



'Deep Seated Value...'

TAMBUN INDAH LAND BERHAD (810446-U)

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Bloomberg: TILB MK
Reuters: TAMB.KL

Corporate Factsheet

BUSINESS OVERVIEW

Tambun Indah Land Berhad (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 >3,800 units of residential property with total Gross Development Value (GDV) of >RM1.12bil.

PROJECT PORTFOLIO

Ongoing Projects (Launch date)	Type	Take-Up Rate	Est GDV	Unbilled Sales
			RM 'mil	
Carissa Park (Nov '09)	- Condominiums	86.0%	25.93	10.42
Pearl Garden (Nov '09)	- Bungalows, Semi-Ds & terraces	92.0%	139.13	57.94
Dahlia Park (Nov '10)	- Condominiums & shop offices	78.0%	45.24	30.63
Impian Residence (Nov '10)	- Semi-Ds and terraces	82.0%	43.67	28.97
Tanjung Heights (Feb '11)	- Condominiums and shop offices	66.0%	41.17	33.56
Pearl Villas (Jan '11)	- Bungalows, semi-Ds & terraces	51.0%	137.97	58.98
New Juru Industrial Park (Mar '11)	- Industrial factory /	68.0%	35.83	23.44
Capri Park (Jun '11)	- Apartments and shop offices	3%	48.34	2.7

Planned Projects	Type	Est GDV (RM 'mil)	Expected commencement
Kelisa Residence	Condominium and Semi-Ds	34.00	Q4 2011
Pearl Indah	Semi-Ds and 2-storey terraces	131.31	Q4 2011
Pearl Square	Shop office	55.10	Q4 2011
BM Residence	Condominium and landed houses	39.25	Q4 2011 / Q1 2012
Pearl Residence 1	Bungalows, Semi-Ds and terraces	180.00	Q1 2012
Straits Garden	Commercial Suites, Condominium and shop lots	180.00	Q1 2012
Tmn Bukit Residence	3-Storey Terraces	24.30	2012
Carissa Villas	Shop Office and 3-Storey Terraces	41.00	2012

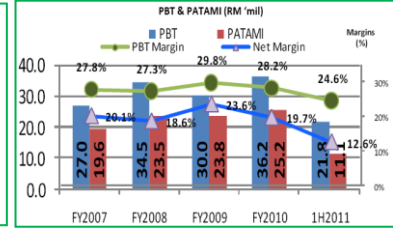
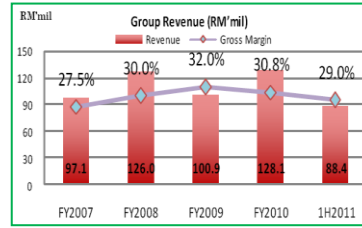
GROSS DEVELOPMENT VALUE & LANDBANK

At present, **Tambun Indah** has total GDV of RM3.4 billion that will last the Group till 2020. **Tambun Indah** recently acquired 527-acre land in Mainland Penang located close to Pearl City, for RM233.2 mil. The Group intends to jointly develop the land in partnership with Mutiara Goodyear Development through Palmington Sdn Bhd (of which **Tambun Indah** holds 60% equity stake).

Location	Total Area (acre)	Developed (acre)	On-going (acre)	Planned Projects (acre)	Future Projects (acre)
Seberang Perai Selatan	811.27	132.62	67.9	66.31	544.44
Seberang Perai Tengah	109.13	81.25	18.77	9.11	-
Seberang Perai Utara	43.04	23.2	11.07	7.24	1.53
Daerah Timur Laut	6.49	2.3	0	4.19	-
Total	969.93	239.37	97.74	86.85	545.97
GDV (RM 'mil)	4,085.01	644.92	523.28	684.96	2,231.85
RM3.4 bil GDV					

Out of RM523 mil of ongoing projects, sold RM335 mil

FINANCIAL PERFORMANCE



FY 31 Dec, RM'mil	2Q11	1Q11	Change	1H11	1H10	Change
Revenue	52.4	36.0	45.9%	88.4	57.3	54.2%
Gross Profit	13.8	11.9	15.7%	25.7	20.2	27.1%
PBT	11.3	10.4	8.7%	21.8	18.8	16.0%
PATMI	4.7	6.4	(25.9%)	11.1	13.2	(16.1%)
Net EPS (sen) #	2.1	2.9	(27.6%)	5.0	7.0	(28.2%)
Gross Margin	26.3	33.1	(6.8pts)	29.0%	35.2%	(6.2pts)
PBT Margin	21.6	29.0	(7.4pts)	24.6%	32.7%	(8.1pts)
Net Margin	9.0	17.8	(8.8pts)	12.6%	23.1%	(10.5pts)

Based on share capital of 221 million shares of RM0.50 each

1H11 revenues increased a substantial 54.2% to RM88.4mil (1H10: 57.3mil) due to increased sales from ongoing projects especially Pearl Garden and new launches. However, net margin is lower due to higher initial start-up cost of new launches and higher minority interest component.

CORE COMPETENCIES

- Established track record for high-quality luxury and lifestyle-focused properties at affordable prices; reputed for delivery ahead of schedule
- Diverse product portfolio with innovative concepts
- Strong balance sheet, i.e. high flexibility to undertake new projects

INDUSTRY GROWTH TRENDS

- Return of high-profile FDI to Penang, especially with expansion of Penang Science Park**
 - Penang attracted RM12.2 bil in capital investments (36% of total M'sia FDI and the highest record in Penang and M'sia for 30 years)
 - From January to April 2011, Penang captured RM2.3 bil in FDI
- Increased Gov infrastructure spending**, e.g. Penang 2nd bridge, double-tracking rail project
- Influx of foreign property investors**: MM2H, World Heritage Status
- Rising affluence and low interest rates, coupled with higher potential for price appreciation on Mainland Penang properties**
 - Evident trend in population shift from Penang Island to Mainland; e.g. Penang Islanders constitute 41% of buyers of Pearl Garden and Pearl City in 2011 – an increase from 28% of buyers in 2009.
 - Steady uptrend in selling prices for Mainland Penang properties

INVESTMENT MERITS

- Exposure to the growing Penang property market
- Sustainable catalysts driving state's property prices upward
- Reputation for quality homes proven by well-supported secondary market prices
- GDV pipeline of more RM3.4bil from 2012 till 2020
- FY2011 revenue catalysts from new launches, as well as existing signature project of Pearl City
- 6.1% historical net dividend yield for FY2010
- Unbilled sales of RM246mil as of 30 June 2011
- Undemanding valuation of 7.3x current PE, to be compressed with better 2H2011 numbers

INVESTMENT VALUATION

Based on price (5.8.11): 74 sen, No. of shares: 221.0mil shares

Market Capitalization at IPO (RM' mil)	RM163.5 mil
PE Ratio (FY11: Annualised EPS of 10.1 sen)	7.3 x
P/NTA (NTA per share of 68 sen)	1.1x
Dividend Yield (FY10: 4.6 sen dividend)	6.2%

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