



**TAMBUN INDAH LAND BERHAD**

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Quarter Ended 31 December 2011 (Unaudited)

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## Condensed Consolidated Statements of Financial Position

|  | Unaudited<br>As at 31<br>December<br>2011<br>RM'000 | Audited<br>As at 31<br>December<br>2010<br>RM'000 |
|--|---|---|
| <b>ASSETS:</b>   |   |   |
| <b>Non-Current Assets:</b>   |   |   |
| Property, plant and equipment  | 1,532   | 808   |
| Investment properties  | 9,085   | 8,925   |
| Land held for development  | 85,508  | 52,328  |
| Investment in an associate company   | 2,181   | -   |
| Goodwill on consolidation  | 1,766   | 431   |
| Deferred tax assets  | 640   | -   |
|  | <u>100,712</u>                                      | <u>62,492</u>                                     |
| <b>Current Assets</b>  |   |   |
| Inventories  | 2,780   | -   |
| Property development costs   | 113,317   | 64,840  |
| Trade and other receivables  | 64,748  | 58,450  |
| Tax recoverable  | 2,291   | 2,255   |
| Cash and bank balances   | 39,311  | 27,191  |
|  | <u>222,447</u>                                      | <u>152,736</u>                                    |
| <b>TOTAL ASSETS</b>  | <u>323,159</u>                                      | <u>215,228</u>                                    |
| <b>EQUITY AND LIABILITIES</b>  |   |   |
| <b>Equity attributable to owners of the Parent:</b>  |   |   |
| Share capital  | 110,500   | 94,500  |
| Share premium  | 6,400   | -   |
| Retained profits   | 38,628  | 25,218  |
|  | <u>155,528</u>                                      | <u>119,718</u>                                    |
| Non-controlling interests  | 32,033  | 13,977  |
| <b>Total Equity</b>  | <u>187,561</u>                                      | <u>133,695</u>                                    |
| <b>Non-Current Liabilities:</b>  |   |   |
| Long-term bank borrowings  | 72,083  | 4,665   |
| Deferred taxation  | 2,893   | 1,130   |
|  | <u>74,976</u>                                       | <u>5,795</u>                                      |
| <b>Current Liabilities:</b>  |   |   |
| Trade and other payables   | 50,248  | 55,230  |
| Short-term bank borrowings   | 5,870   | 18,404  |
| Current tax payable  | 4,504   | 2,104   |
|  | <u>60,622</u>                                       | <u>75,738</u>                                     |
| <b>TOTAL LIABILITIES</b>   | <u>135,598</u>                                      | <u>81,533</u>                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u>323,159</u>                                      | <u>215,228</u>                                    |
| <b>Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)</b> | <u>0.70</u>   | <u>0.63</u>                                       |

## Notes:

1 The condensed Consolidated Statement of Financial Position should be read in conjunction with Tambun Indah Land Berhad's ("Tambun Indah" or "the Company") audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

2 Based on the issued and paid-up share capital of 221,000,000 (2010: 189,000,000) ordinary shares of RM0.50 each in Tambun Indah ("Shares").

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## Condensed Consolidated Statements of Comprehensive Income

|   | Note   | Individual Quarter<br>3 months ended |                                 | Cumulative Quarter<br>12 months ended |                                 |
|---|--------|--------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
|   |        | 31-Dec-2011<br>RM'000                | 31-Dec-2010<br>Note 2<br>RM'000 | 31-Dec-2011<br>RM'000                 | 31-Dec-2010<br>Note 2<br>RM'000 |
| Revenue   |        | 56,096                               | 39,608                          | 191,844                               | 39,608                          |
| Cost of sales   |        | (35,285)                             | (27,550)                        | (130,601)                             | (27,550)                        |
| <b>Gross profit</b>   |        | <b>20,811</b>                        | <b>12,058</b>                   | <b>61,243</b>                         | <b>12,058</b>                   |
| Other income  | B13    | 385                                  | 17,046                          | 1,374                                 | 17,046                          |
| Sales and marketing expenses  |        | (2,305)                              | (491)                           | (5,824)                               | (491)                           |
| Administrative expenses   | 3, B14 | (2,163)                              | (194)                           | (9,044)                               | (201)                           |
| Profit from operations  |        | 16,728                               | 28,419                          | 47,749                                | 28,412                          |
| Finance costs   |        | (278)                                | -                               | (775)                                 | -                               |
| Share of loss of an associates  |        | (31)                                 | -                               | (35)                                  | -                               |
| Profit before tax   |        | 16,419                               | 28,419                          | 46,939                                | 28,412                          |
| Income tax expense  |        | (4,299)                              | (2,147)                         | (13,047)                              | (2,147)                         |
| <b>Profit for the period</b>  |        | <b>12,120</b>                        | <b>26,272</b>                   | <b>33,892</b>                         | <b>26,265</b>                   |
| <b>Other comprehensive income net of tax :</b>                              |        | <b>-</b>                             | <b>-</b>                        | <b>-</b>                              | <b>-</b>                        |
| <b>Total comprehensive income for the period</b>                            |        | <b>12,120</b>                        | <b>26,272</b>                   | <b>33,892</b>                         | <b>26,265</b>                   |
| <b>Profit attributable to :</b>   |        |                                      |                                 |                                       |                                 |
| Equity holders of the Company   |        | 9,195                                | 25,235                          | 23,576                                | 25,228                          |
| Non-controlling interests   |        | 2,925                                | 1,037                           | 10,316                                | 1,037                           |
|   |        | <b>12,120</b>                        | <b>26,272</b>                   | <b>33,892</b>                         | <b>26,265</b>                   |
| <b>Total comprehensive income attributable to :</b>                         |        |                                      |                                 |                                       |                                 |
| Equity holders of the Company   |        | 9,195                                | 25,235                          | 23,576                                | 25,228                          |
| Non-controlling interests   |        | 2,925                                | 1,037                           | 10,316                                | 1,037                           |
|   |        | <b>12,120</b>                        | <b>26,272</b>                   | <b>33,892</b>                         | <b>26,265</b>                   |
| <b>Earnings per share attributable to the equity holders of the Company</b> |        |                                      |                                 |                                       |                                 |
| Basic (sen)   | B11    | 4.16                                 | 24.57                           | 10.74                                 | 97.44                           |
| Diluted (sen)   |        | 4.16                                 | 24.57                           | 10.74                                 | 97.44                           |

## Notes :

- 1 The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.
- 2 The acquisition of subsidiary companies was completed on 11 November 2010.
- 3 During the current year ended 31 December 2011, the Group's listing expenses of RM2.674 million has been expensed off as Administrative Expenses in the Statement of Comprehensive Income.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## Condensed Consolidated Statement of Changes In Equity

|   | Attributable to Equity Holders of the Company |  |  | Total<br>RM'000 | Non-<br>controlling<br>Interests<br>RM'000 | Total Equity<br>RM'000 |
|---|---|--|--|-----------------|--|------------------------|
|   | Share<br>Capital<br>RM'000                    | Non-<br>distributable<br>Share Premium<br>RM'000 | Distributable<br>Retained<br>Profits<br>RM'000 |                 |  |                        |
| <b>At 1 January 2011</b>  | 94,500  | -  | 25,218   | 119,718         | 13,977                                     | 133,695                |
| Net profit for the year   | -   | -  | 23,576   | 23,576          | 10,316                                     | 33,892                 |
|   | <u>94,500</u>                                 | <u>-</u>   | <u>48,794</u>                                  | <u>143,294</u>  | <u>24,293</u>                              | <u>167,587</u>         |
| <b>Transactions with owners</b>   |   |  |  |                 |  |                        |
| Public issue  | 16,000  | 6,400  | -  | 22,400          | -  | 22,400                 |
| Acquisitions of subsidiary companies  | -   | -  | -  | -               | 2,490                                      | 2,490                  |
| Share issued to non-controlling interests   | -   | -  | -  | -               | 5,250                                      | 5,250                  |
| Interim dividend for the financial year ended 31 December 2010 declared on 9 June 2011 and paid on 7 September 2011 | -   | -  | (10,166)                                       | (10,166)        | -  | (10,166)               |
| <b>Total transactions with owners</b>   | <u>16,000</u>                                 | <u>6,400</u>                                     | <u>(10,166)</u>                                | <u>12,234</u>   | <u>7,740</u>                               | <u>19,974</u>          |
| <b>At 31 December 2011</b>  | <u>110,500</u>                                | <u>6,400</u>                                     | <u>38,628</u>                                  | <u>155,528</u>  | <u>32,033</u>                              | <u>187,561</u>         |
| <b>At 1 January 2010</b>  | #   | -  | (10)   | (10)            | -  | (10)                   |
| Net profit for the year   | -   | -  | 25,228   | 25,228          | 1,037                                      | 26,265                 |
|   | <u>-</u>                                      | <u>-</u>   | <u>25,218</u>                                  | <u>25,218</u>   | <u>1,037</u>                               | <u>26,255</u>          |
| <b>Transactions with owners</b>   |   |  |  |                 |  |                        |
| Issuance of ordinary shares pursuant to acquisition of subsidiary companies   | 94,500  | -  | -  | 94,500          | 12,940                                     | 107,440                |
| <b>At 31 December 2010</b>  | <u>94,500</u>                                 | <u>-</u>   | <u>25,218</u>                                  | <u>119,718</u>  | <u>13,977</u>                              | <u>133,695</u>         |

# Denotes RM2

## Notes :

1 The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## Condensed Consolidated Statements of Cash Flows

|  | 12 months<br>ended<br>31-Dec-2011<br>RM'000 | 12 months<br>ended<br>31-Dec-2010<br>RM'000 |
|--|---|---|
| Profit before taxation   | 46,939                                      | 28,412                                      |
| Adjustments for:-  |   |   |
| Non-cash items   | 614   | (16,916)                                    |
| Non-operating items  | 1,867                                       | (91)  |
| Operating profit/(loss) before changes in working capital  | 49,420                                      | 11,405                                      |
| Net Change in current assets   | (69,139)                                    | (49,256)                                    |
| Net Change in current liabilities  | (16,113)                                    | 29,092                                      |
| Cash used in operations  | (35,832)                                    | (8,759)                                     |
| Interest received  | 842   | 91  |
| Tax paid   | (9,549)                                     | (1,795)                                     |
| <b>Net cash used in operating activities</b>   | <b>(44,539)</b>                             | <b>(10,463)</b>                             |
| <b>Investing Activities</b>  |   |   |
| Acquisition of subsidiary companies  | (3,745)                                     | 39,706                                      |
| Acquisition of associate company   | (2,216)                                     | -   |
| Purchase of investment properties  | -   | (389)                                       |
| Purchase of property, plant and equipment  | (1,048)                                     | (76)  |
| <b>Net cash (used in)/generated from investing activities</b>  | <b>(7,009)</b>                              | <b>39,241</b>                               |
| <b>Financing Activities</b>  |   |   |
| Dividends paid to ordinary shareholders of the company   | (10,166)                                    | -   |
| Public issue   | 22,400                                      | -   |
| Listing expenses   | (2,674)                                     | -   |
| Issuance of share by a subsidiary company to non-controlling interests                                     | 5,250                                       | -   |
| Drawdown of bank borrowings  | 73,018                                      | -   |
| Changes of fixed deposits pledged to a licensed bank   | (693)                                       | (124)                                       |
| Repayment of bank borrowings   | (21,902)                                    | (4,715)                                     |
| <b>Net cash generated from/(used in) financing activities</b>  | <b>65,233</b>                               | <b>(4,839)</b>                              |
| Net changes in cash and cash equivalents   | 13,685                                      | 23,939                                      |
| Cash and cash equivalents at 1 January 2011/2010   | 23,950                                      | 11  |
| <b>Cash and cash equivalents at 31 December 2011/2010</b>  | <b>37,635</b>                               | <b>23,950</b>                               |
| <b>Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-</b> |   |   |
| Fixed deposits with licensed banks   | 5,415                                       | 11,552                                      |
| Cash and bank balances   | 33,896                                      | 15,639                                      |
| Bank overdrafts  | (859)                                       | (3,117)                                     |
|  | 38,452                                      | 24,074                                      |
| Less: Fixed deposits pledged to a licensed bank  | (817)                                       | (124)                                       |
|  | 37,635                                      | 23,950                                      |

## Notes :

1 The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011**

**A. Explanatory Notes pursuant to Financial Reporting Standard ("FRS") 134, Interim Reporting and the Listing Requirements**

**A1. Basis of Preparation**

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Listing Requirements.

The interim financial statements should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by Tambun Indah and its subsidiary companies ("Group") for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2010 except for the mandatory adoption of the following new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") effective for the financial period beginning on 1 January 2011:

**FRSs, amendments to FRSs and IC Interpretations**

|   |  |
|---|--|
| FRS 1   | First-time Adoption of Financial Reporting Standards                         |
| Amendment to FRS 1  | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters |
| Amendments to FRS 1   | Additional Exemptions for First-time Adopters                                |
| Amendments to FRS 2   | Share-based Payment  |
| Amendments to FRS 2   | Group Cash-settled Share-based Payment Transactions                          |
| FRS 3   | Business Combinations  |
| Amendments to FRS 5   | Non-current Assets Held for Sale and Discontinued Operations                 |
| Amendments to FRS 7   | Improving Disclosures about Financial Instruments                            |
| FRS 127   | Consolidated and Separate Financial Statements                               |
| Amendments to FRS 132   | Financial Instruments: Presentation  |
| Amendments to FRS 138   | Intangible Assets  |
| Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134 and FRS 139 | Improvements to FRSs (2010)  |
| IC Interpretation 4   | Determining Whether an Arrangement contains a Lease                          |
| IC Interpretation 12  | Service Concession Arrangements  |
| IC Interpretation 16  | Hedges of a Net Investment in a Foreign Operation                            |
| IC Interpretation 17  | Distributions of Non-cash Assets to Owners                                   |
| IC Interpretation 19  | Extinguishing Financial Liabilities with Equity Instruments                  |
| Amendments to IC Interpretation 9   | Reassessment of Embedded Derivatives   |

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

**A3. Explanatory Comments about Seasonality or Cyclicity of Interim Operations**

The business operations of the Group during the financial year under review have not been materially affected by any seasonal or cyclical factors.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year-to-date.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**A5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial year-to-date results.

**A6. Debt and Equity Securities**

There were no issues, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year-to-date ended 31 December 2011, except for the following:-

**Issuance of Shares Pursuant to Public Issue**

**Initial Public Offering ("IPO")**

On 29 December 2010, the Company had issued a Prospectus for the public issue of 32,000,000 new Shares ("Public Issue") and offer for sale of 22,100,000 Shares ("Offer for Sale") at an issue and offer price of RM0.70 per Share ("IPO Price") payable in full on application pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad as detailed below:

**(i) Public Issue**

The Public Issue of 32,000,000 Public Issue Shares, representing approximately 14.48% of the enlarged issued and paid-up share capital of Tambun Indah, at an IPO Price of RM0.70 per Share were payable in full on application upon such terms and conditions as set out in the Prospectus dated 29 December 2010 was allocated and allotted in the following manner:

**(aa) Malaysian public via balloting**

11,050,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of Tambun Indah, was allocated via balloting, for applications by Malaysian individuals, companies, co-operatives, societies and institutions, of which at least 50.00% was set aside for Bumiputera individuals, companies, co-operatives, societies and institutions to the extent possible.

**(bb) Eligible Parties**

11,050,000 Public Issue Shares, representing 5% of the enlarged issued and paid-up capital of Tambun Indah was made available for application by eligible Directors, employees and business associates of the Group; and

**(cc) Identified investors via private placement**

9,900,000 Public Issue Shares, representing approximately 4.48% of the enlarged issued and paid-up share capital of Tambun Indah was made available for applications by identified investors via private placement.

**(ii) Offer For Sale**

The Offer for Sale of 22,100,000 Shares representing 10.00% of the enlarged issued and paid-up share capital of Tambun Indah at the IPO Price of RM0.70 were payable in full on application upon such terms and conditions as set out in the Prospectus dated 29 December 2010 was allocated and allotted via private placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry. The proceeds from the Offer for Sale was accrued entirely to the Offerors.

The Public Issue was completed on 18 January 2011. After the Public Issue, the issued and paid-up share capital of the Tambun Indah increased from RM94,500,000 comprising 189,000,000 Shares of RM0.50 each to RM110,500,000 comprising 221,000,000 Shares of RM0.50 each.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**A7. Dividend Paid**

For the financial year ended 31 December 2011, an interim dividend of 4.6% (single-tier dividend, which is tax-exempted under Section 108 of the Income Tax Act, 1967) amounting to RM10.17 million in respect of the financial year ended 31 December 2010, was paid on 7 September 2011.

**A8. Operating Segment**

(a) The segment revenue by activities for the financial year ended 31 December 2011 is as follows:

|                                 | Property<br>development<br>RM'000 | Construction<br>and project<br>management<br>RM'000 | Investment<br>holdings<br>RM'000 | Adjustments<br>and<br>eliminations<br>RM'000 | Total<br>RM'000 |
|---------------------------------|-----------------------------------|---|----------------------------------|--|-----------------|
| Revenue from external customers | 182,786                           | 8,463   | 595                              | -  | 191,844         |
| Inter-segment revenues          | -                                 | 33,623  | 20,655                           | (54,278)                                     | -               |
|                                 | <u>182,786</u>                    | <u>42,086</u>                                       | <u>21,250</u>                    | <u>54,278</u>                                | <u>191,844</u>  |

(b) The segment result by activities for the financial year ended 31 December 2011 is as follows:

|                               | Property<br>development<br>RM'000 | Construction<br>and project<br>management<br>RM'000 | Investment<br>holdings<br>RM'000 | Adjustments<br>and<br>eliminations<br>RM'000 | Total<br>RM'000 |
|-------------------------------|-----------------------------------|---|----------------------------------|--|-----------------|
| Profit from operations        | 49,922                            | 2,943   | 16,818                           | (21,934)                                     | 47,749          |
| Share of loss of an associate |                                   |   |                                  |  | (35)            |
| Finance costs                 |                                   |   |                                  |  | (775)           |
| Profit before tax             |                                   |   |                                  |  | <u>46,939</u>   |
| Tax expense                   |                                   |   |                                  |  | (13,047)        |
| Profit for the year           |                                   |   |                                  |  | <u>33,892</u>   |

(c) Total segment assets by activities as at 31 December 2011:

|                                     | RM'000         |
|-------------------------------------|----------------|
| Property development                | 302,725        |
| Construction and project management | 3,435          |
| Investment holdings                 | 16,999         |
| Total                               | <u>323,159</u> |

**A9. Subsequent Events**

Save as disclosed in B7, there are no material events subsequent to the financial year ended 31 December 2011 till 15 February 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), that have not been reflected in the financial statements for the current quarter under review.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**A10. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial year except for the following:

a) Acquisition of subsidiaries

- i) On 4 May 2011, the Company acquired 3,453,600 ordinary shares of RM1.00 each, representing 60% of the total issued and paid up share capital of Palmington Sdn. Bhd. for a total cash consideration of RM3,510,000.00 ("Proposed Palmington Acquisition").

The Company completed the Proposed Palmington Acquisition on 4 May 2011.

- ii) On 28 July 2011, the Company acquired 500,000 ordinary shares of RM1.00 each, representing the entire issued and paid up share capital of Pridaman Sdn. Bhd. for a total cash consideration of RM4.65 million ("Proposed Pridaman Acquisition").

The Company completed the Proposed Pridaman Acquisition on 27 July 2011.

- iii) On 29 August 2011, the Company acquired 250,000 ordinary shares of RM1.00 each, representing the entire issued and paid up share capital of Premcourt Development Sdn. Bhd. ("Premcourt") for a total cash consideration of RM5.5 million, in the manner of RM5.0 million only shall be paid to the Messrs. Siram Permai Sdn. Bhd. and Tah-Wah Sdn. Bhd. (collectively referred to as the "Premcourt Vendors") in accordance with the Premcourt Vendors' respective shareholding proportions, on the Completion Date and the balance of RM0.50 million only shall be paid to the Premcourt Vendors in accordance with the Premcourt Vendors' respective shareholding proportions within seven (7) days from the date the planning permission and/or development order is obtained by Premcourt in respect of the Project ("Proposed Premcourt Acquisition").

In the event Premcourt fails to obtain the planning permission/development order for the Project for any reason whatsoever within one (1) year from the date of the SPA or such other extended period as may be agreed by the Tambun Indah, the Parties agree that the Purchase Consideration for the sale shares shall be only RM5.0 million. In such event, Tambun Indah shall not be obliged to pay to the Premcourt Vendors the sum of RM0.50 million and such amount shall be treated as a discount given by the Premcourt Vendors to Tambun Indah for the purchase of the sale shares.

The Company completed the Proposed Premcourt Acquisition on 22 September 2011. The payment of RM0.50 million to Premcourt Vendors had yet to become unconditional pending fulfilment of conditions precedent.

- iv) On 29 December 2011, TKS and Sdn. Bhd., the wholly-owned subsidiary of Tambun Indah Land Berhad acquired 200,000 ordinary shares of RM1.00 each, representing 50% of the total issued and paid up share capital of Ascention Sdn. Bhd. for a total cash consideration of RM200,000 ("Proposed Ascention Acquisition").

The Company completed the Proposed Ascention Acquisition on 29 December 2011.

b) Acquisition of an associate company

On 28 July 2011, the Company acquired 45,000 ordinary shares of RM1.00 each, representing 45% of the issued and paid up share capital of Ikhtiar Bitara Sdn. Bhd. for a total cash consideration of RM1.46 million ("Proposed Ikhtiar Bitara Acquisition").

The Company completed the Proposed Ikhtiar Bitara Acquisition on 9 August 2011.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**A11. Capital Commitments**

The amount of capital commitments not provided for in the financial year ended 31 December 2011 are as follows:

|   | <b>RM'000</b>  |
|---|----------------|
| Contractual commitments for development lands, as disclosed in B7 (b)   | 169,759        |
| Contractual commitments for acquisition of Premcourt Development Sdn. Bhd.,<br>as disclosed in A10 a) iii) & B7 (c) | 500            |
|   | <u>170,259</u> |

**A12. Significant Related Party Transactions**

Related parties are those defined under FRS 124: Related Party Disclosures.

Transactions with directors of the Company and subsidiary companies, members of their family and companies, firms and trust bodies in which they have interests:

|   | <b>12 months<br/>ended<br/>31-Dec-2011<br/>RM'000</b> |
|---|---|
| Rental received from a company in which a Director has interest                         | 4   |
| Rental paid to a company in which a Director has interest                               | 63  |
| Payment of professional services rendered for consulting civil and structural engineer  | 65  |
| Payment of services rendered for external telecom, electrical works and street lighting | <u>325</u>  |

**B. Explanatory Notes pursuant to Part A of Appendix 9B of the Listing requirements****B1. Review of Performance****Year on Year review**

The Group recorded revenue and profit before tax of RM191.84 million and RM46.94 million respectively for the financial year to-date. This represents 384% or RM152.23 million increase in revenue and 65% or RM18.53 million increase in profit before tax over the previous corresponding financial year ended 31 December 2010 ("FYE 2010").

As the Group was only formed on 11 November 2010, the audited revenue for FYE 2010 only represent 2 months performance.

The Group's revenue and profit for the financial year ended 31 December 2011 ("FYE 2011") were principally derived from its property development activities.

However, the increase in profit before tax of 65% was lower compared to 384% increase in revenue mainly due to "bargain purchase gain" of RM16.9 million in relation to acquisition of subsidiary companies in FYE 2010.

Bargain Purchase gain is the excess of the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of the business combination, which has a negative effect on the Statement of Comprehensive Income.

The year on year movements in the segment revenues are as follows:

|                                     | Financial year ended  |                       | Variances |         |
|-------------------------------------|-----------------------|-----------------------|-----------|---------|
|                                     | 31-Dec-2011<br>RM'000 | 31-Dec-2010<br>RM'000 | %         | RM'000  |
| <b>Revenue</b>                      |                       |                       |           |         |
| Property development                | 182,786               | 27,819                | 557%      | 154,967 |
| Construction and project management | 8,463                 | 11,691                | -28%      | (3,228) |
| Investment holdings                 | 595                   | 98                    | 507%      | 497     |
|                                     | 191,844               | 39,608                | 384%      | 152,236 |

Property development

The property development segment recorded an increment in revenue of RM154.97 million in the FYE 2011. This was contributed by ongoing projects which include Pearl Garden, Juru Heights, Carissa Park, Dahlia Park & Impian Residence and new projects which launched during the year which were Pearl Villas, Tanjung Heights, Capri Park & Pearl Square 1.

Property development - sales performance

The Group sold 912 units of properties with sales value of RM347.32 million during financial year ended ("FYE") 2011 compared to 396 units of properties sold with sales value of RM137.08 million in FYE 2010 (Proforma).

Construction and project management

The Group's construction and project management segment achieved lower revenue in the current year as compared to previous corresponding year mainly due to the constructions for Juru Heights Bungalow phase 2 was completed in FYE 2011.

Investment holdings

The revenue from investment holdings represents rental income from Group's investment properties and income from operation of car parks.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## B1. Review of Performance (Continued)

## Quarter on Quarter review

The current quarter revenue and profit before tax of RM56.10 million and RM16.42 million represents 42% increase in revenue and 42% decrease in profit before tax over same quarter in preceding year.

The favourable performance in the Revenues in the current quarter is contributed mainly by the property development segment which recorded an increase of RM27.68 million or 100% in revenue compared to preceding corresponding quarter. However, the increase in revenue in property development segment was offset by a decrease in revenue from the construction and project management segment. The decrease was mainly due to the completion of construction works for Juru Heights Bungalow phase 2 in FYE 2011.

The RM12.0 million or 42% decrease in profit before tax over same quarter in preceding year is mainly due to "bargain purchase gain" of RM16.9 million recognised in relation to acquisition of subsidiary companies in preceding corresponding quarter.

The quarter on quarter movements in the segment revenues are as follows:

|                                     | Current               | Preceding             | Variances |          |
|-------------------------------------|-----------------------|-----------------------|-----------|----------|
|                                     | 31-Dec-2011<br>RM'000 | 31-Dec-2010<br>RM'000 | %         | RM'000   |
| <b>Revenue</b>                      |                       |                       |           |          |
| Property development                | 55,502                | 27,819                | 100%      | 27,683   |
| Construction and project management | 447                   | 11,691                | -96%      | (11,244) |
| Investment holdings                 | 147                   | 98                    | 50%       | 49       |
|                                     | 56,096                | 39,608                | 42%       | 16,488   |
|                                     |                       |                       |           |          |

Property development

The property development segment recorded an increase of 100% in revenue and profit before tax for the current quarter over the same quarter in preceding year. Beside new projects launched in FYE 2011, higher construction work progress and higher taken up rate on its ongoing projects cause the increase in revenue.

Construction and project management

The Group's construction and project management segment achieved lower revenue in the current quarter as compared to previous corresponding quarter mainly due to the constructions for Juru Heights Bungalow phase 2 was completed in FYE 2011.

Investment holdings

There is no significant change in revenue for the investment holdings segment.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**B2. Variation of results against immediate preceding quarter**

The Group's recorded higher revenue and profit before tax of RM56.10 million and RM16.42 million for the current quarter. This represents 18.48% or RM8.75 million increase in revenue and 88.36% or RM7.70 million increase in profit before tax as compare to the preceding quarter ended 30 September 2011 of RM47.35 million of revenue and RM8.76 million of profit before tax. This is mainly due to higher construction work progress achieved and higher taken up rate on its ongoing projects in the current quarter compared to preceding quarter and listing expenses of RM2.67 million had been expensed off as Administrative Expenses in the preceding quarter.

**B3. Prospects for the next financial year**

The Board is pleased to report that as at 31 December 2011, the Group are enjoying an average take up rate of 76% on all its ongoing projects with a total Gross Development Value ("GDV") of RM629.28 million. The Group is optimistic to achieve good demand for the Group's new projects to be launched in FYE 2012.

Barring unforeseen circumstances, the Group expects to sustain it's performance in FYE 2012.

**B4. Variance of Actual Profit from Forecast Profit or Profit Guarantee**

Not applicable as no profit forecast or profit guarantee was issued.

**B5. Statement by Board of Directors**

The Group did not issue any profit forecast or projection in a public document in the current quarter or financial year-to-date.

**B6. Income Tax**

Income Tax comprises:

|                    | Individual Quarter                               |   | Cumulative Quarter                                |  |
|--------------------|--|---|---|--|
|                    | Current Year<br>Quarter<br>31-Dec-2011<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31-Dec-2010<br>RM'000 | Current Year-<br>To-Date<br>31-Dec-2011<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31-Dec-2010<br>RM'000 |
| Current income tax | 3,875  | 1,352   | 11,863  | 1,352  |
| Deferred taxation  | 424  | 795   | 1,184   | 795  |
|                    | <u>4,299</u>                                     | <u>2,147</u>  | <u>13,047</u>                                     | <u>2,147</u>   |

The Group's effective taxation rate for the current quarter under review of 26.2% and for the financial year-to-date of 27.8% was higher than the statutory taxation rate of 25% mainly due to certain expenses of the Group which are not deductible for tax purposes.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## B7. Status of Corporate Proposals

## (a) Status of Utilisation of Proceeds

The status of utilization of the total gross proceeds arising from the Public Issue of RM22.40 million as at the date of this quarterly announcement is as follows:

| Purpose of utilisation            | Estimated time frame for utilisation from date of Listing | Proposed utilisation<br>RM'000 | Actual Utilisation<br>RM'000 | Deviation<br>RM'000 | Explanations |
|-----------------------------------|---|--------------------------------|------------------------------|---------------------|--------------|
| (i) Working capital               | 12 months   | 12,700                         | (12,700)                     | -                   | -            |
| (ii) Repayment of bank borrowings | 12 months   | 7,100                          | (7,100)                      | -                   | -            |
| (iii) Estimated listing expenses  | 3 months  | 2,600                          | (2,674)                      | (74)                | *            |
| <b>Total proceeds</b>             |   | <b>22,400</b>                  | <b>(22,474)</b>              | <b>(74)</b>         |              |

\* The excess in actual listing expenses of RM74,000 has been funded by internal generated funds.

## (b) Land acquisition - Bandar Tasek Mutiara

Palmington Sdn Bhd, a 60%-owned subsidiary of Tambun Indah, has on 4 May 2011 entered into a master agreement and five (5) separate sales and purchase agreements (Parcel R1, R2, R3, C and Amenities Land respectively) with Pembangunan Bandar Mutiara Sdn Bhd to purchase an undeveloped land bank located in a new township development known as Bandar Tasek Mutiara (marketed as Pearl City) in the locality of Simpang Ampat, Mukim 15, Province Wellesley South, Penang measuring approximately 526.7531 acres for a purchase consideration of RM233,223,021 to be satisfied fully in cash.

On 5 September 2011, all the conditions precedent stipulated in the master agreement and sale and purchase agreements entered into between Palmington Sdn Bhd and Pembangunan Bandar Mutiara Sdn Bhd ("SPA(s)") were fulfilled and the SPAs became unconditional.

Pursuant to the SPAs, Palmington and Pembangunan Mutiara mutually agreed to extend the completion date of the acquisition of Parcel R1 to 30 November 2011.

On 30 November 2011, Palmington and Pembangunan Mutiara mutually agreed to further extend the completion date in respect of the acquisition of Parcel R1 from 30 November 2011 to on or before 09 December 2011 ("2nd Extended Completion Date") to enable the solicitors further time to present the discharges, transfers and charges at the relevant Land Registry/Office.

The Company completed the acquisition of Parcel R1 on 7 December 2011.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

## B7. Status of Corporate Proposals (continued)

## (c) Proposed acquisition of Premcourt Development Sdn. Bhd.

On 29 August 2011, the Board of Directors of Tambun Indah announced that the Company had entered into a share purchase agreement with Messrs. Siram Permai Sdn. Bhd. and Tah-Wah Sdn. Bhd. (collectively referred to as "Premcourt Vendors") for the acquisition of 250,000 ordinary shares of RM1.00 each in Premcourt Development Sdn. Bhd. ("Premcourt") representing the entire issued and paid-up share capital of Premcourt for a cash consideration of RM5.50 million ("Premcourt Acquisition").

The Parties agreed that Tambun Indah shall pay to the Premcourt Vendors, in accordance with the Premcourt Vendors' respective shareholding proportions the Purchase Consideration in the following manner:

- i) RM5.0 million only shall be paid to the Premcourt Vendors in accordance with the Premcourt Vendors' respective shareholding proportions, on the Completion Date; and
- ii) The balance of RM0.50 million only shall be paid to the Premcourt Vendors in accordance with the Premcourt Vendors' respective shareholding proportions, within seven (7) days from the date the planning permission and/or development order is obtained by Premcourt in respect of the Project.

In the event Premcourt fails to obtain the planning permission/development order for the Project for any reason whatsoever within one (1) year from the date of the SPA or such other extended period as may be agreed by the Tambun Indah, the Parties agree that the Purchase Consideration for the sale shares shall be only RM5.0 million. In such event, Tambun Indah shall not be obliged to pay to the Premcourt Vendors the sum of RM0.50 million and such amount shall be treated as a discount given by the Premcourt Vendors to Tambun Indah for the purchase of the sale shares.

The Company completed the Proposed Premcourt Acquisition on 22 September 2011. The payment of RM0.50 million to Premcourt Vendors have yet to become unconditional pending fulfilment of conditions precedent.

## (d) Proposed rights issue with warrants and employees' share option scheme

On 19 January 2012, the company proposed a renounceable rights issue of 88,400,000 new ordinary shares of RM0.50 each in Tambun Indah ("Rights Share(s)") together with 44,200,000 new free detachable warrants ("Warrant(s)") on the basis of two (2) Rights Shares and one (1) free Warrant for every five (5) existing ordinary shares of RM0.50 each in Tambun Indah ("Tambun Indah Share(s)" or "Share(s)") held on an entitlement date and issue price to be determined later; and establishment of an employees' share option scheme ("ESOS") of up to five per centum (5%) of the issued and paid-up share capital (excluding treasury shares) of Tambun Indah for eligible persons of Tambun Indah and its subsidiaries ("Proposal").

The above Proposal are subject to shareholders' approval.

## B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 December 2011 are as follows:

|                               | Secured<br>RM'000 |
|-------------------------------|-------------------|
| <i>Long term borrowings:</i>  |                   |
| Term loans                    | 72,083            |
| <i>Short term borrowings:</i> |                   |
| Bank overdrafts               | 860               |
| Term loans                    | 5,010             |
| <b>Total</b>                  | <b>77,953</b>     |

The Group has no foreign currency borrowings.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**B9. Material Litigation**

The Group is not engaged in any material litigation as at the date of this report.

**B10. Dividend**

No dividend has been declared or paid in the 4th quarter ended 31 December 2011.

**B11. Earnings Per Share****(a) Basic Earnings Per Share**

The basic earnings per share for the current financial quarter and current financial year-to-date has been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue.

|   | Current<br>Quarter<br>31-Dec-2011 | Preceding Year<br>Corresponding<br>Quarter<br>31-Dec-2010 | Current Year-<br>To-Date<br>31-Dec-2011 | Preceding Year<br>Corresponding<br>Period<br>31-Dec-2010 |
|---|-----------------------------------|---|---|--|
| Profit for the period/year attributable to equity holders of the Company (RM'000) | 9,195                             | 25,235  | 23,576                                  | 25,228   |
| Weighted average number of ordinary shares in issue ('000)                        | 221,000                           | 102,717   | 219,422                                 | 25,890   |
| <b>Basic Earnings/(loss) Per Share (sen)</b>                                      | <b>4.16</b>                       | <b>24.57</b>  | <b>10.74</b>                            | <b>97.44</b>   |

The weighted average number of ordinary shares used in the denominator in calculating basic and diluted earnings per share are as follows:

|   | Current<br>Quarter<br>31-Dec-2011<br>'000 | Preceding Year<br>Corresponding<br>Quarter<br>31-Dec-2010<br>'000 | Current Year-<br>To-Date<br>31-Dec-2011<br>'000 | Preceding Year<br>Corresponding<br>Period<br>31-Dec-2010<br>'000 |
|---|---|---|---|--|
| Number of ordinary shares at beginning of the period/year | 189,000                                   | #   | 189,000   | #  |
| Effect of shares issued pursuant to public issue          | 32,000                                    | 102,717   | 30,422  | 25,890   |
| Weighted average number of ordinary shares                | 221,000                                   | 102,717   | 219,422   | 25,890   |

# 4 ordinary shares of RM0.50 each

**(b) Diluted Earnings per share**

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial quarter under review. As such, the diluted earnings per share is presented as equal to basic earnings per share.

**B12. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification to the audited financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2010.



## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

**B13. Other income**

|  | Current<br>quarter<br>31-Dec-2011<br>RM'000 | Financial<br>year to-date<br>31-Dec-2011<br>RM'000 |
|--|---|--|
| Interest income                              | 205   | 843  |
| Bargain purchase gain                        | -   | 52   |
| Revaluation surplus on investment properties | 160   | 160  |
| Miscellaneous income                         | 20  | 319  |
|  | <u>385</u>                                  | <u>1,374</u>                                       |

The Group did not receive any other income including investment income for the financial year ended 31 December 2011.

**B14. Administrative expenses**

|   | Current<br>quarter<br>31-Dec-2011<br>RM'000 | Financial<br>year to-date<br>31-Dec-2011<br>RM'000 |
|---|---|--|
| Depreciation                              | 123   | 300  |
| Goodwill on consolidation written off     | 502   | 502  |
| Property, plant and equipment written off | 24  | 24   |
|   | <u>649</u>                                  | <u>826</u>   |

There were no provision for and written off of receivable and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and gain or loss on derivatives for the financial year ended 31 December 2011.

**B15. Disclosure of realised and unrealised profits/losses**

Total retained profits of Tambun Indah and its subsidiary companies are as follows:

|   | 31-Dec-2011<br>RM'000 | 31-Dec-2010<br>RM'000 |
|---|-----------------------|-----------------------|
| - Realised  | 23,371                | 8,989                 |
| - Unrealised  | 15,257                | 16,229                |
| Total group retained profits as per consolidated accounts | <u>38,628</u>         | <u>25,218</u>         |

**B16. Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors of Tambun Indah in accordance with a resolution of the Directors on 23 February 2012.

By order of the Board of Directors  
Lee Peng Loon  
Company Secretary  
23 February 2012