

TALAM TRANSFORM BERHAD (192001000012) (1120 – H)
Financial Report for the financial period ended 31 March 2022
(These figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 March 2022

	Individual period		Cumulative period	
	Current quarter ended	Preceding year quarter ended	Current year ended	Preceding year ended
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	17,705	23,642	66,528	38,086
Cost of sales	(20,534)	(16,112)	(49,949)	(27,813)
Gross profit/(loss)	(2,829)	7,530	16,579	10,273
Other operating income (Schedule A Note 1)	33,411	5,308	33,844	6,656
Administrative expenses	(1,839)	(2,664)	(8,046)	(10,977)
Authority, utilities and professional expenses	(2,678)	(6,261)	(4,939)	(8,350)
Other expenses (Schedule A Note 2)	(23,335)	(30,630)	(24,778)	(88,966)
(Loss)/Gain on acquisition/disposal of subsidiaries	(2,145)	12,426	(2,145)	80,155
Result from operating activities	585	(14,291)	10,515	(11,208)
Finance income (Schedule A Note 3)	9,926	9,898	13,401	14,163
Finance costs (Schedule A Note 4)	(6,964)	(2,507)	(23,664)	(33,800)
Profit/(Loss) before tax and share of results	3,547	(6,900)	252	(30,845)
Share of results of jointly controlled entities and associate companies	(48)	(29)	(52)	(36)
Profit/(Loss) before tax	3,500	(6,929)	201	(30,882)
Income tax expense	(5,020)	-	(5,082)	(18)
Loss for the period/year	(1,520)	(6,929)	(4,881)	(30,900)

Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial period ended 31 March 2022

	Individual period		Cumulative period	
	Current quarter ended 31/03/2022	Preceding year quarter ended 31/03/2021	Current year ended 31/03/2022	Preceding year ended 31/03/2021
	RM'000	RM'000	RM'000	RM'000
Other comprehensive loss				
Exchange difference on translation of foreign assets	-	5	-	(48,628)
Total comprehensive loss for the period/year	(1,520)	(6,924)	(4,881)	(79,528)
Loss for the period attributable to:				
Owners of the Company				
- continuing operations	(1,498)	(6,927)	(4,777)	(30,479)
- discontinued operation	-	-	-	-
	(1,498)	(6,927)	(4,777)	(30,479)
Non-controlling Interests	(22)	(2)	(104)	(421)
	(1,520)	(6,929)	(4,881)	(30,900)
Total comprehensive loss for the period attributable to:				
Owners of the Company				
- continuing operations	(1,498)	(6,913)	(4,777)	(30,479)
- discontinued operation	-	5	-	(48,628)
	(1,498)	(6,908)	(4,777)	(79,107)
Non-controlling Interests	(22)	(16)	(104)	(421)
	(1,520)	(6,924)	(4,881)	(79,528)
Loss per share from continuing operations attributable to owners of parent (in sen)				
Loss per share ("EPS") (in sen)				
Basic	(0.03)	(0.14)	(0.11)	(0.71)
Diluted	(0.03)	(0.14)	(0.11)	(0.71)

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Schedule B : Condensed Consolidated Statement of Financial Position
As at 31 March 2022

	Unaudited as at 31/03/2022 RM'000	Audited As at 31/3/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	687	874
Inventories	403,864	320,316
Investment properties	72,495	73,478
Interest in associates	18,361	18,413
Long term associate	23,414	114,146
Long term receivables	27,052	25,665
Total non-current assets	545,872	552,892
Current assets		
Inventories	67,531	49,829
Contract assets	16	1,437
Trade and other receivables	83,674	100,011
Amount owing by associates	-	517
Tax recoverable	191	191
Sinking funds held by trustees	398	4
Short term investment	69	68
Cash and bank balances	3,975	3,223
Total current assets	155,856	155,280
TOTAL ASSETS	701,729	708,172

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Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 31 March 2022

	Unaudited as at 31/03/2022	Audited as at 31/3/2021
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	859,086	859,086
Treasury shares	(493)	(493)
Reserves	(582,403)	(577,626)
Equity attributable to owners of the Company	276,190	280,967
Non-controlling interests	1,956	1,565
Total equity	278,146	282,532
Non-current liabilities		
Borrowings	653	72,488
Other long term payables	4,206	219,448
Total non-current liabilities	4,858	291,936
Current liabilities		
Provision for liability	731	731
Contract liabilities	18	4
Borrowings	72,119	114
Trade and other payables	345,811	132,838
Current tax liabilities	45	17
Total current liabilities	418,725	133,704
Total liabilities	423,583	425,640
TOTAL EQUITY AND LIABILITIES	701,729	708,172
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 March 2022
(These figures have not been audited)

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2022

	Current year ended 31/03/2022 RM'000	Preceding year ended 31/03/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	201	(30,882)
Adjustments for:		
Depreciation:		
- property, plant and equipment	248	250
- investment properties	983	3,401
Loss/(Gain) through amortisation on financial assets	(11,447)	568
Loss on acquisition and disposal of subsidiaries	2,145	-
Gain through amortisation on financial liabilities	-	(1,456)
Gain on deconsolidation of subsidiary	-	(46,000)
Loss on disposal of investment in a joint venture	-	13
Interest expenses	23,090	21,216
Interest income	(1,696)	(124)
Impairment of inventories	2,031	-
Impairment loss on:		
- receivables - trade	209	402
- receivables - non-trade	62	12,814
- amount owing by associates	58	-
- other investment	-	2
- investment properties	-	19,102
Irrecoverable receivables written-off	20,208	-
Inventories written down	369	7,237
Reversal of provision for impairment of inventories	(5,355)	-
Impairment loss on receivables no longer required	(335)	(2,360)
Gain on disposal of investment in a joint venture	(17)	-
Share of results of joint ventures and associates	52	36
Operating profit/(loss) before working capital changes	<u>30,806</u>	<u>(15,781)</u>
Changes in working capital:		
Inventories	(13,732)	5,421
Receivables	(2,659)	(5,614)
Payables	(7,073)	30,315
Cash generated from operations	<u>7,342</u>	<u>14,341</u>
Interest received	1,696	124
Income tax paid	(5,054)	(17)
Income tax refund	-	18
Interest paid	(23,090)	(21,216)
Net cash Used In Operating Activities	<u>(19,106)</u>	<u>(6,750)</u>

Schedule C : Condensed Consolidated Statement of Cash Flows (Cont'd)
For the financial period ended 31 March 2022

	Current year ended 31/03/2022 RM'000	Preceding year ended 31/03/2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition and disposal of a subsidiaries	19,228	(107)
Proceeds from disposal of investment in a joint venture	17	290
Draw down from other investment	-	179
Purchase of property, plant and equipment	(17)	(191)
Net change in associates balances	459	25
Net cash generated from investing activities	<u>19,687</u>	<u>196</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,250)	-
Repayment of lease liabilities	(114)	(108)
Drawdown of new loan	1,535	6,200
Changes in balances pledged as security	-	1,245
Net Cash Generated From Financing Activities	<u>171</u>	<u>7,337</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	752	783
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	3,223	2,440
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>3,975</u>	<u>3,223</u>
Cash in hand and bank balances	3,924	2,223
Deposits with licensed banks	<u>51</u>	<u>45</u>
	3,975	2,268
Balances pledged as securities to licensed banks - HDA	<u>-</u>	<u>(45)</u>
	<u>3,975</u>	<u>2,223</u>

Notes:

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 31 March 2022

	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
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	-	-	-	(1,661)	(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)
As at 31 March 2021	859,086	(493)	800	(578,426)	280,967	1,565	282,532
Acquisition of a subsidiary	-	-	-	-	-	495	495
Total comprehensive loss for the financial period	-	-	-	(4,777)	(4,777)	(104)	(4,881)
As at 31 March 2022	859,086	(493)	800	(583,203)	276,190	1,956	278,146

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>		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

The Covid-19 Global Pandemic which was declared by the World Health Organisation on 11 March 2020 is still on-going during the current 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 ended 31 March		Year-to-date ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Revenue</u>				
Property Development	3,156	11,957	32,659	14,690
Property Investment and Management	1,161	1,035	4,163	5,425
Construction	13,388	10,649	29,706	17,970
Agriculture	-	1	-	1
	<u>17,705</u>	<u>23,642</u>	<u>66,528</u>	<u>38,086</u>
 <u>Profit/(Loss) before tax</u>				
Property Development	27,850	(24,913)	25,437	(60,196)
Property Investment and Management	(24,747)	17,513	(25,906)	28,620
Construction	484	587	1,026	881
Agriculture	(87)	(115)	(356)	(187)
	<u>3,500</u>	<u>(6,929)</u>	<u>201</u>	<u>(30,882)</u>
 <u>Segment assets</u>				
Property Development			606,268	552,277
Property Investment and Management			77,080	145,426
Construction			18,216	10,277
Agriculture			164	192
			<u>701,729</u>	<u>708,172</u>
 <u>Segment liabilities</u>				
Property Development			354,883	397,540
Property Investment and Management			49,075	15,480
Construction			18,779	12,065
Agriculture			846	555
			<u>423,583</u>	<u>425,640</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 the last quarter, the Group's indirect wholly-owned subsidiary, Malim Enterprise (HK) Limited ("MEL") had disposed the entire 85% equity interest held by MEL in Jilin Province Maxcourt Hotel Ltd. ("JPMHL") in China to Jilin Provincial Expressway Group Company Limited ("JPEGCL"). Accordingly, JPMHL has ceased to be a subsidiary of the Group.

During this current quarter, a member of the Group, GL Development Sdn Bhd ("GLDSB") had entered into a Share Sale Agreement with IJM Properties Sdn Bhd, to acquire its holding of 250,000 ordinary shares & 500 preference shares in Good Debut Sdn Bhd ("GDSB"), a 50% associate.

Similarly, another member of the Group, Mutual Prosperous Sdn Bhd ("MPSB") had entered into a Share Sale Agreement with IJM Properties Sdn Bhd, to purchase its holding of 250,000 ordinary shares & 10 Class A redeemable preference shares in Cekap Tropikal Sdn Bhd ("CTSB"), a 50% associate.

Consequently, both companies, GDSB & CTSB have become 100% wholly-owned subsidiaries of the Group.

At the same time, another Group member, Terang Tanah Sdn Bhd ("TTSB") had entered into a Share Sale Agreement with IJM Properties Sdn Bhd, to dispose 1,000,000 ordinary shares & 9,000 preference shares in Sierra Ukay Sdn Bhd ("SUSB"), a 50% associate. Thereafter, TTSB no longer holds any shares in SUSB.

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

There was no material event subsequent to the current quarter.

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

1. Review of Performance

(a) Overall Results Commentary:

For the current quarter

The Group recorded total revenue of RM17.71 million, a 25.1% decrease compared to the RM23.64 million from same period last year.

The Group incurred a gross loss from operations amounting to RM2.83 million compared to a gross profit of RM7.53 million last year.

However, pre-tax profit improved to RM3.50 million against a pre-tax loss of RM6.93 million a year ago.

For the current year-to-date

The Group recorded a revenue of RM66.53 million with a pre-tax profit of RM0.20 million. For the same period last year, revenue was RM38.09 million with a pre-tax loss of RM30.88 million. The improvement in profitability arose mainly from a RM27.00 million waiver of interest from a substantial creditor. As a result of the acquisition of Good Debut Sdn. Bhd. as mentioned in Schedule E, Note 9, there was also a reversal of a previous MFRS 9 provision of RM8.02 million, now recorded as finance income.

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 RM3.16 million from sales of stock and land, lower than the RM11.96 million for the corresponding quarter last year. Profit before tax was RM27.85 million compared to a loss of RM24.91 million last year. The improvement in profitability are as explained above, while last year's loss included a RM26.82 million impairment of inventories

For the current year-to-date

The division recorded a revenue of RM32.66 million with a pre-tax profit of RM25.44 million. For the same period last year, revenue was RM14.69 million with a pre-tax loss of RM60.20 million. The improvement in profitability are as explained above, while main contributors to last year's loss were a RM34.0 million impairment of inventories, high finance costs which included RM12.58 million of MFRS 9 provision, coupled with other adverse impact of the various MCO's on business activities throughout the reporting period.

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 RM1.16 million, a 12.2% increase over the RM1.04 million generated during same period last year. Pre-tax loss was RM24.75 million compared with a pre-tax profit of RM17.51 million a year ago. This loss was mainly due to a write-off of the balance amount owing by Jilin Province Maxcourt Hotel Ltd. (“JPMHL”) of RM20.21 million following its disposal as mentioned in Schedule E Note 9., while the corresponding period's profit was mainly due to the deconsolidation adjustments and impairment of the Group's investment in JPMHL.

For the current year-to-date

The division recorded a revenue of RM4.16 million with pre-tax loss of RM25.91 million. For the same period last year, revenue was RM5.43 million with a pre-tax profit of RM28.62 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 1st September 2021, albeit with 80% workforce capacity. Construction revenue continued to recover to reach RM13.39 million compared to RM10.65 million year-on-year, with pre-tax profit of RM0.48 million against RM0.58 million.

For the current year-to-date

The division recorded a revenue of RM29.71 million, a 65.3% growth against the RM17.97 million for the same period last year. Pre-tax profit also rose 16.5% to RM1.03 million from RM0.88 million.

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

(iv) Agriculture Division

For the current quarter

The division recorded a pre-tax loss of RM0.09 million for the current quarter, arising from regulatory expenses, salaries and other maintenance costs. The corresponding period last year was when this division newly commenced operation and only generated minimal revenue from non-commercial sales from a successful first harvest of 722 kg of golden melons from its research and development centre's pilot greenhouses on the 9th floor with a pre-tax operating loss of RM0.12 million.

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 RM0.36 million. Last year's loss was RM0.19 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 proving to be very challenging.

2. Comparison with Preceding Quarter's Results (Quarter 4, FYE 2022 vs Quarter 3, FYE 2022)

	Current Quarter ended 31 March 2022 RM'000	Immediate preceding Quarter ended 31 December 2021 RM'000
Revenue	17,705	36,686
Profit before tax	3,500	10,077

The Group recorded a 48.26% quarterly decrease in revenue from RM36.69 million to RM17.71 million. Revenue from sales of stock and land declined from RM27.16 million to RM3.15 million while construction revenue continued grow to RM13.39 million from RM8.53 million.

As a result, sequential gross profit fell RM20.53 million from RM17.70 million into a loss of RM2.83 million.

Consequently, the current quarter pre-tax profit of RM3.50 million also declined against a pre-tax profit of RM10.08 million for the immediately 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 has completed and the Certificate of Completion and Compliance (CCC) was granted on 14th 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

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

3. Prospects (Cont'd)

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 green-houses 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.

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 31/03/2022 RM'000	Current year period ended 31/03/2022 RM'000
<u>Group</u>		
Income tax expense	(5,052)	(5,082)
	<u>(5,052)</u>	<u>(5,082)</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:

	Secured		Total RM'000
	Short term RM'000	Long term RM'000	
As at 01/04/2021	113	72,488	72,601
Repayment	(114)	(1,250)	(1,364)
New loan	-	1,535	1,535
Reclassified from long term borrowing to short term borrowing	72,120	(72,120)	-
As at 31/03/2022	<u>72,119</u>	<u>653</u>	<u>72,772</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 fixed on 30th January 2023.

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 31 March 2022 RM'000	Current year ended 31 March 2022 RM'000
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	(1,498)	(4,777)
Profit/(Loss) from discontinuing operations attributable to owners of the Company	-	-
Profit/(Loss) attributable to owners of the Company	(1,498)	(4,777)
Profit/(Loss) per share ("EPS") (in sen)		
Basic	(0.03)	(0.11)
Diluted	(0.03)	(0.11)
Profit/(Loss) per share from continuing operations attributable to owners of parent (in sen)		
Basic	(0.03)	(0.11)
Diluted	(0.03)	(0.11)
Profit/(Loss) per share from discontinued operations attributable to owners of parent (in sen)		
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.

The Company has completed the acquisition of the remaining 50% equity interest in this associate from IJMP 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 17th November 2021.

As announced to Bursa Malaysia on 11th 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 30 May 2022.

By order of the Board

Soo Kah Pik
Company Secretary