

	<b>Current year period ended 31/12/2021 RM'000</b>	<b>Preceding year period ended 31/12/2020 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		
- continuing operations	(3,299)	(21,399)
- discontinued operations	-	(2,555)
	<u>(3,299)</u>	<u>(23,954)</u>
Adjustments for:		
Depreciation:		
- property, plant and equipment	186	179
- investment properties	738	3,156
Amortisation of goodwill on consolidation	120	-
Gain through amortisation on financial assets	(3,462)	(3,836)
Gain on deconsolidation of subsidiary	-	(67,730)
Impairment of non-current inventories	-	(7,188)
Reversal of impairment of inventories	-	(333)
Interest expenses	16,700	23,851
Impairment of receivables	-	11,765
Interest income	(14)	(8)
Impairment of inventories	59	-
Impairment loss on investment in subsidiaries	-	34,128
Impairment loss on receivables no longer required	(193)	(713)
(Gain)/Loss on disposal of investment in a joint venture	(17)	13
Share of results of joint ventures and associates	4	6
Operating profit/(loss) before working capital changes	<u>10,822</u>	<u>(30,664)</u>
Changes in working capital:		
Inventories	10,263	32,933
Receivables	(3,320)	(54,330)
Payables	7,127	20,572
Cash generated from operations	<u>24,892</u>	<u>(31,489)</u>
Interest received	14	8
Income tax paid	(62)	(12)
Income tax refund	-	32
Interest paid	(16,700)	(23,851)
Net cash generated from / (Used In) Operating Activities	<u>8,144</u>	<u>(55,312)</u>

**Schedule C : Condensed Consolidated Statement of Cash Flows (Cont'd)**  
**For the financial period ended 31 December 2021**

	<b>Current year period ended 31/12/2021 RM'000</b>	<b>Preceding year period ended 31/12/2020 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary	(9,056)	-
Proceeds from disposal of investment in a joint venture	17	290
Draw down from other investment	-	190
Net change in deconsolidation of subsidiary	-	13,580
Purchase of property, plant and equipment	(12)	(130)
Net change in associates balances	98	-
Net (Used in)/cash generated from investing activities	<u>(8,953)</u>	<u>13,930</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(650)	-
Repayment of lease liabilities	(86)	(81)
Drawdown of new loan	1,535	3,500
Changes in balances pledged as security	-	1,200
Net Cash Generated From Financing Activities	<u>799</u>	<u>4,619</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10)</b>	<b>(36,763)</b>
<b>EFFECTS OF EXCHANGE DIFFERENCES</b>	<b>-</b>	<b>36,546</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<b>3,223</b>	<b>2,440</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<b><u>3,213</u></b>	<b><u>2,223</u></b>
<b>Cash in hand and bank balances</b>	<b>3,162</b>	<b>2,223</b>
<b>Deposits with licensed banks</b>	<b>51</b>	<b>45</b>
	<b><u>3,213</u></b>	<b><u>2,268</u></b>
<b>Balances pledged as securities to licensed banks - HDA</b>	<b>-</b>	<b>(45)</b>
	<b><u>3,213</u></b>	<b><u>2,223</u></b>

Notes:

The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

**TALAM TRANSFORM BERHAD (192001000012) (1120 – H)**  
**Financial Report for the financial period ended 31 December 2021**  
*(These figures have not been audited)*

**Schedule D : Condensed Consolidated Statement of Changes in Equity**  
**For the financial period ended 31 December 2021**

	Attributable to owners of the Company				Sub Total	Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2020</b>	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	-	-	-	(1,661)	(1,661)	1,661	-
Deconsolidation of a subsidiary	-	-	-	-	-	7,748	7,748
Total comprehensive loss for the financial period	-	-	(48,628)	(30,479)	(79,107)	(421)	(79,528)
<b>As at 31 March 2021</b>	<b>859,086</b>	<b>(493)</b>	<b>800</b>	<b>(578,426)</b>	<b>280,967</b>	<b>1,565</b>	<b>282,532</b>
Acquisition of a subsidiary	-	-	-	-	-	247	247
Total comprehensive loss for the financial period	-	-	-	(3,279)	(3,279)	(82)	(3,361)
<b>As at 31 December 2021</b>	<b>859,086</b>	<b>(493)</b>	<b>800</b>	<b>(581,705)</b>	<b>277,688</b>	<b>1,730</b>	<b>279,418</b>

Notes:

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 2021 where applicable and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

### **2. Changes in Accounting Policies**

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial period ended 31 March 2021.

#### **(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>		<b>Effective for financial periods beginning on or after</b>
MFRS 17	Insurance Contracts	1 January 2023
<b><u>Amendments/Improvements to MFRSs</u></b>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 <sup>^</sup>
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 <sup>^</sup> 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 <sup>^</sup>
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 <sup>^</sup>

<sup>^</sup> *The Annual Improvements to MFRS Standards 2018-2020*

<sup>#</sup> *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**

The Covid-19 Global Pandemic which was declared by the World Health Organisation on 11 March 2020 is still on-going in the new financial year. Since 18 March 2020, the Malaysian Government has been imposing various phases of movement control orders (“MCOs”) to curb the spread of the Covid-19 outbreak in Malaysia, which had resulted in travel restrictions, prolonged lockdowns and other precautionary measures.

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 value of assets and liabilities.

Notwithstanding the difficult and disruptive MCO environment, the Group continues to actively pursue new opportunities to develop, both, new and existing businesses, seek out new partners and investors, as well as striving to implement cost optimisation efforts to ensure that the Group remains competitive in, what is expected to be, 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. Segmental Information**

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

	Quarter		Year-to-date	
	ended 31 December 2021	2020	ended 31 December 2021	2020
<u>Revenue</u>	RM'000	RM'000	RM'000	RM'000
Property Development	27,174	2,165	29,503	2,732
Property Investment and Management	983	1,012	3,002	3,176
Construction	8,529	4,309	16,318	7,321
Agriculture	-	-	-	-
	<u>36,686</u>	<u>7,486</u>	<u>48,823</u>	<u>13,229</u>
<u>Profit/(Loss) before tax</u>				
Property Development	10,188	(20,811)	(2,413)	(35,283)
Property Investment and Management	(300)	13,215	(1,159)	11,107
Construction	277	176	542	294
Agriculture	(88)	(72)	(269)	(72)
	<u>10,077</u>	<u>(7,492)</u>	<u>(3,299)</u>	<u>(23,954)</u>
<u>Segment assets</u>				
Property Development			561,940	571,602
Property Investment and Management			145,097	127,112
Construction			10,464	5,424
Agriculture			189	184
			<u>717,690</u>	<u>704,322</u>
<u>Segment liabilities</u>				
Property Development			378,294	394,864
Property Investment and Management			47,731	13,106
Construction			11,458	6,987
Agriculture			789	253
			<u>438,272</u>	<u>415,210</u>

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

### **9. Changes in the Composition of the Group**

During a previous quarter, a debt owing by Pintar Arif Sdn. Bhd. amounting to RM9,525,000 was capitalised into 9,525,000 ordinary shares, thus enabling this company to become a 97.4% subsidiary of the Group on 28 May 2021.

During this quarter, the Group's indirect wholly-owned subsidiary, Malim Enterprise (HK) Limited ("MEL") had entered into a Share Sale Agreement with Jilin Provincial Expressway Group Company Limited ("JPEGCL") to dispose the entire 85% equity interest held by MEL in Jilin Province Maxcourt Hotel Ltd. in China ("JPMHL"), the full details of which were announced to Bursa Malaysia on 17 November 2021. Upon the completion, JPMHL shall cease to be an indirect 85% subsidiary of the Group.

### **10. Contingent Liabilities and Assets**

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

### **11. Events After the Reporting Period**

The disposal of the Group's 85% equity interest in Jilin Province Maxcourt Hotel Ltd. in China as mentioned in Note 9 above and assignment of its creditor's rights, was completed on 11<sup>th</sup> January 2022.

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

**1. Review of Performance**

**(a) Overall Results Commentary:**

For the current quarter

The Group recorded a total revenue of RM36.68 million, a 390% increase over the RM7.49 million from same period last year.

Group gross profit from operations rose substantially to RM17.70 million compared to RM1.20 million last year.

Pre-tax profit accordingly improved to RM10.08 million against a pre-tax loss of RM6.65 million a year ago.

The country is slowly emerging from the Covid-19 Pandemic containment and lock-down measures and as such, business activities were able to resume.

**(b) Segmental Results Commentary:**

**(i) Property Development Division**

For the current quarter

The division recorded a revenue of RM27.17 million from sales of stock and land, a significant increase over the RM2.16 million for the corresponding quarter last year. Gross profit was RM17.27 million compared to a gross profit of RM1.13 million last year. The substantial gross profit enabled a pre-tax profit of RM10.19 million to be generated compared to pre-tax loss of RM20.81 million in a year ago.

For the current year-to-date

The division recorded a revenue of RM29.50 million with a gross profit of RM18.59 million and pre-tax loss of RM2.41 million. The Group's high finance costs, averaging at approximately RM5.55 million per quarter, is the main reason for the loss. For the same period last year, revenue was RM2.73 million with a pre-tax loss of RM35.28 million.

**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)**

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

For the current quarter

The division recorded revenue of RM0.98 million. Pre-tax loss was RM0.30 million compared with a pre-tax profit of RM13.21 million a year ago. However, that profit was mainly derived from the deconsolidation adjustments of the Group's investment in Jilin Province Maxcourt Hotel Ltd. in China, which was then offset against related impairments.

For the current year-to-date

The division recorded a revenue of RM3.00 million with pre-tax loss of RM1.16 million. For the same period last year, revenue was RM3.17 million with a pre-tax profit of RM11.11 million. The reasons for such results are same as explained above.

The Covid-19 pandemic and the series of MCOs had adversely impacted the businesses of many of the Group's tenants in Menara Maxisegar and Pandan Kapital Shopping Complex. Although the Group had formulated rental assistance plans to assist affected tenants in the form of discounts and/or deferment, a number of tenants were still unable to sustain and had to vacate the rented premises.

However, with the Covid-19 pandemic containment measures coming to an end and the resumption of business activities, the Group had been able to source for some new tenants who are in the process of commencing their tenancy.

**(iii) Construction Division**

For the current quarter

With the reopening of construction sites from lockdowns, the Group was able to resume its construction operations on 1<sup>st</sup> September 2021, albeit with 80% workforce capacity. Construction revenue continued to recover to reach RM8.53 million compared to RM4.31 million year-on-year, with pre-tax profit of RM0.28 million against RM0.17 million.

For the current year-to-date

The division recorded a revenue of RM16.32 million with pre-tax profit of RM0.54 million compared to RM7.32 million and RM0.29 million respectively for the same period last year.

**(iv) Agriculture Division**

For the current quarter

The division recorded a pre-tax loss of RM0.09 million for the current quarter, arising from seeds and other raw materials costs, professional fees, regulatory expenses, salaries and other maintenance costs. The corresponding period last year was when this division commenced operation and there was no revenue then while the pre-tax operating loss was RM0.07 million.

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

For the current year-to-date

Apart from some minuscule income from a successful harvest of golden melons from its research and development centre's pilot greenhouses, the division did not record any revenue, while pre-tax loss amounted to RM0.27 million.

This venture is not able to fully operate yet as it is still awaiting approval from the relevant authorities for our infrastructure and the greenhouses building plans, which had been delayed due to the lockdowns. Besides that, sourcing for both local and foreign workers for the agriculture activities is also proving to be quite challenging.

**2. Comparison with Preceding Quarter's Results (Quarter 3, FYE 2022 vs Quarter 2, FYE 2022)**

	<b>Current Quarter ended 31 December 2021 RM'000</b>	<b>Immediate preceding Quarter ended 30 September 2021 RM'000</b>
Revenue	36,686	9,292
Profit / (Loss) before tax	10,077	(7,567)

The Group recorded a 294.8% quarterly increase in revenue from RM9.29 million to RM36.68 million. Construction revenue further improved from RM6.26 million to RM8.53 million while land and stock sales rose from RM2.13 million to RM27.16 million.

The current quarter recorded a pre-tax profit of RM10.07 million against a pre-tax loss of RM7.56million for the immediately preceding quarter. The profit was primarily derived from the land sale.

**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 has completed and the Certificate of Completion and Compliance (CCC) was granted on 14<sup>th</sup> December 2021. Sales launch has already commenced. However, the Board foresees a challenging environment ahead for the Group due to tough lending policies caused by the economic uncertainties and fallout 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 diversifying into agriculture businesses and has, during the previous year, entered into a joint venture to carry out the business of developing large-scale, sustainable, modern, commercial melon farming or any crops on part of our undeveloped Bukit Beruntung land-bank, to produce premium quality, safe foods and to market the products to, both, the local and international markets. However, the commencement of the infrastructure works and construction of greenhouses were delayed by the late approval from the relevant authorities due to inter-district travel restrictions imposed since the beginning of the year and exacerbated by the MCO introduced in June 21. Apart from that, the group is cautiously assessing the timing to commence the large-scale agricultural business due to the challenges in sourcing for both local and foreign workers for the agriculture activities.



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

**4. Profit Forecast and Profit Guarantee**

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

**5. Income Tax Expense**

<u>Group</u>	<b>Current quarter ended 31/12/2021 RM'000</b>	<b>Current year period ended 31/12/2021 RM'000</b>
Income tax expense	(30)	(62)
	<u>(30)</u>	<u>(62)</u>

**6. Status of Corporate Proposals**

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

**7. Group Borrowings and Debt Securities**

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

	<b>Secured</b>		<b>Total RM'000</b>
	<b>Short term RM'000</b>	<b>Long term RM'000</b>	
<b>As at 01/04/2021</b>	113	72,488	72,601
Repayment	(85)	(650)	(735)
New loan	-	1,535	1,535
Reclassified from long term borrowing to short term borrowing	40,097	(40,097)	-
<b>As at 31/12/2021</b>	<u><b>40,125</b></u>	<u><b>33,276</b></u>	<u><b>73,401</b></u>

**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 12 to 14 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 1 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. The date for the hearing of the Appeal is not fixed.

**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 December 2021 RM'000</b>	<b>Current year period ended 31 December 2021 RM'000</b>
Weighted average number of ordinary shares in issue, excluding treasury shares	4,292,644	4,292,644
Profit/(Loss) from continuing operations attributable to owners of the Company	10,105	(3,279)
Profit/(Loss) from discontinuing operations attributable to owners of the Company	-	-
Profit/(Loss) attributable to owners of the Company	10,105	(3,279)
<b>Profit/(Loss) per share ("EPS") (in sen)</b>		
Basic	0.24	(0.08)
Diluted	0.24	(0.08)
<b>Profit/(Loss) per share from continuing operations attributable to owners of parent (in sen)</b>		
Basic	0.24	(0.08)
Diluted	0.24	(0.08)
<b>Profit/(Loss) per share from discontinued operations attributable to owners of parent (in sen)</b>		
Basic	-	-
Diluted	-	-

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

**11. Annual Audited Report**

The Company's external auditor, Messrs Baker Tilly Monteiro Heng PLT, has issued a qualified audit opinion for the audited financial statements for the financial period ended 31 March 2021 on the 2 following bases that :-

- (i) They are unable to determine whether any expected credit loss was necessary in accordance to MFRS 9, in respect of an amount of RM29.46 million owing by an associate of the Group as at 31 March 2021, in relation to an advance for a property development project. This matter has remained unresolved since the preceding financial year and had formed the basis for a qualified opinion on the financial statements of the Group and the Company for the financial year ended 31 March 2020.

The Board wishes to clarify that this associate, which is 50% owned by IJM Properties Sdn. Bhd. ("IJMP"), 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 the recovery of the country's economy from the global Covid-19 pandemic and when the property prices have better value, especially since the development land is located in a choice location. As a result of the Covid-19 pandemic, there was minimal work progress at the site during the financial year ended 31 March 2021 due to multiple lockdowns, frequent site-closures, workers' Covid infections and vaccination requirements and other compliance with government issued standard operating procedures. The board of the associate company had presented the feasibility study and the Group has assessed the recoverability based on the feasibility study presented.

Furthermore, the Company is finalising with IJMP to acquire the remaining 50% equity interest in this associate currently held by them and is expecting the Share Sale Agreement with IJMP to be completed and signed during the financial year ending 31 March 2022.

- (ii) They are unable to determine whether any expected credit loss was necessary in accordance to MFRS 9, in respect of an other receivable amount of RM67.63 million owing by Jilin Province Maxcourt Hotel Limited ("JPMHL"), a subsidiary of the Group which is under liquidation as at 31 March 2021.

The Board was initially confident that the receivable amount would be fully recoverable based on the valuation of JPMHL's property conducted by the China administrator, as previously reported. However, the Evergrande Crisis that had recently unfolded in China has given rise to new concerns as to the contagion effect and economic fallout of this crisis on China's property market.

Subsequent to the failure to get a bidder at the first auction, JPMHL's 15% shareholder, Jilin Provincial Expressway Group Company Limited ("JPEGCL") had proposed to TTB its intention to implement a debt restructuring exercise to safeguard the legitimate rights and interest of both parties. Since this proposal will provide certainty as to the amount of proceeds in the current volatile and high risk China property market and also accelerate the early timing of receiving the cash, the Board has decided to accept this offer to dispose its 85% equity interest in JPMHL and assign its creditor's rights for a total cash consideration sum of RMB72.74 million, equivalent to approximately RM46.70 million. The full details of this proposed disposal were announced to Bursa Malaysia on 17<sup>th</sup> November 2021.

As announced to Bursa Malaysia on 11<sup>th</sup> Jan 2022, the agreements have been completed and the monies have been received.

**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 25 February 2022.

By order of the Board

Soo Kah Pik  
Company Secretary