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PRESS RELEASE

Tambun Indah set to reinforce leading position

- *Mainland Penang-based property developer anticipates bright prospects in Penang property market*
- *Initial Public Offering (IPO) to raise RM22.4 million for the Group*
- *Sets progressive dividend policy to pay 40% to 60% of net profits to shareholders*

Kuala Lumpur, Malaysia; 29 December 2010 – Tambun Indah Land Berhad (“**Tambun Indah**”, “the Group”, “恒大置地”), a leading property developer in Penang, is set to reinforce its leading position in Mainland Penang in view of the bright prospects in the property sector there.

Speaking at its IPO prospectus launch today, **Tambun Indah**’s Managing Director, Ir. Teh Kiak Seng, said that the Group had identified a few potentially high-growth districts in Penang for future land acquisitions.

According to the independent market researcher, the residential property market in Penang state was valued at RM3.7 billion in 2009, and Seberang Perai (Mainland Penang) accounted for RM1.0 billion, or approximately 30% of the Penang residential property market.

“Mainland Penang is one of the fastest growing districts in Penang, due largely to the increase of working class population as a result of rapid industrialization.

In 2009 – a year of economic uncertainty in Malaysia – the value of residential property transactions in the entire Penang State grew marginally at 0.03%. Interestingly, the transaction value of Mainland Penang alone continued to surge 9.3% year-on-year to RM1.0 billion, versus 5.3% growth in 2008. This steady uptrend demonstrates the resilience of property prices in Mainland Penang, even during a challenging economic situation.

Tambun Indah garnered 10% share of the Seberang Perai residential property market in 2009. Indeed, our market position in Mainland Penang indicates the public’s acceptance of our pioneer property concepts and high-quality designs.”

*Ir. Teh Kiak Seng (“鄭克生”)
Managing Director, Tambun Indah Land Berhad*



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Teh further elaborated that there was huge potential to be tapped in the Penang property sector.

The increased Government spending on infrastructure such as the Penang 2nd Bridge would enable greater accessibility between the Mainland Penang and the island, thus making it viable for residents to work on the island while enjoying favourable property prices in the Mainland. Moreover, the rising property prices on Penang island are anticipated to enhance the attractiveness of lifestyle properties in the Mainland due to their affordability.

In addition, the expansion of the Penang Science Park would garner more investments in high-technology industries into the state, while the return of high-profile Foreign Direct Investment, growing interest from foreign property investors, and favourable finance costs are also expected to spur property transactions in Penang overall.

Since inception in 1994, **Tambun Indah** had carved its niche in introducing innovative concept and high-quality homes for residents primarily in Mainland Penang.

Tambun Indah is pioneer in bringing innovative property concepts in Mainland Penang, including the first gated and guarded community of Taman **Tambun Indah**, and the first gated strata landed homes of Palm Villas.

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

Teh noted that the Group had achieved commendable financial performance over the years, and had maintained a low-borrowings financial model so as not to burden the Group's balance sheet and to purchase land when opportunities arise. As at 31 December 2009, the Group is in net cash position.

“Therefore, **Tambun Indah** has adopted a progressive dividend policy of paying 40% to 60% of Group net profits to shareholders. At IPO price of RM0.70 per share, the annualized net dividend yield is estimated to be approximately 7% in FY2010. We believe that this policy would go a long way in not only attracting investors, but also ensuring value-creation for the long term,” added Teh.

“We at **Tambun Indah** believe that it is the right time for our IPO, as the Mainland Penang property market is entering an exciting phase of growth,” concluded Teh.



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Tambun Indah's IPO on the Main Market of Bursa Malaysia Securities Berhad consists of a public issue of 32.0 million new ordinary shares and an offer-for-sale of 22.1 million vendor shares at an IPO price of RM0.70 each.

Of the 32 million new ordinary shares under the public issue, 11.05 million shares will be allocated for the Malaysian public, 9.9 million shares for private placement and 11.05 million shares for the eligible directors, employees and business associates of the Group.

The 22.10 million offer-for-sale shares would be allocated for placement to identified investors.

Tambun Indah'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.

Applications for **Tambun Indah's** IPO shares close at 5.00 p.m. on 6 January 2011. **Tambun Indah** targets to list on 18 January 2011.

MIMB Investment Bank Berhad is the adviser, sponsor, underwriter and placement agent for **Tambun Indah's** IPO exercise.

About Tambun Indah Land Berhad ("**Tambun Indah**") (www.tambunindah.com)

Tambun Indah is a premier property developer based in Mainland Penang (Seberang Perai or SP). Founded in 1994, **Tambun Indah** has been instrumental in introducing innovative property concepts to SP, including the 1st guarded & gated community and the 1st landed strata scheme property. **Tambun Indah** aims to provide luxury lifestyle at affordable prices, with community-centric features.

Tambun Indah is reputed to deliver ahead of schedule, and typically enjoys full take-up rates for projects. To date, **Tambun Indah** has sold more than 2,800 units of residential property with total Gross Development Value (GDV) of more than RM800mil.

Issued for and on behalf of TAMBUN INDAH LAND BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd.

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