
MEDIA CLIPPING

Client :	Tambun Indah Land Bhd	Date :	29 December 2010
Media :	Bernama	Section :	Business
Language :	English		

December 29, 2010 13:51 PM

Tambun Indah To Acquire 3.2 Hectares Of Land In Penang

KUALA LUMPUR, Dec 29 (Bernama)-- Tambun Indah Land Bhd, a leading property developer in Penang, is planning to acquire 3.2 hectares of land next year.

Managing Director Ir Teh Kiak Seng said the group had identified 1.6 hectares on the mainland and another 1.6 hectares on Penang island with a gross development value (GDV) of approximately RM36 million and RM170 million, respectively.

According to an independent market researcher, the residential property market in Penang was valued at RM3.7 billion last year, and the mainland accounted for approximately 30 per cent of Penang's residential property market.

"Mainland Penang (Seberang Perai) is one of the fastest growing district in Penang due largely to a growing working class population as a result of rapid industrialisation," he said during the launch of the group's initial public offering (IPO) here Wednesday.

Tambun Indah is scheduled for a main-market listing on January 18.

"We are still eyeing for landbank in the Klang Valley like in Shah Alam and Kajang but are cautious about the cost, therefore, we have not finalised anything yet.

"As we all know, Klang Valley is a good market to do housing, but we want to build our name by building quality homes at an affordable price.

"We, however have no plans to expand overseas at the moment," Teh added.

Last year, the group garnered a 10 per cent share of the Seberang Perai residential property market.

"We expect after the IPO, our market share will increase above 10 per cent," he added.

To date, Tambun Indah has sold more than 2,800 residential units mostly in mainland Penang with a GDV of more than RM800 million.

Teh said the group achieved commendable financial performance over the years and had maintained a low-borrowing financial model so as not to burden the balance sheet.

As at December 31, 2009, the group was in net cash position.

"Tambun Indah has adopted a progressive dividend policy of paying between 40 and 60 per cent of group net profits to shareholders.

"At an IPO price of 70 sen per share, the annualised net dividend yield is estimated to be approximately seven per cent in financial year 2010.

"We believe this policy will go a long way in not only attracting investors but also ensuring value-creation for the long-term," he added.

Tambun Indah's IPO consist of a public issue of 32 million new ordinary shares and an offer-for-sale of 22.1 million vendor shares at an IPO price of 70 sen per share.

Of the 32 million new ordinary shares under the public issue, 11.05 million shares will be allocated for the Malaysian public.

Meanwhile, it has also allocated 9.9 million shares for private placement and 11.05 million shares for eligible directors, employees and business associates of the group.

The 22.1 million offer-for-sale shares will be allocated for placement to identified investors.

Additionally, the group's IPO will raise RM22.4 million in proceeds for the group.

Of this, RM12.70 million will be allocated for working capital, RM7.10 million for repayment of borrowings and the remaining RM2.60 million to defray listing expenses.

MIMB Investment Bank Bhd is the adviser, sponsor, underwriter and placement agent for the group's IPO exercise.

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