

TALAM TRANSFORM BERHAD (192001000012) (1120 – H)
Financial Report for the financial period ended 30 June 2023
(These figures have not been audited)

Schedule A : Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 30 June 2023

	Individual period		Cumulative period	
	Current quarter ended 30/06/2023	Preceding period quarter ended 30/06/2022	Current period ended 30/06/2023	Preceding period ended 30/06/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	22,232	11,493	22,232	11,493
Cost of sales	(16,876)	(10,363)	(16,876)	(10,363)
Gross profit	5,356	1,130	5,356	1,130
Other operating income	43	97	43	97
Administrative expenses	(2,199)	(1,724)	(2,199)	(1,724)
Authority, utilities and professional expenses	(396)	(742)	(396)	(742)
Other expenses (Schedule A Note 1)	(573)	(930)	(573)	(930)
Result from operating activities	2,231	(2,169)	2,231	(2,169)
Finance income (Schedule A Note 2)	1,022	1,055	1,022	1,055
Finance costs	(4,987)	(5,454)	(4,987)	(5,454)
Loss before tax and share of results	(1,734)	(6,568)	(1,734)	(6,568)
Share of results of jointly controlled entities and associate companies	(167)	(32)	(167)	(32)
Loss before tax	(1,901)	(6,600)	(1,901)	(6,600)
Income tax expense	(25)	(8)	(25)	(8)
Loss for the period	(1,926)	(6,608)	(1,926)	(6,608)

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Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial period ended 30 June 2023

	Individual period		Cumulative period	
	Current quarter ended 30/06/2023	Preceding period quarter ended 30/06/2022	Current period ended 30/06/2023	Preceding period ended 30/06/2022
	RM'000	RM'000	RM'000	RM'000
Total comprehensive loss for the period	(1,926)	(6,608)	(1,926)	(6,608)
Loss for the period attributable to:				
Owners of the Company	(1,800)	(6,581)	(1,800)	(6,581)
Non-controlling Interests	(126)	(27)	(126)	(27)
	(1,926)	(6,608)	(1,926)	(6,608)
Total comprehensive loss for the period attributable to:				
Owners of the Company	(1,800)	(6,581)	(1,800)	(6,581)
Non-controlling Interests	(126)	(27)	(126)	(27)
	(1,926)	(6,608)	(1,926)	(6,608)
Loss per share from continuing operations attributable to owners of parent (in sen)				
Loss per share ("EPS") (in sen)				
Basic	(0.04)	(0.15)	(0.04)	(0.15)
Diluted	(0.04)	(0.15)	(0.04)	(0.15)

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Schedule A : Condensed Consolidated Statement of Comprehensive Income (Cont'd)
For the financial period ended 30 June 2023

NOTE :

1) Included in the Other Expenses

Amortisation and depreciation

Loss on Forex

2) Included in Finance Income

Amortisation of financial instruments

Individual period		Cumulative period	
Current quarter ended 30/06/2023	Preceding period quarter ended 30/06/2022	Current period ended 30/06/2023	Preceding period ended 30/06/2022
RM'000	RM'000	RM'000	RM'000
(305)	(306)	(305)	(306)
(1)	(407)	(1)	(407)
391	420	391	420

Notes:

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended March 31, 2023 and the accompanying explanatory notes attached to this interim financial report.

TALAM TRANSFORM BERHAD (192001000012) (1120 – H)
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Schedule B : Condensed Consolidated Statement of Financial Position
As at 30 June 2023

	Unaudited as at 30/06/2023 RM'000	Audited As at 31/03/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	358	416
Inventories	382,455	382,928
Investment properties	72,119	72,365
Interest in associates	16,918	17,085
Long term associate	25,595	25,196
Long term receivables	22,659	22,268
Total non-current assets	520,104	520,258
Current assets		
Inventories	87,670	88,618
Contract assets	116	94
Trade and other receivables	39,738	35,171
Amount owing by associates	138	138
Tax recoverable	199	208
Short term investment	71	70
Cash and bank balances	3,495	7,116
Total current assets	131,427	131,415
TOTAL ASSETS	651,531	651,673

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Financial Report for the financial period ended 30 June 2023
(These figures have not been audited)

Schedule B : Condensed Consolidated Statement of Financial Position (Cont'd)
As at 30 June 2023

	Unaudited as at 30/06/2023	Audited as at 31/03/2023
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	859,086	859,086
Treasury shares	(493)	(493)
Reserves	(599,676)	(597,876)
Equity attributable to owners of the Company	258,917	260,717
Non-controlling interests	1,704	1,830
Total equity	260,621	262,547
Non-current liabilities		
Borrowings	29,485	29,523
Other long term payables	233,367	229,980
Total non-current liabilities	262,852	259,503
Current liabilities		
Provision for liability	611	611
Contract liabilities	261	7
Borrowings	2,128	2,126
Trade and other payables	125,043	126,866
Current tax liabilities	16	13
Total current liabilities	128,059	129,623
Total liabilities	390,910	389,126
TOTAL EQUITY AND LIABILITIES	651,531	651,673
Net assets per share attributable to Owners of the Company (RM)	0.06	0.06

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(These figures have not been audited)

Schedule C : Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 June 2023

	Current period ended 30/06/2023 RM'000	Preceding period ended 30/06/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,901)	(6,600)
Adjustments for:		
Depreciation:		
- property, plant and equipment	59	59
- investment properties	246	246
Gain through amortisation on financial assets	(391)	(420)
Interest expenses	4,987	5,467
Interest income	(632)	(635)
Impairment loss on receivables - non-trade	1	-
Inventories written down	175	149
Share of results of joint ventures and associates	167	31
Operating profit/(loss) before working capital changes	<u>2,711</u>	<u>(1,703)</u>
Contract assets/liabilities	232	-
Inventories	1,245	978
Receivables	(4,569)	35,628
Payables	1,563	13,027
Cash generated from operations	<u>1,182</u>	<u>47,930</u>
Interest received	632	635
Income tax paid	(13)	(7)
Interest paid	(4,987)	(5,467)
Net cash (used in)/generated from Operating Activities	<u>(3,186)</u>	<u>43,091</u>

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(These figures have not been audited)

Schedule C : Condensed Consolidated Statement of Cash Flows (Cont'd)
For the financial period ended 30 June 2023

	Current period ended 30/06/2023 RM'000	Preceding period ended 30/06/2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(11)
Net change in associates balances	(399)	(399)
Net cash used in investing activities	<u>(399)</u>	<u>(410)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(41,007)
Repayment of lease liabilities	(36)	(30)
Net Cash used in Financing Activities	<u>(36)</u>	<u>(41,037)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,621)	1,644
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	7,116	3,983
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>3,495</u>	<u>5,627</u>
Cash in hand and bank balances	3,443	5,576
Deposits with licensed banks	<u>52</u>	<u>51</u>
	<u>3,495</u>	<u>5,627</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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(These figures have not been audited)

Schedule D : Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 June 2023

	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 2022	859,086	(493)	800	(583,269)	276,124	1,957	278,081
Total comprehensive loss for the financial period	-	-	-	(15,407)	(15,407)	(127)	(15,534)
As at 31 March 2023	859,086	(493)	800	(598,676)	260,717	1,830	262,547
Total comprehensive loss for the financial period	-	-	-	(1,800)	(1,800)	(126)	(1,926)
As at 30 June 2023	859,086	(493)	800	(600,476)	258,917	1,704	260,621

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 2023 and the accompanying explanatory notes attached to this interim financial report.

Schedule E : Significant Events and Transactions Pursuant to MFRS 134

1. Basis of Preparation

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2023 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 year ended 31 March 2023.

(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 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs 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 2023 [#]
MFRS 3	Business Combinations	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 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#] / 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	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 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

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

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 have 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 30 June		Year-to-date ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Revenue</u>				
Property Development	7,856	1,741	7,856	1,741
Property Investment and Management	1,196	1,153	1,196	1,153
Construction	13,180	8,599	13,180	8,599
	<u>22,232</u>	<u>11,493</u>	<u>22,232</u>	<u>11,493</u>
<u>Profit/(Loss) before tax</u>				
Property Development	(2,217)	(6,200)	(2,217)	(6,200)
Property Investment and Management	(474)	(716)	(474)	(716)
Construction	790	316	790	316
	<u>(1,901)</u>	<u>(6,600)</u>	<u>(1,901)</u>	<u>(6,600)</u>
<u>Segment assets</u>				
Property Development			551,373	363,732
Property Investment and Management			76,337	76,646
Construction			23,821	226,488
			<u>651,531</u>	<u>666,866</u>
<u>Segment liabilities</u>				
Property Development			326,561	325,590
Property Investment and Management			48,902	49,311
Construction			15,447	20,493
			<u>390,910</u>	<u>395,394</u>

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

9. Changes in the Composition of the Group

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

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 / current year-to-date

The Group recorded total revenue of RM22.23 million, a 93.5% increase compared to RM11.49 million for the same period last year.

The Group made a gross profit from operations amounting to RM5.36 million, an improvement from RM1.13 million for the corresponding period last year, the main contribution being RM3.27 million from sale of a piece of vacant land for RM3.84 million.

Pre-tax loss for the quarter reduced to RM1.90 million against a pre-tax loss of RM6.60 million a year ago.

(b) Segmental Results Commentary:

(i) Property Development Division

For the current quarter / current year-to-date

The division achieved a revenue of RM7.86 million from sales of inventories, much higher than the RM1.74 million for the corresponding quarter last year, being primarily derived from a land sale as mentioned above and also sales of its completed Seroja Apartments, which as at 30 June 2023, the Group had recognised sales of RM20.96 million out of an estimated total of RM45 million. Loss before tax was RM2.22 million, lower than the loss of RM6.20 million last year. This current quarter's loss is mainly attributable to high finance costs, which amounted to RM4.99 million.

(ii) Property Investment and Management Division

For the current quarter / current year-to-date

Revenue for the division was RM1.20 million, a slight 3.73% increase over the RM1.15 million generated during the same period last year. Pre-tax loss was RM0.47 million compared with a pre-tax loss of RM0.72 million a year ago.

(iii) Construction Division

For the current quarter / current year-to-date

The division recorded revenue of RM13.18 million, a 53.27% increase from the RM8.60 million generated during the same period last year as its main project is nearing completion and there were more trades work coming in. Pre-tax profit rose to RM0.79 million from RM0.32 million a year ago.

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 1, FYE 2024 vs Quarter 4, FYE 2023)

	Current Quarter ended 30 June 2023 RM'000	Immediate preceding Quarter ended 31 March 2023 RM'000
Revenue	22,232	16,258
Loss before tax	(1,901)	(5,706)

The Group recorded a 36.74% quarterly increase in revenue from RM16.26 million to RM22.23 million.

Quarterly pre-tax loss improved from RM5.71 million to RM1.90 million. This is mainly attributable to a higher gross profit margin from sales of inventories, including land.

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 and its new project in Putra Perdana is targeted to commence during FYE 2024. However, the Group is cautiously reassessing the take-up rate due to the weak property market, tight liquidity of potential buyers and tough bank lending policies especially to the B40 category. The Group's first "Build then Sell" project has been completed and the Certificate of Completion and Compliance (CCC) was granted on 14th December 2021. Sales progress is slower than expected due to high bank rejection rate of the targeted lower income group in obtaining high margin end-financing. The Board foresees a challenging environment ahead for the property sector.

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 30/06/2023 RM'000	Current period ended 30/06/2023 RM'000
<u>Group</u>		
Income tax expense	(25)	(25)

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

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 01/04/2023	2,126	29,522	31,648
Repayment	(35)	-	(35)
Reclassified from long term borrowing to short term borrowing	37	(37)	-
As at 30/06/2023	2,128	29,485	31,613

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 23 and 25 October 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 30 June 2023 RM'000	- Current period ended 30 June 2023 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	(1,800)	(1,800)
Profit/(Loss) from discontinuing operations attributable to owners of the Company	-	-
Profit/(Loss) attributable to owners of the Company	(1,800)	(1,800)
Profit/(Loss) per share ("EPS") (in sen)		
Basic	(0.04)	(0.04)
Diluted	(0.04)	(0.04)
Profit/(Loss) per share from continuing operations attributable to owners of parent (in sen)		
Basic	(0.04)	(0.04)
Diluted	(0.04)	(0.04)
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 auditors' report on the financial statements of the Group for the financial year ended 31 March 2023 did not contain any qualification.

12. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 August 2023.

By order of the Board

Soo Kah Pik
Company Secretary