

MEDIA CLIPPING

Client :	Tambun Indah Land Bhd	Date :	17 February 2011
Media :	The Edge Financial Daily	Section :	Business
Language :	English		

Tambun Indah strengthens foothold in Penang

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KUALA LUMPUR: Property counter Tambun Indah Land Bhd is buying three companies in mainland Penang for a total of RM11.6 million cash as part of its aim to strengthen its foothold in Penang island.

In a filing with Bursa Malaysia, the recently listed firm said the development projects via the newly-acquired companies — Pridaman Sdn Bhd, Premcourt Development Sdn Bhd and Ikhtiar Bitara Sdn Bhd — were expected to contribute about RM38.7 million in pre-tax profits over the expected development period from FY11 ending Dec 31, 2011 to FY14.

The proposed acquisitions, which will be financed via internally generated funds, would increase the company's gross development value (GDV) by RM245 million, and effectively raise its total GDV to RM1.4 billion to last until 2016, according to the company's managing director Teh Kiak Seng. Tambun Indah's land bank would also increase by 16 acres to 238 acres.

"The layout plans for the projects in Pridaman and Ikhtiar Bitara have received the necessary approvals from the authorities, and we expect to commence work soon," Teh said in a press statement yesterday.

"Overall, the proposed acquisitions are in tandem with the group's strategy of reinforcing its position as a leading property developer in Penang. We anticipate that these acquisitions will have positive impact on the group," he added.

Since its inception in 1994, Tambun Indah has launched more than 3,500 units of mainly residential properties in Penang, with total GDV of some RM940 million.

Tambun Indah ended trading unchanged at 71 sen yesterday.