



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The First Quarter Ended 31 March 2019 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
Condensed Consolidated Statement of Financial Position

		Unaudited As at 31 March 2019 RM'000	Audited As at 31 December 2018 RM'000
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,355	3,418
Investment properties		115,662	115,852
Inventories	B13	145,808	145,997
Investment in an associate company		564	562
Investment in a joint venture		26,967	26,880
Deferred tax assets		17,439	15,571
		<u>309,795</u>	<u>308,280</u>
Current Assets			
Inventories	B13	164,771	170,283
Trade and other receivables		60,967	64,324
Contract assets		3,959	14,209
Current tax assets		3,572	3,836
Short term funds		19,230	30,756
Cash and bank balances		151,048	144,649
		<u>403,547</u>	<u>428,057</u>
TOTAL ASSETS		<u>713,342</u>	<u>736,337</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital		287,599	287,580
Option reserve		960	890
Retained profits		329,516	319,369
		<u>618,075</u>	<u>607,839</u>
Non-controlling interests		1,350	1,317
Total Equity		<u>619,425</u>	<u>609,156</u>
Non-Current Liabilities			
Long-term bank borrowings		34,933	37,393
Deferred tax liability		205	106
		<u>35,138</u>	<u>37,499</u>
Current Liabilities			
Trade and other payables		17,149	28,665
Contract liabilities		9,860	-
Short-term bank borrowings		26,527	58,427
Current tax liabilities		5,243	2,590
		<u>58,779</u>	<u>89,682</u>
TOTAL LIABILITIES		<u>93,917</u>	<u>127,181</u>
TOTAL EQUITY AND LIABILITIES		<u>713,342</u>	<u>736,337</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.43</u>	<u>1.40</u>

Notes:

a 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 2018 and the accompanying explanatory notes attached to this interim financial report.

b Based on 433,408,517 (2018: 433,378,517) ordinary shares issued in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
		RM'000	RM'000	RM'000	RM'000
Revenue		35,322	40,079	35,322	40,079
Cost of sales		(16,989)	(18,358)	(16,989)	(18,358)
Gross profit		18,333	21,721	18,333	21,721
Other income	B14	828	782	828	782
Sales and marketing expenses		(1,583)	(1,163)	(1,583)	(1,163)
Administrative expenses	B15	(3,725)	(3,828)	(3,725)	(3,828)
Profit from operations		13,853	17,512	13,853	17,512
Finance costs		(577)	(679)	(577)	(679)
Share of profit of an associate		2	9	2	9
Share of profit of a joint venture		87	90	87	90
Profit before tax		13,365	16,932	13,365	16,932
Income tax expense		(3,215)	(5,572)	(3,215)	(5,572)
Profit for the period		10,150	11,360	10,150	11,360
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		10,150	11,360	10,150	11,360
Profit attributable to :					
Equity holders of the Company		10,147	11,356	10,147	11,356
Non-controlling interests		3	4	3	4
		10,150	11,360	10,150	11,360
Total comprehensive income attributable to :					
Equity holders of the Company		10,147	11,356	10,147	11,356
Non-controlling interests		3	4	3	4
		10,150	11,360	10,150	11,360
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	2.34	2.62	2.34	2.62
Diluted (sen)	B11	2.34	2.62	2.34	2.62

Note :

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company					Total Equity RM'000
	Non-distributable		Distributable		Non- controlling Interests RM'000	
	Share Capital RM'000	Option Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2019	287,580	890	319,369	607,839	1,317	609,156
Profit for the year	-	-	10,147	10,147	3	10,150
Total comprehensive income	-	-	10,147	10,147	3	10,150
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	19	(2)	-	17	-	17
Incorporation of a subsidiary	-	-	-	-	30	30
Options granted under ESOS	-	72	-	72	-	72
Total transactions with owners	19	70	-	89	30	119
At 31 March 2019	287,599	960	329,516	618,075	1,350	619,425
At 1 January 2018	287,521	957	292,921	581,399	1,880	583,279
Profit for the year	-	-	55,404	55,404	37	55,441
Total comprehensive income	-	-	55,404	55,404	37	55,441
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	59	(7)	-	52	-	52
Transfer of option reserve to retained earning upon lapse of ESOS	-	(78)	78	-	-	-
Options granted under ESOS	-	18	-	18	-	18
Dividends	-	-	(29,034)	(29,034)	(600)	(29,634)
Total transactions with owners	59	(67)	(28,956)	(28,964)	(600)	(29,564)
At 31 December 2018	287,580	890	319,369	607,839	1,317	609,156

Note :

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 2018 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
Condensed Consolidated Statement of Cash Flows

	3 months ended 31-Mar-2019 RM'000	3 months ended 31-Mar-2018 RM'000
Cash Flows from Operating Activities		
Profit before taxation	13,365	16,932
Adjustments for:-		
Non-cash items	195	135
Non-operating items	(329)	(170)
Operating profit before changes in working capital	13,231	16,897
Net changes in land held for development	189	189
Net changes in current assets	20,982	24,179
Net changes in current liabilities	7,012	(6,133)
Net cash from operations	41,414	35,132
Interest received	817	750
Tax paid	(2,067)	(4,366)
Net cash from operating activities	40,164	31,516
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(65)	-
Addition in investment properties	(1,673)	(181)
Changes of deposits pledged with licensed banks	2,297	6
Proceeds from disposal of property, plant and equipment	5	-
Incorporation of a subsidiary, net of cash and cash equivalents acquired	30	-
Net cash from/(used in) investing activities	594	(175)
Cash Flows from Financing Activities		
Dividends paid	(8,668)	(12,999)
Proceeds from issuance of shares pursuant to options exercised under the ESOS	17	-
Repayment of bank borrowings	(34,360)	(17,631)
Interest paid	(577)	(679)
Net cash used in financing activities	(43,588)	(31,309)
Net changes in cash and cash equivalents	(2,830)	32
Cash and cash equivalents at 1 January 2019/2018	172,679	101,721
Cash and cash equivalents at 31 March 2019/2018	169,849	101,753
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	19,230	19,345
Cash and bank balances	143,904	76,064
Deposits placed with licensed banks	7,144	9,901
	170,278	105,310
Less: Deposits pledged with licensed banks	(429)	(3,557)
	169,849	101,753

Note :

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 2018 and the accompanying explanatory notes attached to this interim financial report.

A. Explanatory Notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2018.

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 2018 except for the mandatory adoption of the following new and revised MFRSs and Issues Committee Interpretations ("IC Interpretations") effective for the financial period beginning on 1 January 2019:

MFRSs, amendments to MFRSs and IC Interpretations

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2019. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group as mentioned below:

MFRS 16, Leases

On the adoption of MFRS 16, Group has assessed the estimated impact that the initial application of MFRS 16. Based on the preliminary assessment, the Group does not expect the application of MFRS 16 to have a significant financial impact on its consolidated financial statements. MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases - Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standard Board ("MASB") but have not been early adopted by the Group:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3. Explanatory Comments about Seasonality or Cyclicity of Interim Operations

The business operations of the Group during the financial quarter under review had 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 quarter-to-date.

A5. Changes in Estimates

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

A6. Debt and Equity Securities

For the financial period under review, 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, save for the disclosure below.

(a) Issuance of 30,000 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.71
No. of shares issued	('000)	20	10

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM17,100.

A7. Dividend Paid

On 19 February 2019, the Company paid interim single tier dividend of 2.0 sen per ordinary share each amounting to RM8,667,570 in respect of the financial year ended 31 December 2018.

A8. Operating Segment

The segmental analysis for the financial period ended 31 March 2019 is as follows:

	Property development and property management RM'000	Investment holdings RM'000	Other operations RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue					
Revenue from external customers	34,083	1,239	-	-	35,322
Inter-segment revenues	(883)	11,102	-	(10,219)	-
	<u>33,200</u>	<u>12,341</u>	<u>-</u>	<u>(10,219)</u>	<u>35,322</u>
Results					
Profit from operations	11,581	12,306	15	(10,457)	13,445
Unallocated amount: - corporate expenses					(80)
Profit before tax					<u>13,365</u>
Tax expense					<u>(3,215)</u>
Profit for the period					<u>10,150</u>

A9. Subsequent Events

Save as disclosed in Note B7, there were no material events subsequent to the financial period ended 31 March 2019 until 21 May 2019 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), that had not been reflected in the financial statements for the current quarter under review.

A10. Changes in the Composition of the Group

There was no change in the composition of the Group for the current quarter and financial year to-date except for incorporated a 70% owned subsidiary known as Mustiara Sdn Bhd ("Mustiara") on 24 January 2019.

Mustiara is a company incorporated in Malaysia under the Companies Act, 2016 with an issued and paid-up capital of RM100,000 for the purpose of undertaking the principal business activity as a property developer.

The Company holds 70% equity interest in Mustiara whilst the remaining balance of 30% equity interest is held by Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali, a former director of the Company. The Directors of Mustiara are Mr. Teh Kiak Seng, Mr. Teh Deng Wei, Ms. Teh Theng Theng and Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali.

A11. Changes in contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets since the end of the last annual reporting period.

A12. Capital Commitments

There were no outstanding capital commitments for the Group as at 31 March 2019.

A13. Significant Related Party Transactions

Related parties are those defined under MFRS 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:

	3 months ended 31-Mar-2019 RM'000
Rental paid to companies in which a Director has interest	37
Consultant fee charged to an associate company	<u>3</u>

B. Explanatory Notes in Compliance with Listing Requirements of the Bursa Malaysia

B1. Review of Performance

Quarter on Quarter review

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

	Current	Preceding Year	Variances	
	31-Mar-2019 RM'000	31-Mar-2018 RM'000 (Restated)	%	RM'000
Revenue				
Property development and property management	34,083	38,826	-12.2%	(4,743)
Investment holdings	1,239	1,253	-1.1%	(14)
	35,322	40,079	-11.9%	(4,757)
Profit before tax	13,365	16,932	-21.1%	(3,567)

The current quarter's revenue and profit before tax of RM35.32 million and RM13.37 million represented a 11.9% decrease in revenue and 21.1% decrease in profit before tax over the same quarter of the preceding year.

Property development & property management

Property development projects were on track and progressed as scheduled. Revenue was mainly contributed by residential property developments in Pearl City, Simpang Ampat which accounted for approximately 89% of the total revenue in the segment for the current quarter in review.

The lower revenue in the current quarter as compared to the same quarter of the preceding year was mainly due to fewer on-going projects, with the Group adopting a cautious approach for new property launches given the overall market condition.

The lower profit before tax for the current quarter as compared to the preceding year quarter was due to the lower revenue recorded and an unfavourable product mix consisting of a higher proportion of affordable properties.

The Group recorded new property sales of RM32.0 million in the current quarter (same quarter of preceding year 2018: RM22.0 million).

Investment holdings

The revenue was mainly derived from rental received from completed investment properties.

B2. Comparison of results against immediate preceding quarter

	Current	Preceding	Variances	
	31-Mar-2019 RM'000	31-Dec-2018 RM'000	%	RM'000
Revenue	35,322	42,839	-17.5%	(7,517)
Profit before tax	13,365	17,619	-24.1%	(4,254)

Compared to the immediate preceding quarter, revenue and profit before tax were lower by 17.5% and 24.1% respectively. The decrease in revenue was due to fewer on-going projects in the current quarter and the work progress of the on-going projects were still at early stage of construction. The lower profit before tax was due to decrease in revenue and an unfavourable product mix consisting of a higher proportion of affordable properties.

B3. Prospects for the current financial year

As at 31 March 2019, the Group achieved an average take-up rate of 71.7% for its ongoing projects, with a total Gross Development Value of approximately RM425 million; and unbilled sales of approximately RM20 million. These should contribute positively to the Group's earnings for the remaining quarters in the current financial year and next financial year.

The outlook for the property industry continues to be challenging and the Group will remain cautious. Based on the foregoing, the Group expects to achieve a moderate performance in the current financial year.

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 comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year-	Preceding Year
	Quarter	Quarter	To-Date	Corresponding
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
	RM'000	RM'000	RM'000	RM'000
Current income tax	5,074	2,442	5,074	2,442
Deferred taxation	(1,859)	2,631	(1,859)	2,631
Overprovision of deferred tax assets in respect of prior year	-	499	-	499
	<u>3,215</u>	<u>5,572</u>	<u>3,215</u>	<u>5,572</u>

The Group's effective tax rate for the financial year-to-date under review was slightly higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

B7. Status of Corporate Proposals

1) Proposed Land Acquisition

Mustiara, a 70% owned subsidiary of the Company, had on 9 April 2019, acknowledged a letter of acceptance of offer dated 27 March 2019 from TPPT Sdn Bhd ("TPPT"), in relation to the proposed acquisition by Mustiara from TPPT of 27 parcels of freehold land measuring in aggregate approximately 209.54 acres identified as lot nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442 and 3407 to 3423, Mukim 15, District of Seberang Perai Selatan, Pulau Pinang ("Land") for a total purchase consideration of RM131.0 million ("Purchase Consideration") to be satisfied entirely by cash ("Proposed Land Acquisition"). The Proposed Land Acquisition would be funded by bank borrowings and/or additional financial assistance from the shareholders of Mustiara.

The Land is located adjoining to the southern side of township currently developed by the Group, known as Bandar Tasek Mutiara (marketed as Pearl City) in the locality of Simpang Ampat, Seberang Perai Selatan, Pulau Pinang.

On 25 April 2019, Mustiara had entered into a conditional sale and purchase agreement ("SPA") with TPPT for the Proposed Land Acquisition. The Proposed Land Acquisition is pending fulfilment of condition precedents within 3 months from SPA with a further extension of 1 month thereafter. Barring any unforeseen circumstances and subject to all requisite approvals being obtained, The Proposed Land Acquisition is expected to be completed in second half of 2019.

2) Proposed Provision of Financial Assistance

On 9 April 2019, the Company had announced that in conjunction with the Proposed Land Acquisition, it anticipates to extend provision of financial assistance of up to RM3.45 million to Mustiara in the form of shareholders' advances ("Initial Shareholder's Advances"), when necessary, to fund the acceptance deposit for the Land and other costs related to the Land.

On 25 April 2019, the Company entered into a shareholders' agreement ("Shareholders' Agreement") with Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali ("Encik Taufiq") and Mustiara to regulate the affairs of Mustiara and the relationship between them as shareholders.

In conjunction with the Proposed Land Acquisition, the Company proposed to extend provision of financial assistance of up to a total of RM150.0 million (including the Initial Shareholder's Advances) to Mustiara to fund the Purchase Consideration and other costs related to the Land ("Proposed Provision of Financial Assistance"). The Proposed Provision of Financial Assistance of up to a total of RM150.0 million by Tambun Indah to Mustiara shall be in the form of Shareholder's Advances and/or corporate guarantees for banking facilities to be obtained by Mustiara, subject to the terms and conditions of the Shareholders' Agreement. On the even date, the Group had advanced a total sum of approximately RM13.11 million to Mustiara.

The Proposed Provision of Financial Assistance is deemed a related party transaction pursuant to Paragraphs 8.23(2)(b) and 10.08(2) of the Main Market Listing Requirements as Encik Taufiq, being the former Non-Independent Non-Executive Director of the Company. Encik Taufiq was appointed to the Board on 15 April 2011 as an Independent Non-Executive Director. On 25 January 2019, he was redesignated as a Non-Independent Non-Executive Director of the Company until his resignation on 9 April 2019. Currently, Encik Taufiq holds 30% equity interest in Mustiara and is also a director of Mustiara. As such, the Company is required to obtain the approval of its shareholders for the Proposed Provision of Financial Assistance.

Barring any unforeseen circumstances and subject to approvals being obtained from the non-interested shareholders of the Company, the Proposed Provision of Financial Assistance is expected to be implemented in the second half of 2019.

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2019 were as follows:

	Secured
	RM'000
<i>Long term borrowing:</i>	
Term loans	<u>34,933</u>
<i>Short term borrowing:</i>	
Term loans	<u>26,527</u>
	<u>26,527</u>
Total	<u><u>61,460</u></u>

The Group had no foreign currency borrowings.

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 proposed for the current quarter.

A final single tier dividend of 2.9 sen per ordinary share amounting to RM12,567,977 in respect of the financial year ended 31 December 2018 was proposed on 12 April 2019. The final dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

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 had 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 Quarter 31-Mar-2019	Preceding Year Corresponding Quarter 31-Mar-2018	Current Year- To-Date 31-Mar-2019	Preceding Year Corresponding Period 31-Mar-2018
Profit for the period attributable to equity holders of the Company (RM'000)	10,147	11,356	10,147	11,356
Weighted average number of ordinary shares in issue ('000)	433,382	433,303	433,382	433,303
Basic Earnings Per Share (sen)	2.34	2.62	2.34	2.62

The weighted average number of ordinary shares used in the denominator in calculating basic earnings per share was determined as follows:

	Current Quarter 31-Mar-2019 '000	Preceding Year Corresponding Quarter 31-Mar-2018 '000	Current Year- To-Date 31-Mar-2019 '000	Preceding Year Corresponding Period 31-Mar-2018 '000
Number of ordinary shares at beginning of the period/year	433,379	433,303	433,379	433,303
Effect of shares issued pursuant to: - exercise of ESOS	3	-	3	-
Weighted average number of ordinary shares	433,382	433,303	433,382	433,303

(b) Diluted Earnings per share

The diluted earnings per share had been calculated by dividing the Group's profit for the period attributable to the equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the ESOS granted, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	Current Quarter 31-Mar-2019	Preceding Year Corresponding Quarter 31-Mar-2018	Current Year- To-Date 31-Mar-2019	Preceding Year Corresponding Period 31-Mar-2018
Profit for the period attributable to equity holders of the Company (RM'000)	10,147	11,356	10,147	11,356
Weighted average number of ordinary shares ('000)	433,411	433,311	433,411	433,311
Diluted Earnings Per Share (sen)	2.34	2.62	2.34	2.62

The weighted average number of ordinary shares used in the denominator in calculating diluted earnings per share was determined as follows:

	Current Quarter 31-Mar-2019 '000	Preceding Year Corresponding Quarter 31-Mar-2018 '000	Current Year- To-Date 31-Mar-2019 '000	Preceding Year Corresponding Period 31-Mar-2018 '000
Weighted average number of ordinary shares	433,382	433,303	433,382	433,303
Effect of potential exercise of ESOS	29	8	29	8
Weighted average number of ordinary shares	433,411	433,311	433,411	433,311

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 2018.

B13. Inventories

	Unaudited As at 31 March 2019 RM'000	Audited As at 31 December 2018 RM'000
Non-Current Assets		
Land held for property development	145,808	145,997
Current Assets		
Property development costs	133,119	143,150
Completed properties held for sales	31,652	27,133
	<u>164,771</u>	<u>170,283</u>
Total	<u>310,579</u>	<u>316,280</u>

B14. Other income

	Current quarter 31-Mar-2019 RM'000	Financial year to-date 31-Mar-2019 RM'000
Interest income	817	817
Miscellaneous income	11	11
	<u>828</u>	<u>828</u>

The Group did not receive any other income including investment income for the financial period ended 31 March 2019.

B15. Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	Current quarter 31-Mar-2019 RM'000	Financial year to-date 31-Mar-2019 RM'000
Depreciation	<u>128</u>	<u>128</u>

Save as disclosed above, there were no provision for and written off of receivables 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 period ended 31 March 2019.

B16. Authority 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 28 May 2019.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
28 May 2019