Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the Definitions section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your shares in Tambun Indah Land Berhad (Company No. 810446-U) ("Tambun Indah" or the "Company"), you should at once hand this AP, together with the Notice of Provisional Allotment ("NPA") and the Rights Subscription Form ("RSF") to the agent or broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein) should be addressed to our Share Registrar, Equiniti Services Sdn Bhd (Company No. 11324-H) *(formerly known as MIDF Consultancy & Corporate Services Sdn Bhd)*, Level 8, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur.

This AP, together with the NPA and the RSF (collectively, the "Documents") are only despatched to our shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 7 May 2012 ("Entitlement Date") at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on 7 May 2012. The Documents, are not intended to be and will not be issued, circulated or distributed, and the Rights Issue with Warrants (as defined herein) is not intended to be and will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than the laws of Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. No action has been or will be taken under the requirements of the laws or regulations or of the legal or regulatory authorities of any jurisdiction other than Malaysia for filing and/or registration of the Documents. The Rights Issue with Warrants (as defined herein) to which this AP relates is only available to persons receiving this AP and the RSF electronically or otherwise within Malaysia. The Documents does not constitute an offer, solicitation or invitation to subscribe for the Rights Issue with Warrants (as defined herein) in any jurisdictions other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Malaysia where shareholders may have their registered addresses, this Documents has not been and will not be despatched to shareholders with a registered addresses outside Malaysia unless they have provided an address in Malaysia for the service of this Documents by the entitlement date as set out below. However, nothing shall preclude Foreign Addressed Shareholders (as defined herein) from collecting this Documents, in person, at the office of our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to this Rights Issue with Warrants (as defined herein). Neither the Company nor MIDF Amanah Investment Bank Berhad ("MIDF Investment") nor any other advisers to the Rights Issue with Warrants (as defined herein) shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation of the provisional allotment of the Rights Shares made by Shareholder(s) of Tambun Indah whose names appear in the Record of Depositors of Tambun Indah on the Entitlement Date ("Entitled Shareholders") and/or their renouncee(s) is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction in which the Entitled Shareholders and/or their renouncee(s) is a resident.

A copy of this AP together with the NPA and RSF has been registered with the Securities Commission ("SC"). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue with Warrants (as defined herein) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP together with the NPA and RSF. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for this Rights Issue with Warrants (as defined herein) has been obtained from our shareholders at the Extraordinary General Meeting held on 6 April 2012. Approval has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") via its letter dated 15 March 2012 for the admission of the Warrants (as defined herein) on the Official List of Bursa Securities, the listing of and quotation for the Rights Shares (as defined herein) and Warrants (as defined herein) to be issued under the Rights Issue with Warrants (as defined herein) and new Tambun Indah Shares (as defined herein) to be issued upon exercise of the Warrants (as defined herein) on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants (as defined herein). Admission of the Warrants (as defined herein) to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Rights Shares (as defined herein), Warrants (as defined herein) and the new Tambun Indah Shares (as defined herein) to be issued upon exercise of the Warrants (as defined herein) on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants (as defined herein). The admission of Warrants (as defined herein) to the Official List and the listing of and quotation for the Rights Shares (as defined herein), Warrants (as defined herein) and the new Tambun Indah Shares to be issued upon exercise of the Warrants (as defined herein) on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") that all Central Depository Accounts ("CDS Accounts") of the successful Entitled Shareholders and/or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed herein.

Our Board of Directors ("Board") has seen and approved all the documentation relating to the Rights Issue with Warrants (as defined herein) in the Documents. They individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in the Documents false or misleading.

MIDF Investment, being the Principal Adviser, Managing Underwriter and Underwriter for the Rights Issue with Warrants (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants (as defined herein).

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.

TAMBUN INDAH LAND BERHAD

(Company No. 810446-U)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 88,400,000 NEW ORDINARY SHARES OF RM0.50 EACH IN TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH SHARES") ("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 HELD AS AT 5.00 P.M. ON 7 MAY 2012 AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE ("RIGHTS ISSUE WITH WARRANTS")

Principal Adviser, Managing Underwriter and Underwriter

MIDF Amanah Investment Bank Berhad (23878-X)

Underwriters

Affin Investment Bank Berhad (9999-V)
(A participating Organisation of Bursa Malaysia Securities Berhad)

OSK Investment Bank Berhad (14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME		
Entitlement Date	:	Monday, 7 May 2012 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Monday, 14 May 2012 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Thursday, 17 May 2012 at 4.00 p.m.
Acceptance and payment	:	Tuesday, 22 May 2012 at 5.00 p.m.*
Excess application and payment	:	Tuesday, 22 May 2012 at 5.00 p.m.*

**or such later date and time as our Board, Principal Adviser and Managing Underwriter may decide and announce not less than two (2) market days before the stipulated date and time*

This Abridged Prospectus is dated 7 May 2012

THE SC AND BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

SHAREHOLDERS/INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS/INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

ALL TERMS USED ARE AS DEFINED IN THE "DEFINITIONS" PAGE OF THIS AP.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP.

"Act"	:	The Companies Act, 1965, as may be amended from time to time and any re-enactment thereof
"AP"	:	This Abridged Prospectus dated 7 May 2012
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of Tambun Indah
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"Bylaws"	:	The rules, terms and conditions of the ESOS (as may be amended, varied or supplemented from time to time)
"CDS"	:	Central Depository System
"CDS Account(s)"	:	Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by the depositor
"Central Depositories Act"	:	Securities Industry (Central Depositories) Act 1991 and any subsequent amendments from time to time
"Closing Date"	:	22 May 2012 at 5.00 p.m., being the last date and time for the acceptance and payment for the Rights Shares in accordance with this AP and the RSF or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time
"CMSA"	:	Capital Markets and Services Act, 2007 as amended from time to time
"Code"	:	Malaysian Code on Take-overs and Mergers, 2010 as amended from time to time and any re-enactment thereof
"Corporate Exercises"	:	Rights Issue with Warrants and ESOS, collectively
"Deed Poll"	:	The deed poll constituting the Warrants and includes the Schedules of the Deed Poll (as the same may from time to time be modified or altered in accordance with the provisions of the Deed Poll) and any deed or document executed in accordance with the provisions of the Deed Poll (as may from time to time be modified or altered as aforesaid) and expressed to be supplemental to the Deed Poll
"Director(s)"	:	A director of the Group, whether in an executive or non-executive capacity
"Documents"	:	This AP together with the NPA and RSF
"EGM"	:	Extraordinary General Meeting

DEFINITIONS *(Cont'd)*

"Entitled Shareholder(s)"	:	Shareholder(s) of Tambun Indah whose name(s) appear in the Record of Depositors of Tambun Indah on the Entitlement Date
"Entitlement Basis"	:	The entitlement basis on which the Entitled Shareholders are able to subscribe for the Rights Shares together with Warrants pursuant to the Rights Issue with Warrants
"Entitlement Date"	:	5.00 p.m. on 7 May 2012, being the date and time on which shareholders must be registered in the Record of Depositors of Tambun Indah in order to be entitled to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per share
"ESOS" or "Scheme"	:	Employees' share option scheme for the employees and Directors of the Tambun Indah Group
"ESOS Committee"	:	A committee appointed by the Board to administer the Scheme, comprising such persons appointed from time to time by the Board
"ESOS Option(s)" or "Option(s)"	:	The contract constituted by acceptance by an eligible person in accordance with the provisions of Bylaw 7 of the Bylaws of any offer made by the ESOS Committee
"Exercise Price"	:	RM0.60, the exercise price of the Warrants, subject to the adjustments in accordance with the Deed Poll
"Excess Rights Shares with Warrants"	:	Rights Share(s) with Warrant(s) which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) prior to the Excess Rights Shares with Warrants Application
"Excess Rights Shares with Warrants Application(s)	:	Application(s) for Excess Rights Share(s) with Warrants in excess of an Entitled Shareholder's entitlement under the Rights Issue with Warrants as set out in Section 3.8 of this AP
"Foreign Addressed Shareholder(s)"	:	Foreign shareholders of Tambun Indah on the Entitlement Date who have not provided an address in Malaysia for the service of documents to be issued for purposes of the Rights Issue with Warrants
"Further Warrant(s)"	:	Any further warrant(s) to subscribe for Shares in the Company, issued pursuant to the power reserved in Clause 7 of Deed Poll for the time being unexercised or as the context may require, a specific portion thereof
"FYE"	:	Financial year ended/ending as the case may be
"GDP"	:	Gross domestic product
"GDV"	:	Gross development value
"Government"	:	The government of Malaysia
"Issue Price"	:	RM0.50 for each Rights Share subscribed
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities

"LPD"	:	16 April 2012, being the latest practicable date prior to the issuance of this AP with the SC
"Market Day(s)"	:	A day on which the stock market of Bursa Securities is open for trading in securities
"MIDF Investment" or "Principal Adviser" or "Managing Underwriter"	:	MIDF Amanah Investment Bank Berhad (23878-X)
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment pursuant to the Rights Issue with Warrants
"NTA"	:	Net tangible assets
"Official List"	:	A list specifying all securities listed on the Main Market of Bursa Securities
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Price-Fixing Date"	:	16 April 2012, being the date on which we determined and announced the Issue Price and the Exercise Price
"Record of Depositors"	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
"Reporting Accountants"	:	Messrs BDO (Firm No. AF 0206)
"Rights Issue with Warrants"	:	Renounceable rights issue of 88,400,000 Rights Shares at an issue price of RM0.50 together with 44,200,000 new Warrants on the basis of two (2) Rights Shares and one (1) free Warrant for every five (5) existing Shares held on Entitlement Date
"Rights Shares"	:	New Tambun Indah Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RPS"	:	Redeemable preference shares
"RSF"	:	Rights Subscription Form pursuant to the Rights Issue with Warrants
"Rules"	:	Rules of the Bursa Depository and any appendices to the same as amended or substituted from time to time and includes any modification, amendment or re-enactment thereof
"SC"	:	Securities Commission Malaysia
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991 as may be amended from time to time and any re-enactment thereof

DEFINITIONS *(Cont'd)*

"Share Registrar"	:	Equiniti Services Sdn Bhd (Company No. 11324-H) *(formerly known as MIDF Consultancy & Corporate Services Sdn Bhd)*
"Tambun Indah" or the "Company"	:	Tambun Indah Land Berhad (810446-U)
"Tambun Indah Group" or the "Group"	:	Tambun Indah, its subsidiaries and associate company, collectively
"Tambun Indah Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.50 each in Tambun Indah or any other par value as revised from time to time
"TERP"	:	Theoretical ex-right price of Tambun Indah Shares
"Undertakings"	:	Letters of irrevocable undertaking from the Undertaking Shareholders to subscribe in full for its/his entitlements under the Rights Issue with Warrants
"Undertaking Shareholders"	:	Amal Pintas Sdn Bhd, Siram Permai Sdn Bhd, Ir. Teh Kiak Seng, Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali, Lai Fook Hoy, Teh Theng Theng and Thaw Yeng Cheong, collectively
"Underwriters"	:	MIDF Investment, the Managing Underwriter, Affin Investment Bank Berhad (9999-V) and OSK Investment Bank Berhad (14152-V), as the underwriters for the Rights Issue with Warrants, collectively
"Underwriting Agreement"	:	The underwriting agreement dated 18 April 2012 between the Company, the Managing Underwriter and the Underwriters to underwrite the Underwritten Shares
"Underwritten Shares"	:	38,141,929 Rights Shares, representing approximately 43.15% of the total Rights Shares to be issued under the Rights Issue with Warrants, underwritten by the Underwriters based on the terms and conditions of the Underwriting Agreement
"VWAMP"	:	Volume weighted average market price
"Warrant(s)"	:	The new free detachable warrant(s) to be issued pursuant to the Rights Issue with Warrants

All references to "our Company" in this AP are to Tambun Indah, references to "our Group" are to our Company and our subsidiaries. All references to "we", "us", "our" and "ourselves" are to our Company, or where the context requires, our Group. All references to "you" in this AP are references to the shareholders in our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words ineorporating the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise stated.

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APPENDICES

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/(Designation)	Address	Nationality	Occupation
Tsai Yung Chuan *(Non-Independent Non-Executive Chairman)*	20, Lorong Taman Indah 6 Taman Tambun Indah 14100 Simpang Ampat Penang	Taiwanese	Company Director
Ir. Teh Kiak Seng *(Managing Director)*	509-12-02 Jalan Tanjung Bungah 11200 Tanjung Bungah Penang	Malaysian	Company Director
Teh Theng Theng *(Executive Director)*	No. 53A, Lorong Seri Cemerlang 1 Villa Palma 12200 Butterworth Penang	Malaysian	Company Director
Thaw Yeng Cheong *(Executive Director)*	6, Lorong Tambun Indah 16 Taman Tambun Indah 14100 Simpang Ampat Penang	Malaysian	Company Director
Yeoh Chong Keat *(Independent Non-Executive Director)*	No. 4, Jalan 12/19 46200 Petaling Jaya Selangor	Malaysian	Company Director
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali *(Independent Non-Executive Director)*	No. 4, Jalan SS 19/3B Subang Jaya 47500 Petaling Jaya Selangor	Malaysian	Company Director
Lai Fook Hoy *(Independent Non-Executive Director)*	26, Jalan Padang Victoria 10400 Georgetown Penang	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Yeoh Chong Keat	Audit Committee Chairman	Independent Non-Executive Director
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	Member	Independent Non-Executive Director
Lai Fook Hoy	Member	Independent Non-Executive Director

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CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	Lee Peng Loon (MACS 01258) 53, Jalan Deva Pada 10400 Penang P'ng Chiew Keem (MAICSA 7026443) 19, Tingkat Bukit Kecil 2 Taman Sri Nibong 11900 Penang
REGISTERED OFFICE	:	51-21-A, Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel: 604-210 8833 Fax: 604-210 8831
HEAD OFFICE	:	12-01, Penthouse Wisma Pantai Jalan Wisma Pantai 12200 Butterworth, Penang Tel: 604-324 0088 Fax: 604-324 0090 Email: info@tambunindah.com Website: www.tambunindah.com
SHARE REGISTRAR	:	Equiniti Services Sdn Bhd (Company No. 11324-H) *(formerly known as MIDF Consultancy & Corporate Services Sdn Bhd)* Level 8, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 603-2166 0933 Fax: 603-2166 0688
AUDITORS	:	BDO (Firm No. AF 0206) Chartered Accountants 51-21-F, Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel: 604-227 6888 Fax: 604-229 8118
REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE WITH WARRANTS	:	BDO (Firm No. AF 0206) Chartered Accountants 51-21-F, Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel: 604-227 6888 Fax: 604-229 8118

CORPORATE DIRECTORY *(Cont'd)*

SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Messrs Ghazi & Lim 19th Floor, Plaza MWE No. 8 Lebuh Farquhar 10200 Penang Tel: 604-263 3688 Fax: 604-262 7433
PRINCIPAL BANKERS		OCBC Bank (Malaysia) Berhad (295400-W) 476 Jalan Arumugam Pillai 14000 Bukit Mertajam Seberang Perai Penang Tel: 604-530 2941 Fax: 604-539 5840 Malayan Banking Berhad (3813-K) No. 2741, 2742 & 2743 Jalan Chain Ferry Taman Inderawasih 13600 Prai Penang Tel: 604-399 2967 Fax: 604-390 4451 Public Bank Berhad (6463-H) 6862-6864, Jalan Bagan Jermal Bagan Ajam 13000 Butterworth Penang Tel: 604-331 7822 Fax: 604-331 2248
PRINCIPAL ADVISER AND MANAGING UNDERWRITER	:	MIDF Amanah Investment Bank Berhad (23878-X) Level 8, 9, 10, 11 & 12, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 603-2173 8888 Fax: 603-2173 8277

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CORPORATE DIRECTORY *(Cont'd)*

UNDERWRITERS	:	MIDF Amanah Investment Bank Berhad (23878-X) Level 8, 9, 10, 11 & 12, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 603-2173 8888 Fax: 603-2173 8277 Affin Investment Bank Berhad (9999-V) 27th Floor, Menara Boustead 69, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 603-2142 3700 Fax: 603-2141 7701 OSK Investment Bank Berhad (14152-V) 20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel: 603-2333 8333 Fax: 603-2175 3224
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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TAMBUN INDAH LAND BERHAD
(Company No. 810446-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

7 May 2012

The Board of Directors

Tsai Yung Chuan *(Non-Independent Non-Executive Chairman)*
Ir. Teh Kiak Seng *(Managing Director)*
Teh Theng Theng *(Executive Director)*
Thaw Yeng Cheong *(Executive Director)*
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali *(Independent Non-Executive Director)*
Yeoh Chong Keat *(Independent Non-Executive Director)*
Lai Fook Hoy *(Independent Non-Executive Director)*

To: The Entitled Shareholders of Tambun Indah

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 88,400,000 RIGHTS SHARES TOGETHER WITH 44,200,000 WARRANTS 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 HELD AS AT 5.00 P.M. ON 7 MAY 2012 AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE

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1. INTRODUCTION

On 19 January 2012, MIDF Investment, on behalf of our Board, announced that we proposed to undertake the Rights Issue with Warrants and ESOS.

On 15 March 2012, MIDF Investment, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 15 March 2012, granted the following:

(i) approval-in-principle for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Tambun Indah Shares arising from the exercise of the Warrants on the Main Market of Bursa Securities; and

(ii) approval for the listing of and quotation for the Shares to be issued pursuant to the exercise of Options for the ESOS on the Main Market of Bursa Securities.

The approval of Bursa Securities for the ESOS is subject to the following conditions:

	Conditions imposed	Status of compliance
(i)	MIDF Investment to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to paragraph 6.43(1) of the Listing Requirements, stating the effective date of implementation;	To be complied
(ii)	Tambun Indah to furnish Bursa Securities on a quarterly basis, a summary of the total number of ESOS shares listed, as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(iii)	Tambun Indah to ensure its full compliance of all the requirements pertaining to the ESOS as provided under the Listing Requirements at all times.	Noted

The approval of Bursa Securities for the Rights Issue with Warrants is subject to the following conditions:

	Conditions imposed	Status of compliance
(i)	Tambun Indah and MIDF Investment must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the proposal;	Noted
(ii)	Tambun Indah and MIDF Investment to inform Bursa Securities upon the completion of the proposal;	To be complied
(iii)	Tambun Indah to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the proposal is completed; and	To be complied
(iv)	Payment of listing fees. In respect of the Warrants, Tambun Indah is required to furnish Bursa Securities on a quarterly basis, a summary of the total number of shares listed (pursuant to the exercise of the Warrants), as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

The admission of the Warrants on the Official List of Bursa Securities and the listing of and quotation for the Rights Shares and the Warrants to be issued pursuant to the Rights Issue with Warrants will take place two (2) Market Days after, amongst others, the receipt of the application for quotation of the Warrants and Rights Shares by Bursa Securities. The listing of and quotation of the new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants will commence on the next Market Day after, amongst others, receipt of confirmation from Bursa Depository that the additional new Shares are ready for crediting into the respective account holders.

Subsequently, on 16 March 2012, MIDF Investment had, on behalf of our Board, announced that the Controller of Foreign Exchange of BNM had, vide its letter dated 9 March 2012, approved the issuance of the Warrants to the entitled non-resident shareholders of Tambun Indah pursuant to the Rights Issue with Warrants.

On 6 April 2012, MIDF Investment had, on behalf of our Board, announced that our shareholders had approved all the ordinary resolutions as set out in the notice of EGM dated 21 March 2012 save for Ordinary Resolution 8, which was not put forward for voting as Dato' Mohamad Nadzim Bin Shaari had resigned as the independent non-executive Director of the Company, as announced by the Company on 22 March 2012. A certified true extract of the ordinary resolution pertaining to the Rights Issue with Warrants passed at the said EGM is set out in Appendix I of this AP.

On 16 April 2012, MIDF Investment had, on behalf of our Board, announced the following:

(i) the Issue Price had been fixed at RM0.50; and

(ii) the Exercise Price had been fixed at RM0.60.

On 18 April 2012, MIDF Investment had, on behalf of our Board, announced that Tambun Indah had on even date, executed an underwriting agreement with the Underwriters, whereby the Underwriters will severally but not jointly underwrite 38,141,929 Rights Shares which comprise approximately 43.15% of the total Rights Shares to be issued pursuant to the Rights Issue with Warrants which are not subject to the Undertakings. Further details of the Undertakings are set out in Section 9 of this Abridged Prospectus.

Subsequently, on 20 April 2012, MIDF Investment had, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

On 27 April 2012, MIDF Investment had, on behalf of our Board, announced that Tambun Indah had on even date, executed the Deed Poll constituting up to 44,200,000 Warrants to be issued pursuant to the Rights Issue with Warrants.

No person is authorised to give any information or make any representation not contained in this AP in connection with or in relation to the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us and/or MIDF Investment in connection with the Rights Issue with Warrants or any other proposal. The delivery of this AP shall under no circumstances constitute a representation or create any implication that there has been no material change in the affairs of our Company or any of our subsidiary companies since the date of this AP.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

In accordance with the terms of the Rights Issue with Warrants as approved by the relevant authorities and our shareholders and subject to the terms of the Documents, we shall provisionally allot 88,400,000 Rights Shares together with 44,200,000 Warrants on the basis of two (2) Rights Shares and one (1) free Warrant for every five (5) Tambun Indah Shares held by the Entitled Shareholders on the Entitlement Date.

In determining the entitlement to the provisional allotment of Rights Shares with Warrants under the Rights Issue with Warrants, any fractional entitlements under the Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion think expedient or in the best interests of our Company including, inter-alia, in a manner so as to minimise the number odd lots of Rights Shares arising therefrom.

As the Rights Shares and Warrants are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. The Entitled Shareholders will find enclosed in this AP, the NPA notifying the Entitled Shareholders of the crediting of such securities into their respective CDS Accounts and the RSF to enable the Entitled Shareholders to subscribe for the provisionally allotted Rights Shares with Warrants, as well as to apply for excess Rights Shares with Warrants if the Entitled Shareholders choose to do so. The Rights Shares together with the Warrants that are not taken up for any reason, if any, will be made available for excess application as set out in Section 3.8 of this AP.

Any dealings in our securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and the new Tambun Indah Shares to be issued and allotted pursuant to the exercise of the Warrants will be credited directly into the respective CDS Accounts of successful applicants and exercising warrantholders (as the case may be). No physical share certificates or warrant certificates will be issued.

Notice of allotment will be despatched to the Entitled Shareholders and/or their renouncee(s) (if applicable) within eight (8) Market Days from the last date for aceeptance of and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities. The Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will be listed and quoted on the Main Market of Bursa Securities within two (2) Market Days after the receipt of the application for the quotation of the Rights Shares and Warrants by Bursa Securities.

The Warrants will be issued together with the Rights Shares to the Entitled Shareholders and/or their renouncee(s) (if applicable) who have successfully subscribed for the Rights Issue with Warrants at no cost. Successful applicants who subscribe for two (2) Rights Shares will be entitled to one (1) Warrant. The Warrants are exercisable into new Tambun Indah Shares.

Notice of allotment will be despatched to the exercising warrantholders within eight (8) Market Days after the date of receipt of the subscription form together with the requisite payment.

2.2 Basis of determining the Issue Price of the Rights Shares

On 16 April 2012, MIDF Investment had on behalf of our Board, announced that the Issue Price for each Rights Share has been fixed at RM0.50, being the par value of Tambun Indah Shares and the minimum issue price allowable under the Act. The Issue Price of RM0.50 per Rights Share represents a discount of approximately RM0.11 or 18.03% to the TERP of RM0.61, based on the five (5)-day VWAMP of Tambun Indah Shares, both up to and including 13 April 2012, being the last trading day immediately preceding the Price-Fixing Date, of RM0.66.

The Issue Price for the Rights Shares was arrived at after taking into consideration, amongst others, the prevailing uncertain market conditions, the par value of Tambun Indah Shares and the TERP of Tambun Indah Shares of RM0.61, which is calculated based on the five (5)-day VWAMP of Tambun Indah Shares up to and including 13 April 2012, being the last trading day immediately preceding the Price-Fixing Date, of RM0.66.

Entitled Shareholders and/or their renouncee(s) (if applicable) should note that the market price for Tambun Indah Shares is subject to vagaries market forces and other uncertainties in addition to the risk factors set out in Section 6 of this AP, which may affect the price of Tambun Indah Shares being traded.

Entitled Shareholders and/or their renouncee(s) (if applicable) should form their own views on the valuation of the Rights Shares and Warrants before deciding to invest in the Rights Shares and Warrants.

2.3 Basis of determining thc Exercise Price of the Warrants

On 16 April 2012, MIDF Investment had on behalf of our Board, announced that the Exercise Price for each Warrant has been fixed at RM0.60. The Exercise Price of RM0.60 per Warrant represents a discount of approximately RM0.01 or 1.64% to the TERP of RM0.61, based on the five (5)-day VWAMP of Tambun Indah Shares, both up to and including 13 April 2012, being the last trading day immediately preceding the Price-Fixing Date, of RM0.66.

The Exercise Price of the Warrants was determined after taking into consideration the TERP based on the then prevailing market prices of Tambun Indah Shares and the par value of Tambun Indah Shares. Tambun Indah Shares were trading between a high of RM0.64 and a low of RM0.635 per Share from 6 April 2012 to 13 April 2012, being the five (5) Market Days prior to the Price-Fixing Date.

Entitled Shareholders and/or their renouncee(s) (if applicable) should note that the market price for Tambun Indah Shares is subject to vagaries market forces and other uncertainties in addition to the risk factors set out in Section 6 of this AP, which may affect the price of Tambun Indah Shares being traded.

Entitled Shareholders and/or their renouncee(s) (if applicable) should form their own views on the valuation of the Rights Shares and Warrants before deciding to invest in the Rights Shares and Warrants.

2.4 Renunciation of the Rights Shares and the Warrants

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. If Entitled Shareholders decide to accept only part of their Rights Shares entitlement, they shall be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlement.

For avoidance of doubt, the Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders and/or their renouncee(s) (if applicable) who subscribe for the Rights Shares. The Rights Shares and the Warrants are not separately renounceable. The Warrants will be detached from the Rights Shares immediately upon issuance and be traded separately on the Main Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.

2.5 Excess Rights Shares with Warrants

The Excess Rights Shares with Warrants shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s) (if applicable). It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

(i) to minimise the incidence of odd lots;

(ii) on a pro-rata basis to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) on a pro-rata basis to the renouncee(s) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and

(iv) to ensure that the spread requirement of the Warrants of a minimum 100 holders holding not less than one (1) board lot each is met prior to the listing of the Warrants on the Main Market of Bursa Securities.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(b) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 2.5(i) to (iv) of this AP are achieved. Our Board also reserves the right to accept any Excess Rights Shares with Warrants Application, in full or in part, without assigning any reason.

2.6 Ranking of the Rights Shares and new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants

The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Tambun Indah Shares, save and except that the Rights Shares shall not entitle their holders to any dividend, right, allotment and/or other distribution, that may have been declared, made or paid prior to the date of allotment of the Rights Shares.

The new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants, shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Tambun Indah Shares except that the new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants will not entitle their holders to any dividend, right, allotment and/or other distribution, that may have been declared, made or paid prior to the date of allotment of the said Tambun Indah Shares.

2.7 Salient terms of the Warrants

Issuer	:	Tambun Indah.
Number of Warrants	:	44,200,000 new Warrants to be issued in conjunction with the Rights Issue with Warrants to the Entitled Shareholders.
Form and denomination	:	The free detachable Warrants, which are issued with the Rights Shares will be immediately detached upon issue and separately traded and listed on the Main Market of Bursa Securities. The free detachable Warrants will be issued in registered form and constituted by a Deed Poll to be executed by the Company.
Board Lot	:	For the purpose of trading on Bursa Securities, each board lot of Warrants comprises 100 units of Warrants, unless otherwise revised by the relevant government agency. Accordingly, each board lot of Warrants carries the right to subscribe for 100 new Shares.
Exercise Rights	:	Rights of a warrantholder to subscribe for the number of Shares arising from his Warrant at the Exercise Price upon the terms of and subject to the conditions of the Deed Poll.
Listing status	:	The Warrants will be listed on the Main Market of Bursa Securities.. The new Tambun Indah Shares to be issued arising from the exercise of the Warrants will be listed on the Main Market of Bursa Securities.
Exercise Period	:	In respect of a Warrant, period commencing on and including the date of the issue of the Warrant and ending at the close of business at 5.00 p.m. in Malaysia on the Expiry Date, but excluding such period(s) during which the warrant register may be closed pursuant to paragraph 6 of the First Schedule of the Deed Poll.
Expiry Date	:	The date falling on the last day of the period of five (5) years commencing on and including the date of the issue of the Warrants (but if that date is not a Market Day, it shall be the immediate preceding Market Day).
Exercise Price	:	RM0.60 for each new Tambun Indah Shares.

Mode of Exercise	:	The registered holder of the Warrants shall pay the Exercise Price by way of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia when subscribing for new Shares.
Voting Rights of Warrants	:	The Warrants shall upon allotment and issue, rank pari passu in all respects with each other and they will not entitle the warrantholders to any voting rights in any general meeting of the Company or any other forms of distribution and/or offer of further securities in the Company unless otherwise resolved by the shareholders of the Company or the warrantholders (or any of them) become shareholders of the Company by exercising their Warrants.
Status of new Shares arising from the exercise of the Warrants	:	Shares issuable upon the exercise of the Exercise Rights represented by any Warrant must be allotted within eight (8) Market Days after the exercise date (or such other period as may be prescribed by the Bursa Securities) credited as fully paid and with effect from the relevant exercise date shall rank in all respects pari passu with the then existing Shares, save and except that they shall not be entitled to any dividends declared by the Company, rights, allotments and/or other distributions, declared or made by the Company, the record date (i.e. book closure date) of which is before the allotment of the Shares nor shall they be entitled to any distributions or entitlements for which the record date is prior to the date of exercise of the Warrants.
Adjustments to the Exercise Price and number of Warrants	:	The Exercise Price and/or the number of Warrants held by the warrantholders must from time to time be adjusted by the Directors in consultation with the approved adviser and certified by the auditors in accordance with the provisions as contained in the Fifth Schedule of the Deed Poll, which is deemed to form part of the Conditions of the Deed Poll. No adjustment to the Exercise Price shall be made unless it has been certified by the auditors and approval in principal has been granted by Bursa Securities for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Share as may be issued pursuant to the exercise of any such additional Warrants. Any adjustment to the Exercise Price and/or the number of Warrants will be effective (if appropriate, retroactively) from the day following the Entitlement Date for such issue. Whenever there is an adjustment, the Company must give notice to the warrantholders within 21 days of the effective date of such adjustment stating inter-alia, the adjusted Exercise Price or the adjusted number of Warrants and the effective date of such adjustment or determination.

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Modification	: Save as expressly provided in the Deed Poll, no modification, alteration to and abrogation of the provisions of the Deed Poll may be made without the passing of an ordinary resolution other than modifications which in the opinion of the Company: (a) are not materially prejudicial to the interest of the warrantholders; or (b) are to correct a manifest error or to comply with mandatory provisions of Malaysian law or to comply with the rules of the Bursa Depository, the Central Depositories Act, the Listing Requirements and/or provisions of Malaysian laws (in respect of which each warrantholder shall sign any document or do any act which the Company may reasonably require for the purpose of complying with such rules or laws).
Rights of the holders of the Warrants in the event of winding-up, reconstruction and/or amalgamation	: If a resolution is passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement between the Company and its shareholders or creditors or both in connection with a scheme for reconstruction of the Company and its undertakings or amalgamation of the Company with one (1) or more companies, then: (a) if such winding-up, compromise or arrangement is one in which the warrantholders, or some person designated by them for such purpose by ordinary resolution, are to be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the warrantholders; (b) the Company may, without requiring the consent of the warrantholders, be entitled to exchange or substitute the Warrants for warrants in the reconstructed or amalgamated entity provided that it is not materially prejudicial to the interest of the warrantholders; and (c) in any other case every warrantholder shall be entitled upon and subject to the Conditions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrant(s) to the Company by submitting the subscription form(s) duly completed, authorising the debiting of his Warrants, together with payment of the relevant subscription money to elect, be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights represented by such Warrants to the extent specified in the subscription form(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

The Company must give notice to the warrantholders in accordance with Condition 10 of the Deed Poll of the passing of any such resolution or the granting of such order within seven (7) days after the passing or granting of the same. Subject to the foregoing, if the Company is wound up, all Exercise Rights which have not been exercised within six (6) weeks of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Transferability	:	Each warrantholder may transfer Warrants in the manner provided under the Central Depositories Act and the Rules. If the Bursa Depository rejects any inter-account transfer, the transferring warrantholder shall be notified of such rejection by the authorised depository agent.
Issue of Further Warrants	:	The Company shall have the right at any time and from time to time (but subject always to the terms and conditions of Clause 7 of the Deed Poll and to the approvals of the relevant authorities) without the consent of the warrantholders to create and issue Further Warrants either identical in all respects and so that the same shall be consolidated and form a single series with the existing Warrants, or upon such terms and conditions as to exercise and otherwise as the Company may think fit, but the warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company at a general meeting of the shareholders.
Further issues	:	Subject to the Conditions contained in the Deed Poll, the Company is at liberty to issue Shares to shareholders and further subscription rights upon such terms and conditions as the Company sees fit but the warrantholders shall not, in their capacity as warrantholders, have any participating rights in such issue unless such warrantholders exercise the exercise rights into new Shares prior to the entitlement date of such distributions or otherwise resolved by the Company in general meeting.
Deed Poll	:	The Deed Poll, the Schedules of the Deed Poll (as the same may from time to time be modified or altered in accordance with the provisions of the Deed Poll) and any deed or document executed in accordance with the provisions of the Deed Poll (as may from time to time be modified or altered as aforesaid) and expressed to be supplemental to the Deed Poll.
Governing Law	:	The Deed Poll is governed by and shall be construed in accordance with the laws of Malaysia. The Company and the warrantholders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll, it shall be bound by any such appeal to, or any decision, ruling or order of the Malaysian courts.

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2.8 Details of other corporate proposals

The Board confirms that there is no other outstanding corporate proposal announced but not completed by the Company as at the LPD save for the Corporate Exercises and a land acquisition made by the Company's subsidiary, Palmington Sdn Bhd via a sale and purchase agreement dated 4 May 2011 together with a supplemental agreement relating thereto dated 19 September 2011 with Pembangunan Bandar Mutiara Sdn Bhd for the acquisition of Parcels R1, R2, R3, C and Amenities Lands (more particularly defined therein), all within the locality of Simpang Ampat, Mukim 15, Province Wellesley South, Penang for a cash consideration of RM233,223,021 of which the acquisition of Parcels R2, R3, C and Amenities Lands have yet to be completed ("Land Acquisition"). Palmington Sdn Bhd had on 7 December 2011, completed the acquisition of Parcel R1.

The Board also confirms that the Corporate Exercises are not conditional upon the aforementioned Land Acquisition or any other corporate exercise/scheme undertaken or to be undertaken by the Company.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATIONS FOR THE RIGHTS ISSUE WITH WARRANTS

3.1 General

As an Entitled Shareholder of our Company, your CDS account will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants (fractional entitlement, if any, having been disregarded). You will find enclosed with this AP, the NPA notifying you of the crediting of such provisionally allotted Rights Shares with Warrants into your CDS account and the RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants if you choose to do so. This AP and the RSF are also available on the website of Bursa Securities (http://www.bursamalaysia.com).

3.2 NPA

The provisionally allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisionally allotted Rights Shares with Warrants will be by book entries through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares is 5.00 p.m. on Tuesday, 22 May 2012, or such later date and time as our Board, the Principal Adviser and the Managing Underwriter in their absolute discretion may decide. Where the closing date of the acceptance and payment is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Procedures for full acceptance and payment

Acceptance of and payment for the Rights Shares with Warrants provisionally allotted must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms and conditions of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT AS WELL AS EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION ARE SET OUT IN THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept the Rights Shares with Warrants provisionally allotted to you either in full or in part, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar at the following address:

Equiniti Services Sdn Bhd (Company No. 11324-H)
(formerly known as MIDF Consultancy & Corporate Services Sdn Bhd)
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur

Tel: 603-2166 0933
Fax: 603-2166 0688

so as to arrive not later than 5.00 p.m. on 22 May 2012, being the last time and date for acceptance of and payment (or such later date and time as our Board, Principal Adviser and Managing Underwriter may decide and announce not less than two (2) Market Days before the stipulated date and time).

One (1) RSF can only be used for acceptance of the provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, the Rights Shares with Warrants subscribed by you will be credited into the respective CDS Account(s) where the provisionally allotted Rights Shares with Warrants are standing to the credit.

Successful applicants of the Rights Shares will be given the Warrants on the basis of one (1) Warrant for every two (2) Rights Shares successfully subscribed for. The minimum number of Rights Shares with Warrants that can be subscribed for and accepted is two (2) Rights Shares, which will be accompanied by one (1) Warrant. However, you should take note that a trading board lot comprises 100 Tambun Indah Shares. Fractions of a Rights Share and/or Warrant arising from the Rights Issue with Warrants will be disregarded and dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

A reply envelope is enclosed with this AP. In order to facilitate the processing of the RSF(s) by our Share Registrar for the Rights Shares and Warrants, you are advised to use one (1) reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares with Warrants accepted in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to **"TAMBUN INDAH RIGHTS SHARES ACCOUNT"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name, address and your CDS Account number in block letters, which must be received by our Share Registrar by 5.00 p.m. on 22 May 2012, being the last time and date for acceptance and payment, (or such later date and time as our Board, Principal Adviser and Managing Underwriter may decide and announce not less than two (2) Market Days before the stipulated date and time). The payment must be made in the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment are not acceptable.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS WILL BE ALLOTTED AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

PROOF OF POSTAGE SHALL NOT CONSTITUTE PROOF OF RECEIPT BY OUR SHARE REGISTRAR OR COMPANY.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON.

YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS.

ALL RIGHTS SHARES AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES OR WARRANT CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Rights Shares with Warrants provisionally allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on 22 May 2012, being the last time and date for acceptance and payment (or such later date and time as our Board, Principal Adviser and Managing Underwriter may decide and announce not less than two (2) Market Days before the stipulated date and time), such provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to applicants applying for the Excess Rights Shares with Warrants in the manner as set out in Section 3.8 of this AP.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, Bursa Securities' website (http://www.bursamalaysia.com) or our Share Registrar.

3.5 Procedures for part acceptance

You are entitled to accept part of your entitlement of the provisionally allotted Rights Shares with Warrants. The minimum number of Rights Shares that can be subscribed for or accepted is two (2) Rights Shares which will be accompanied with one (1) Warrant.

WHEN YOU ACCEPT ONLY PART OF YOUR PROVISIONALLY ALLOTTED RIGHTS SHARES WITH WARRANTS, YOU WILL AUTOMATICALLY BE ACCEPTING BOTH THE RIGHTS SHARES AND WARRANTS IN THE PROPORTION OF TWO (2) RIGHTS SHARES WITH ONE (1) WARRANT. YOU CANNOT ACCEPT THE PROVISIONALLY ALLOTTED RIGHTS SHARES WITH WARRANTS IN ANY OTHER PROPORTIONS.

You must complete both Part I(a) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting, and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 3.4 of this AP.

The portion of the provisionally allotted Rights Shares with Warrants that has not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the provisional allotment of the Rights Shares with Warrants.

3.6 Procedures for sale or transfer of provisional allotment of Rights Shares with Warrants

The provisional allotment of Rights Shares with Warrants is renounceable and will be traded on Bursa Securities commencing 8 May 2012 up to and including 14 May 2012. As such, you and/or your renouncee(s) (if applicable) may sell/transfer all or part of your entitlement to the Rights Shares with Warrants.

As the provisionally allotted Rights Shares with Warrants are prescribed securities, you and/or your renouncee(s) (if applicable) who wish to sell/transfer all or part of your entitlements to the Rights Shares with Warrants to one (1) or more than one (1) person(s) may do so immediately through your stockbrokers for the period up to the last time and date for sale or transfer of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) without first having to request for a split of the provisionally allotted Rights Shares with Warrants standing to the credit of your CDS account. To sell/transfer all or part of your provisionally allotted Rights Shares with Warrants, you and/or your renouncee(s) (if applicable) may sell such entitlements in the open market of Bursa Securities for the period of up to the last day and time for sale of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period of up to the last day and time for transfer of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository).

In selling/transferring all or part of your provisionally allotted Rights Shares with Warrants, you and/or your renouncee(s) (if applicable) need not deliver any document (including the RSF), to any stockbroker in respect of the portion of the provisional allotment sold/transferred. However, you and/or your renouncee(s) (if applicable) must ensure that there is sufficient provisionally allotted Rights Shares with Warrants standing to the credit of your CDS account that are available for settlement of the sale/transfer.

If you and/or your renouncee(s) (if applicable) have sold/transferred only part of your provisionally allotted Rights Shares with Warrants, you may still accept the balance of the entitlements of the Rights Shares with Warrants by completing Parts I(a) and II of the RSF and forwarding the RSF together with the full amount payable on the balance of the Rights Shares with Warrants applied for to our Share Registrar in accordance with the instructions set out in Section 3.4 of this AP.

ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

ENTITLED SHAREHOLDERS WHO DISPOSE OF OR TRANSFER THEIR PROVISIONALLY ALLOTTED RIGHTS SHARES WITH WARRANTS WILL AUTOMATICALLY BE DISPOSING OR TRANSFERRING THEIR ENTITLEMENTS TO BOTH THE RIGHTS SHARES AND ATTACHED WARRANTS IN THE PROPORTION OF TWO (2) RIGHTS SHARES WITH ONE (1) WARRANT. THEY CANNOT RETAIN THE PROVISIONALLY ALLOTTED RIGHTS SHARES WHILE DISPOSING OF OR TRANSFERRING THE ATTACHED WARRANTS, OR VICE VERSA, NOR CAN THEY DISPOSE OF OR TRANSFER THEIR ENTITLEMENTS IN ANY PROPORTION OTHER THAN THAT STATED ABOVE.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

3.7 Procedures for acceptance by renouncee

As a renouncee, the procedures for acceptance, selling or transferring of provisionally allotted Rights Shares with Warrants, applying for the Excess Rights Shares with Warrants and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections 3.4, 3.5 and 3.6 of this AP. Please refer to the relevant sections for the procedures to be followed.

Renouncees who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar or at our Registered Office or from Bursa Securities' website (http://www.bursamalaysia.com) and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND RSF.

3.8 Procedures for application for Excess Rights Shares with Warrants

If you wish to apply for additional Rights Shares with Warrants in excess of your entitlement, you may do so by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forwarding it (together with a separate remittance made in RM for the full amount payable in respect of the Excess Rights Shares with Warrants applied for), to our Share Registrar at the address set out in Section 3.4 above, not later than 5.00 p.m. on 22 May 2012, being the last time and date for acceptance and payment (or such later date and time as our Board, Principal Adviser and Managing Underwriter may decide and announce not less than two (2) Market Days before the stipulated date and time).

Payment for the Excess Rights Shares with Warrants applied for should be made in the same manner described in Section 3.4 of this AP except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "**TAMBUN INDAH EXCESS RIGHTS SHARES ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, address and your CDS Account number in block letters, which must be received by our Share Registrar by the stipulated date and time for acceptance and payment. The payment must be made in the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment are not acceptable.

Our Board reserves the rights to allot any Excess Rights Shares with Warrants applied for in a fair and equitable manner, as it deems fit and expedient in the best interest of our Company. As such, it is the intention of our Board to allot the Excess Rights Shares with Warrants in the following priority:

(i) to minimise the incidence of odd lots;

(ii) on a pro-rata basis to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) on a pro-rata basis to the renouncee(s) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and

(iv) to ensure that the spread requirement of the Warrants of a minimum 100 holders holding not less than one (1) board lot each is met prior to the listing of the Warrants on the Main Market of Bursa Securities.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(b) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out above are achieved. Our Board also reserves the right to acccpt any Excess Rights Shares with Warrants Application, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS WILL BE ALLOTTED AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF(S) AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (http://www.bursamalaysia.com) or our Share Registrar.

3.9 Proeedures for refund

In respect of unsuccessful or partially successful Excess Rights Shares with Warrants Applications, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and will be despatched to the applicants by ordinary post to the address as shown in our Record of Depositors at your own risk within fifteen (15) Market Days from the last date for acceptance of and payment for the Excess Rights Shares with Warrants.

Further, as set out in Section 6.1 below, the Rights Issue with Warrants is exposed to risks that it may be aborted or delayed on the occurrence of any circumstances which are beyond the control of our Company, arising prior to the implementation of the Rights Issue with Warrants. In addition, as stated in Section 9 below, our Company has procured the written irrevocable Undertakings from the Undertaking Shareholders of Tambun Indah to subscribe in full for their respective entitlements to the Rights Shares with Warrants in respect of their direct shareholdings in Tambun Indah.

In the event that the Rights Issue with Warrants is not successful, the application monies will be refunded to Entitled Shareholders and/or their renouncee(s) (if applicable) who have applied and paid for the subscription of the Rights Shares with Warrants. All application monies will be refunded in accordance with Section 243 of the CMSA except for the costs of purchasing the provisional allotment of the Rights Shares and any expenses associated therewith.

Our Board will take all necessary steps to start the refund process immediately to ensure that Entitled Shareholders and/or their renouncee(s) (if applicable) receive the application monies as soon as reasonably practicable.

3.10 Splitting

Under the CDS environment, the processes of splitting, nomination and renunciation are generated by electronic book-entries made in the CDS Accounts of the Entitled Shareholders and the new purchaser. The provisional allotment of Rights Shares with Warrants will be credited into your CDS Account. You will be notified of the crediting via the NPA which is enclosed with this AP. You may sell part of or all of the Rights Shares with Warrants provisionally allotted to you.

3.11 Form of issuance

Bursa Securities has already prescribed the Tambun Indah Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants as well as the new Shares to be issued arising from the exercise of the Warrants are prescribed securities and as such, all dealings in the said securities will be by book entry through CDS Accounts and will be governed by the SICDA, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You are required to have valid and subsisting CDS Accounts in order to subscribe for the Rights Shares.

Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected. Your subscription for the Rights Shares with Warrants shall mean consent to receive such Rights Shares and Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificates or warrant certificates will be issued. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts. The notices of allotment will be issued and forwarded to you by ordinary post to address shown in the Record of Depositors at your own risk within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares with Warrants, or such other period as may be prescribed by Bursa Securities.

Any person who intends to subscribe for the Rights Shares with Warrants as a renouncee by purchasing the provisional allotment of Rights Shares with Warrants from an Entitled Shareholder will have his Rights Shares and Warrants credited directly as prescribed securities into his/her CDS Account. The Excess Rights Shares with Warrants, if allotted to the successful applicant who applied for Excess Rights Shares with Warrants will be credited directly as prescribed securities into his/her CDS Account.

If you have multiple CDS Accounts into which the provisional allotment of thc Rights Shares with Warrants have been credited, you cannot use a single RSF for subscription of all these provisional allotment of the Rights Shares with Warrants. Separate RSF(s) must be used for separate CDS Accounts. If successful, the Rights Shares and Warrants that you subscribed for will be credited into the CDS Accounts where the provisional allotment of the Rights Shares with Warrants are standing to the credit. You may not request for the Rights Shares or Warrants accepted/applied for in a particular CDS Account to be credited into more than one (1) CDS Account.

3.12 Foreign Addressed Shareholders

The Documents have not been and will not be made to comply with the laws of any foreign country or jurisdiction and have not been and will not be lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The Documents are not intended to be and will not be issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this AP relates is only available to persons receiving this AP, the NPA and the RSF or otherwise within Malaysia.

The distribution of the Documents, as well as the acceptance of the provisionally allotted Rights Shares with Warrants and the subscription for or the acquisition of the Rights Shares with Warrants may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdictions under the relevant laws of those countries or jurisdictions.

As a result, the Documents have not been and will not be sent to our Foreign Addressed Shareholders. Accordingly, the Documents will only be sent to Entitled Shareholders who have provided a registered address or an address for service of documents in Malaysia at the Entitlement Date. However, the Foreign Addressed Shareholders may collect the Documents from our Share Registrar, Equiniti Services Sdn Bhd (Company No. 11324-H) *(formerly known as MIDF Consultancy & Corporate Services Sdn Bhd)* at Level 8, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these Documents.

No action has been taken to ensure that the Rights Issue with Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue with Warrants to which the Documents relate to is only available to persons receiving the Documents within Malaysia. The Documents do not constitute and may not be used for the purpose of an offer to sell, solicitation or invitation of an offer to subscribe for the Rights Shares in any countries or jurisdiction outside Malaysia or to any person to whom it would be unlawful to make such offer, solicitation or invitation.

If you are a Foreign Addressed Shareholder, we will not make or be bound to make any enquiry as to whether you have an address or an address for service in Malaysia if not otherwise stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. We will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. We will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

The foreign Entitled Shareholders and/or their renouncee(s) (if applicable) may only accept or renounce all or any part of their entitlement and exercise any other rights in respect of the Rights Issue with Warrants to the extent that it would be lawful to do so. Tambun Indah, our Board and officers, MIDF Investment and/or other experts ("Parties") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) is or might be subject to. The foreign Entitled Shareholders and/or their renouncce(s) (if applicablc) who are residing in countrics or jurisdictions other than Malaysia should therefore immediately consult their legal or other professional adviser as to whether the acceptance, renunciation, sale or transfer (as the case may be) of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) (if applicable) is a resident. The Parties shall not acccpt any responsibility or liability in the event that any acceptance or renunciation or sale or transfer made by any foreign Entitled Sharcholder and/or his renouncee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The foreign Entitled Sharcholder and/or his renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respcct of their entitlement or to any net proceeds thereof.

The foreign Entitled Shareholders and/or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholdcrs and/or their renouncee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay.

We reserve the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The provisionally allotted Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for excess application by the other Entitled Shareholders and/or their renouncee(s) (if applicable).

Each person, by accepting the delivery of this AP, the NPA and the RSF, accepting any provisionally allottcd Rights Shares with Warrants by signing any of the forms accompanying this AP or subscribing for or acquiring the Rights Shares with Warrants will be deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are or might be subject to;

(ii) the foreign Entitled Shareholder and/or their renouncee(s) (if applicable) bas complied with the laws to which the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are or might be subject to in connection with the acceptance or renunciation;

(iii) the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance of renunciation of the provisionally allotted Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subject to;

(iv) the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are aware that the Rights Share and Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or plcdged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) has obtained a copy of this AP and has had access to such financial and other information and has been provided the opportunity to ask such questions to the representatives of the parties and receive answers thereto as the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) deem necessary in connection with the foreign Entitled Shareholder and/or their renouncee's (if applicable) decision to subscribe for or purchase the Rights Shares with Warrants; and

(vi) thc foreign Entitled Shareholder and/or their renouncee(s) (if applicable) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS AP AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE THERETO. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEVING THIS AP AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES AND WARRANTS UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

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4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable the Company to raise immediate gross proceeds from the issuance of Rights Shares for working capital requirements and defraying the expenses incidental to the Corporate Exercises. Moreover, if and when the Warrants are exercised, such additional funds will be used to finance the Tambun Indah Group's working capital requirements and further strengthen the capitalisation of the Company as well as improve the liquidity of the Tambun Indah Shares.

The rationale for the Rights Issue with Warrants is as follows:

(i) to strengthen its financial position with enhanced shareholders' funds and reduced gearing level. These factors are expected to facilitate the continuing growth and expansion plans of Tambun Indah Group;

(ii) the liquidity and marketability of Tambun Indah Shares are also expected to improve with a large capital base and hence would enable greater participation of both retail and institutional investors;

(iii) to capitalise on further business opportunities due to its enlarged capital base. In particular, the gross proceeds to be raised would be utilised to part fund the requirements of its future development projects;

(iv) the equity financing will strengthen the capital base to a level that commensurate with the value of its assets employed and reduce the financial risks of the Group as compared to additional borrowings;

(v) the issuance of Rights Shares together with Warrants will mitigate the immediate substantial dilutive impact on the EPS of Tambun Indah, which would otherwise arise from a full equity issue, as the Warrants are expected to be exercised over a period of time;

(vi) the Warrants, which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for their Rights Shares. The Warrants would also enable the Entitled Shareholders to benefit from the future growth of the Company and any potential capital appreciation arising from the exercise of the Warrants, which would depend on the future performance of Tambun Indah Shares;

(vii) the shareholders of the Company will be provided with the opportunity to participate in the equity of the Company at a reasonable discount. The Rights Issue with Warrants will involve the issuance of new Tambun Indah Shares without diluting the existing shareholders' equity interest (assuming the shareholders subscribe fully for their respective entitlements); and

(viii) the Rights Issue with Warrants will enable Tambun Indah to raise funds without incurring interest cost compared to bank borrowings.

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5. UTILISATION OF PROCEEDS

Based on the Issue Price, the Rights Issue with Warrants will raise gross proceeds of RM44,200,000. The gross proceeds to be raised from the Rights Issue with Warrants will be used to finance the Company's property development expenditure and to defray estimated expenses relating to the Corporate Exercises.

The gross proceeds to be raised from the Rights Issue with Warrants are expected to be utilised as follows:

Utilisation of proceeds	Expected time frame for full utilisation	RM '000
Property development expenditure [(1)]	Within 18 months	43,000
Estimated total expenses for the Corporate Exercises [(2)]	Within 3 months	1,200
Total		**44,200**

Notes:

[(1)] *During the year 2011, the Company had undertaken several acquisitions of property development companies and development land to expand its land banks particularly in Penang. The Company shall undertake several new projects to develop its land banks at various locations in Penang that includes Bandar Tasek Mutiara (Pearl City), Carissa Villas, Kelisa Residence, New Juru Industrial Park and Straits Garden. The proceeds allocated for the property development expenditure are expected to be utilised for these projects which include the following:*

(a) The development of Bandar Tasek Mutiara (Pearl City) township (a mixed residential and commercial development) in phases over a ten (10)-year period with an estimated GDV of over RM2.0 billion. The initial phase of development of the Bandar Tasek Mutiara (Pearl City) comprising Pearl Square 1 & 2 and Pearl Indah 1, 2 & 3 involves the development of double storey shop offices, double storey terrace houses and double storey semi-detached houses. The Pearl Square 1 & 2 and Pearl Indah 1, 2 & 3 will be developed over a two (2)-year period with an estimated GDV of RM247.0 million.

The estimated working capital required for development of Pearl Square 1 & 2 and Pearl Indah 1, 2 & 3 is RM31.8 million out of which RM14.7 million is expected to be funded via proceeds allocated from the Rights Issue with Warrants and the remaining will be funded via internally generated funds and/or bank borrowings.

The proceeds of RM14.7 million are intended to be utilised in the following manner, including, inter alia, payments of construction costs (95%), professional fees (2%), contributions and levy (1%), and other related development costs (2%).

(b) The development of Carissa Villas which involves the development of double storey shap offices and three storey terrace houses. The Carissa Villas will be developed over a two (2)-year period with an estimated GDV of RM41.0 million.

The estimated working capital required for development of Carissa Villa is RM3.5 million out of which RM3.0 million is expected to be funded via proceeds allocated from the Rights Issue with Warrants and the balance will be sourced from internally generated funds.

The proceeds of RM3.0 million are intended to be utilised in the following monner, including, inter alia, payments of construction costs (95%) and other related development costs (5%) such as compensation to illegal occupants (squatters) and demolition costs.

(c) The development af Kelisa Residence which involves the development of apartments and double storey semi-detached houses. The Kelisa Residence will be developed over a two (2)-year period with an estimated GDV of RM39.0 million.

The estimated working capital required for development of Kelisa Residence is RM4.5 million whereby RM3.0 million is expected to be funded via proceeds allocated from the Rights Issue with Warrants and the remaining will be funded via internally generoted funds.

The proceeds of RM3.0 million are intended to be utilised in the following manner, including, inter alia, payments of construction costs (95%), professional fees (2%), contributions and levy (1%), ond other related development costs (2%).

(d) *The development of New Juru Industrial Park which involves the development of light industrial factories. The New Juru Industrial Park will be developed over a two (2)-year period with an estimated GDV of RM36.0 million.*

The estimated working capital required for development of the New Juru Industrial Park of RM8.3 million whereby RM7.3 million is expected to be funded via proceeds allocated from the Rights Issue with Warrants and the balance will be funded via internally generated funds.

The proceeds of RM7.3 million are intended to be utilised solely for payments of construction costs (100%).

(e) *The development of Straits Garden which involves the development of three (3) storey shop offices, office suites, apartments and low medium cost apartments. The Straits Garden will be developed over a three (3)-year period with an estimated GDV of RM180.0 million.*

The estimated working capital required for development of the Straits Garden is RM30.0 million whereby RM15.0 million is expected to be funded via proceeds allocated from the Rights Issue with Warrants and the balance will be funded via internally generated funds and/or bank borrowings.

The proceeds of RM15.0 million are intended to be utilised in the following manner, including, inter alia, payments of construction costs (85%), professional fees (2%), contributions and levy (10%), and other related development costs (3%).

The actual utilisation by each component of property development expenditure may differ subject to the timeline, the progress of the development as well as operating requirements of the Group at the time of utilisation.

(2) *The breakdown of the estimated expenses are as follows:*

	RM'000
Professional fees	*450*
Fees to be paid to relevant authorities	*50*
Underwriting fees	*500*
Printing, postage, advertising and EGM costs	*100*
Miscellaneous charges	*100*
Total	*1,200*

Any excess or differential between the actual expenses in relation to the Corporate Exercises and the amount of the estimated expenses stated above will be allocated from the working capital of Tambun Indah Group and vice versa.

The proceeds to be raised from the exercise of Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. Assuming the full exercise of Warrants and based on the Exercise Price, gross proceeds from the exercise of the Warrants shall be RM26,520,000.

The proceeds to be raised from the exercise of the Warrants shall be utilised for the working capital of Tambun Indah Group. Pending the utilisation of the proceeds by Tambun Indah for the above purposes, the proceeds from the Rights Issue with Warrants will be placed in interest-bearing deposit accounts or investments in money markets as our Board may deem fit.

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6. RISK FACTORS

You and/or your renouncee(s) (if applicable) should carefully consider, in addition to all other information contained in this AP, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to Tambun Indah Group

6.1.1 Competition from other developers

Although competition from new entrants is limited due to the high cost of entry into the property development industry, our Group faces competition from existing players in the industry. The competition arises in respect of the availability of strategically located and reasonably priced land banks, the supply of raw materials and the selling of properties.

Our Group has taken pro-active measures to mitigate these risks which include reviewing our development and marketing strategies in response to the ever changing market conditions and to adopt different development concepts and innovative designs that will correctly position our Group to meet the needs of the target market.

Although our Group seeks to stay competitive by taking various pro-active steps as mentioned above in our endeavours to secure new developing opportunities, no assurance can be given that any changes to these factors will not have any material adverse effect on our Group's business.

6.1.2 Delay in completion of development projects

Completion of a new development and/or construction project on time is dependent on many external factors which may be beyond the control of our Group, such as obtaining approvals from various regulatory authorities as scheduled, sourcing and securing quality construction materials in adequate amounts, favourable credit terms and satisfactory performance of contractors who were appointed to complete the development project.

Our Group monitors the project schedules closely to minimise any delay in completion of our projects. Notwithstanding our Group's monitoring efforts, there can be no assurance that the projects will not be delayed as the above mentioned factors are beyond the control of our Group. Any delays may have a direct impact on our profitability and reputation. However, our Group has yet to encounter any delay in past development and/or construction project.

6.1.3 Dependency on Directors and key management

Our Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of our existing Directors and senior management. Our Group's future success will also depend upon our ability to attract and retain skilled personnel. As such, our Directors have taken steps to ensure that the employees are given recognition for their contribution to the success of our Group and continuous incentives in terms of bonuses are given to the employees to help our Group in fulfilling its objectives.

Any significant or sudden loss of services of key management personnel may have a temporary adverse effect on the business and financial performance of our Group until such time an appropriate succession takes place.

6.1.4 Borrowings/fluctuations in interest rates

The performance of the market is correlated to the movement in interest rates. The fluctuation in interest rates could materially affect the interest charges incurred on our Group's outstanding borrowings and hence affect our Group's profitability. It also may affect the demand for the properties, as higher interest rate may effectively lead to an increase in the price of houses for prospective buyers. Apart from this, as trends in the local property industry are clearly heading towards the higher-end market and coupled with innovative and high-end products, there can be no assurance that the interest rates will not increase and the demand of our Group's properties will not be adversely affected in future.

Nonetheless, our Board is of the opinion that our Group's gearing is manageable as the gearing ratio of our Group is relatively low. Our Board believes that the gearing will not significantly affect our Group.

6.1.5 Adequacy of insurance coverage

Our Group is also subject to other general risks associated with our business which may affect our operations and financial performance, such as breakout of fire, energy crisis, flood, accidents and others.

The respective companies within our Group have obtained insurance policies from various insurance agencies such as contractors' all risks insurance, fire insurance, workers' insurance and public liability insurance to mitigate any losses which may arise. However, there is no assurance that the insurance coverage for the above risks will continue to be available in the future, or be equivalent to the amount that is equal to the full market value or replacement cost of the insured assets. In addition, there is no assurance that the particular risks will continue to be insurable.

In ensuring that such risks are mitigated, we will review and ensure adequate insurance coverage for the above risks. Nonetheless, there is no assurance, however, that can be given that the above risks, if they occur, will not have a material adverse effect on the performance of our Group.

6.1.6 Operations affected by material litigation, claim or arbitration

As at the LPD, save as disclosed in Appendix VI, Section 4 of this AP, neither our Company nor our subsidiaries, are engaged in any litigation or arbitration proceedings which have or may have material effects on our business or financial position, and our Company's Directors are unaware of any proceeding threatened or of any fact likely to give rise to any proceedings, which may materially affect our financial position or business.

However, there can be no assurance that there will be no proceedings in the future that could adversely affect the operations and profitability of our Group.

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6.2 Risks relating to the property development industry

6.2.1 Political, economic and regulatory considerations

The operations of our Group are closely linked to the economic fundamentals and political stability of Malaysia. Any adverse developments in the political and economic environment and any uncertainties in Malaysia could materially and adversely affect the financial performance of our Group. Political and economic uncertainties include, but not limited to, risk of war, expropriation, nationalism and unfavourable changes in the Government's policies such as changes in interest rates, methods of taxation, exchange control regulations or the introduction of new rules and regulations.

Although our Group seeks to mitigate such risk by implementing prudent financial management and effieient operating procedures, there can be no assurance that any changes to these factors will not have a material adverse effect on the financial performance and business of our Group.

6.2.2 Business risks

Our Group is subject to risks inherent in the property development sector. These include, but are not limited to, changes in general economic conditions, Government regulations, inflation and changes in business conditions such as deterioration in prevailing market conditions, changes in labour, increases in labour cost, availability and rising cost of financing and fluctuating demand for residential, commercial and industrial properties. Our Group has taken considerable steps to minimise these business risks by providing attractive designs for its competitively priced properties at strategic locations and responding quickly to the changing consumer preference and requirements.

Although, our Group seeks to mitigate these risks, there can be no assurance that any change to these factors would not have a material impact on the business and financial performance of our Group. There can also be no assurance that the demand for our Group's medium to higher-end properties can be sustained.

6.2.3 Dependency on licences and permits

Our ability to continue with our business and operations is highly reliant on obtaining our major licences and permits, in particular the developer's licences issued by the Government. The loss of licences would adversely affect our ability to continue operations and generate earnings. Delays in the process of obtaining the requisite licences, permits or approvals from Government agencies or authorities could also increase the costs or delay or prevent the commercial operation of the relevant projects.

Nonetheless, our Group currently have all the necessary licences and permits to carry out our business and not aware of any circumstances that might result in the loss of such licences and permits.

6.2.4 Dependency on contractors/sub-contractors

Suppliers and contractors are engaged on a project to project basis. There is no assurance that our Group will be able to procurc supplies or services from its suppliers and contractors in a timely manner for our Group's projects in future. Nonetheless, our Board is of the opinion that contractors can be engaged readily in view of the numerous contractors in the industry. Hence, the risk of over-dependence on any contractor is minimal.

Our Group is prudent in selecting contractors. The criteria taken into consideration include experiences, track record and qualifications of the contractors and the workers. Our Board will ensure continuous reviews and evaluations of work in progress of each project awarded to ensure the timely completion and high quality of projects.

6.2.5 Dependency on outsourced persons

As at the LPD, our Group has a total of 57 employees who are involved in the day to day operations and are focused on different areas within their expertise. Our Group also subcontracts the development projects and outsources certain scope of works in respect of architecture, interior designing, and land surveying to other professionals to complement our Group's operations. Our Group is able to maintain our low fixed overheads.

The subcontracted or outsourced works are carried out by qualified professionals under the strict supervision of our staff. They are subject to a stringent screening process during the tender process by our Group, in terms of capability and track records. Hence, our Group is in the position to closely monitor the performance and quality of these professionals and their works in timely manner. Furthermore, we have also been using some of these professionals for up to fourteen (14) years based on the quality of their works. Notwithstanding the foregoing, our Group's profitability may be affected should the outsourced professionals are unable to perform the works at the agreed price or based on quality required or within the agreed time. However, all the outsourced professionals that we have hired were able to perform their work according to our requirement. Furthermore, our Group would still be able to source for alternative professionals should the need arises.

6.2.6 Fluctuation in the cost of building materials

Fluctuation in material costs are an inherent risk in the property development industry. The materials used in our development projects represent a significant portion of the total development costs. Any increase in materials costs may affect our Group profit margin where the selling prices of our properties are fixed. Even if we are able to increase the selling price of our developments properties, the demand may be adversely affected. Further, if there is a shortage of these materials, it is difficult for us to obtain the amount of materials required or at prices that are commercially acceptable.

Our Group has experienced an increase in our average cost of building material ranging from 5% to 10% between year 2008 to 2011. Nonetheless, our Board will ensure that our Company will seek to manage the cost of development for our Group's projects through close project supervision, monitoring and planning. There can be no assurance that any change in the cost of our development projects will not have a material impact on our performance.

6.2.7 Cost of development for property projects and demand risks

Appreciation of land costs and fluctuations of construction costs are inherent risks in the property development industry. Higher cost of land and construction costs, such as cost of materials, labour costs, sub-contractors fees and overheads, will affect the profit margin of property developers where the selling prices of its development properties and demand for these properties may be adversely affected.

Our Group has a policy to continue striving to search for strategic land banks with access and which are sited near established neighbourhood locations. Feasibility studies on logistics, income, living standard, mix of developments and competitors in the vicinity of the targeted land banks are usually conducted to confirm its viability. The feasibility studies will also enable our Group to decode the type of development that is suitable for the targeted land.

Our Group aims to keep its construction costs low by establishing an open tender process for our projects. Our Group can select and award the tender based on price competitiveness, experiences and track record of the suppliers/contractors without comprising the quality.

Our reliability and long-term relationships with building material suppliers/contractors, will ensure their continuous support to our Group in the future.

6.2.8 Property overhang

The increase in property overhang is commonly due to an over supply and/or low take-up of new launches by developers. A continuing rise in property overhang will have an impact on property developers within the industry. The property development industry is dependent on the economic and political conditions of Malaysia, and is usually one of the first few sectors to reflect the recovery or downturn in the economy.

Our Group will continue to institute various measures to ensure the viability and ability of our Group to withstand the effects arising from the property overhang risks. These include, inter-alia, delivering quality services and timely project completion, strengthening on our Group's credit control policies, close monitoring of project costs and sub-contractors' performance to ensure the order book and profitability of our Group is sustained.

6.3 Risks relating to the Rights Issue with Warrants

6.3.1 Market risk for the Rights Shares with Warrants

The performance of the market price of Tambun Indah Shares is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the outlook of the industries which we operate in and our financial performance. In view of this, there is no assurance that the market price of the Rights Shares will trade above the Issue Price or the TERP of Tambun Indah Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

As announced on 16 April 2012, the Board had fixed the Exercise Price at RM0.60, after taking into consideration a discount of approximately RM0.01 or 1.64% to the TERP of Tambun Indah Shares of RM0.61, calculated based on the five (5)-day VWAMP of Tambun Indah Shares, both up to and including 13 April 2012, being the last trading day immediately preceding the Price-Fixing Date, of RM0.66.

On the other hand, the market price of the Warrants may be influenced by, amongst others, the market price of Tambun Indah Shares, the volatility of our Shares and the remaining exercise period of the Warrants. However, there can be no assurance that the Exercise Price will be "in-the-money" during the exercise period of the Warrants.

Furthermore, the Warrants are new securities to be issued by our Company. There has been no established trading market for our Warrants. No assurance can be given that an active market will develop upon listing of our Warrants on Bursa Securities, or if developed, that such market will sustain. There can also be no assurance that the market price of our Warrants will be maintained at any particular level subsequent to their issue.

Accordingly, there is no assurance that the market price of the Rights Shares and Warrants will be at a level that meets the investment objectives of any subscriber of the Rights Shares and Warrants.

6.3.2 Failure or delay in the implementation of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

(i) there are material breach of representations, warranties and undertakings by the Company or in the event any conditions precedent to the Underwriting Agreement have not been fulfilled;

(ii) we are unable to meet the public shareholding spread requirement of the Listing Requirements of which at least 25% of our Shares are in the hands of the public shareholders;

(iii) we are unable to meet the public shareholding spread of at least 100 holders of Warrants holding not less than one (1) board lot of the Warrants each; and

(iv) occurrence of any force majeure events or circumstances beyond the control of our Company and MIDF Investment, such as, including without limitation, acts of government, acts of God (including, without limitation, the occurrence of a tsunami, flooding, landslide and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock-outs, fire, explosion, civil commotion, sabotage, acts of war, diseases or accidents, any change in law, regulation, policy or ruling, etc, arising prior to the implementation of the Rights Issue with Warrants.

There can be no assurance that the above events will not occur and cause a delay or abortion of the listing of the Rights Issue with Warrants. If the listing of the Rights Issue with Warrants does not take place, all monies paid in respect of all applications will be returned in full to our Entitled Shareholder(s) and/or their renouncee(s) (if applicable), who have subscribed for the Rights Shares with Warrants without interest, or with interest if the application monies are not refunded within fourteen (14) days after our Company become liable to repay, in accordance with the provisions of Section 243(2) of the CMSA. Notwithstanding all the above, our Company will take all necessary steps to ensure the successful implementation of the Rights Issue with Warrants.

6.3.3 Forward Looking Statements

Certain statements in this AP are based on historical data which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on estimates and assumptions made by our Directors, and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

Such factors include, inter-alia, general economic and business conditions, competition, the impact of new laws and regulations affecting our Group and the industry, changes in interest rates and foreign exchange rates. In light of these uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as a representation or warranty by our Company or our advisers that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

7.1 Overview and prospects of the Malaysian economy

The global economic and financial conditions continued to experience stress in the fourth quarter of 2011, following heightened concerns over the resolution of the European sovereign debt crisis. Growth in the advanced economies was affected by high unemployment, weak housing markets and fiscal issues while growth in Asia was affected by weaker external demand. Despite the challenging external environment, the Malaysian economy expanded by 5.2% (3Q 11: 5.8%), with growth being underpinned by domestic demand. The favourable domestic demand conditions were supported by both private and public sector spending. On the supply side, the services sector recorded slower growth, while the manufacturing sector grew at a similar pace to the previous quarter, reflecting the weaker external environment amid sustained growth in domestic activity. Other sectors, however, recorded improvements during the quarter, while the agriculture sector continued to record strong growth. For the whole year, the Malaysian economy expanded by 5.1%.

Domestic demand expanded by 10.5% during the quarter (3Q 11: 9.0%), driven by the continued expansion in household and business spending, and public sector expenditure. Private consumption increased by 7.1% (3Q 11: 7.3%), supported by favourable income growth while public consumption expanded by 23.6% (3Q 11: 21.7%) following higher expenditure on emoluments and supplies and services. Gross fixed capital formation increased by 8.5% (3Q 11: 6.1%), supported by continued expansion in capital spending by the private sector and the non-financial public enterprises. The Federal Government development expenditure during the quarter was mostly channeled into the transportation, trade and industry sectors.

On the supply side, activity in the services sector moderated in the fourth quarter, while the manufacturing sector expanded at a similar pace to the previous quarter. This trend reflected the weaker external environment amid strong performance in domestic-oriented activity. The agriculture sector continued to expand on account of strong production of crude palm oil, while mining output recorded a slower contraction. The construction sector registered higher growth, supported by the implementation of major infrastructure projects.

For the Malaysian economy, the favourable growth in the fourth quarter was underpinned by sustained domestic demand amid weaker external demand. Going forward, the more challenging external environment could present greater downside risks to Malaysia's growth prospects. Nevertheless, domestic demand is expected to continue to be the key driver of growth, supported primarily by the continued expansion of private sector activity. Public sector expenditure is also expected to lend strong support to the overall growth performance.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2011, Bank Negara Malaysia)

For 2012, GDP growth in Malaysia will be largely domestic driven, due to heightened uncertainties in the global economy. While the outlook for 2012 is affected by the increasingly adverse external environment, strong economic fundamentals coupled with pragmatic macroeconomic policies and implementation of the Economic Transformation Programme will enhance domestic sources of growth. Domestic demand, in particular private sector expenditure is expected to play a more significant role in driving economic expansion in 2012. The public sector will remain supportive of growth with higher capital spending by Non-Financial Public Enterprises. The Government will continue to provide an enabling environment to facilitate private investment by implementing key initiatives under the National Key Result Areas and National Key Economic Areas.

On the external front, increased domestic demand in the region and steady intra-regional trade will provide support for Malaysia's exports. Hence, Malaysia's real GDP growth is expected to be sustained at 5% - 6% in 2012. The projection takes into consideration a modest world economic growth with sustained strong expansion in intra-regional trade, improvement in electrical and electronics exports and firm commodity prices.

(Source: Economic Performance and Prospects 2011/2012, Ministry of Finance)

7.2 Overview and prospects on the property development industry

The construction sector expanded by 6.4% during the quarter (3Q 11: 3.0%), driven by the residential and civil engineering sub-scctors. Growth in the rcsidential segment improved amid higher construction activity, especially in the Klang Valley. Higher investment following the continued progress in the construction of major infrastructure projects such as Seremban-Gemas electrified double-tracking project, the Second Penang Bridge and the Sabah Oil and Gas Terminal, boosted the civil engineering sub-sector. Growth in the non-residential sub-sector continued to be underpinned by the ongoing construction of commercial properties.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2011, Bank Negara Malaysia)

In the fourth quarter of 2011, developers offered 5,519 new housing units to the market. A total of 1,312 units were taken up, achieving sales performance of 23.8%. The new housing units launched decreased by 45.6% from 10,146 units recorded in the previous quarter. However, the sales performance increased from 15.6%. The past four quarters saw a total of 49,290 houses launched into the market, registering a total take up rate of 12.9% (6,359 units) for the year.

As at end of fourth quarter of 2011, the total number of new residential units launched in the country for the past nine months was 29,576 units. This total comprised 5,519 units launched in the fourth quarter of 2011, 10,146 units in third quarter of 2011 and 13,911 units in second quarter of 2011. In the review quarter, number of units launched decreased substantially by 45.6% from 10,146 units recorded in third quarter of 2011 and 60.3% from 13,911 units in second quarter of 2011, respectively. From the total number of units launched within the past nine months, 11,323 units were taken-up, representing a take-up rate of 38.3%. These sold units comprised 1,312 units launched in fourth quarter of 2011, 3,278 units launched in third quarter of 2011 and the remaining 6,733 units were launched in second quarter of 2011. From the total number of units sold, approximately 83.7% (9,483 units) were sold within a six-month period which was inclusive of 44.2% (5,001 units) taken up within a three-month period of launching for sales.

The number and value of property overhang (completed units which have remained unsold after nine months of launching for sales) decreased from the previous quarter. There were 25,714 completed units worth RM6.821 billion which remained unsold in the market. These overhang units comprised 19,607 residential units, 5,482 shops and 625 industrial units. All sub-sectors recorded better performances by registering lower number of unsold units. Residential sub-sector recorded a decrease of 8.2% from 21,363 units, shops sub-sector had 13.4% reduction from 6,333 units whilst industrial sub-sector registered 3.5% decrease from 648 units. However, in terms of value, residential sub-sector had additional of 7.6% from RM4.567 billion to RM4.916 billion. Shops and industrial overhang, on the other hand, recorded decreases by 10.7% from RM1.778 billion to RM1.588 billion and 2.3% from RM325.06 million to RM317.43 million respectively. Quarter-on-quarter analysis showed the overhang units decreased by 16.7% from 30,859 units whilst the value increased by 0.4% from RM6.795 billion respectively.

(Source: Property Market Status Report Quarter 4, 2011)

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The construction sector expanded 2.1% during the first half of 2011 (January – June 2010: 6.2%) led by the recovery in residential construction as well as increased activity in the non-residential sub-sectors. Meanwhile, growth in the civil engineering and special trade sub-sector moderated following completion of projects under the stimulus packages as well as several highway projects including the Senai – Desaru Expressway and Kuala Lumpur – Kuala Selangor Expressway. However, growth of the construction sector is expected to be supported by the acceleration of Tenth Malaysia Plan projects in the second half of 2011. The sector is thus expected to grow 3.4% in 2011 (2010: 5.1%).

Construction activity in the residential sub-sector rebounded on the back of favourable economic and business conditions, rising household income, favourable labour market conditions as well as accommodative financing. On the supply side, housing starts picked up strongly by 37.6% (January – June 2010: -15.6%) on account of the increased number of housing projects, especially in Kuala Lumpur, Pulau Pinang, Sabah and Selangor. The number of new sales and advertising permits for construction as well as approvals to build houses rose 17.1% and 22.1% (January – June 2010: 22.1%; 11.1%), respectively supported by sustained property demand. Houses priced above RM500,000 continued to dominate construction activity, accounting for 20% - 50% of total launches, especially in urban centres such as Kuala Lumpur, Pulau Pinang and Selangor. This suggests that housing developers are inclined to develop high-end properties, particularly in city areas due to rising land prices.

On the demand side, the take-up rate of newly launched residential units expanded to 13.5% (January – June 2010: 13.1%) following improved household income and better job prospects. Four (4) states recorded improved sales performance, with Johor registering a higher take-up rate of 39.7% followed by Kuala Lumpur (38.8%), Perak (38.8%) and Sarawak (34.4%). In line with the Government's programmes to encourage home ownership such as My First Home Scheme, the demand for houses priced from RM100,000 – RM250,000 increased with a take-up rate of 21% during the first half of 2011 (January – June 2010: 20%).

Total property transaction value increased to RM64.8 billion (January – June 2010: RM49.9 billion) with volume expanding 18.1% to 214,764 transactions during the first six months of 2011 (January – June 2010: 17.1%; 181,780 transactions). The residential sector accounted for 62.7% of total transactions. Residential transactions in Pulau Pinang and Perak posted a strong growth of 66.6% and 51.9%, respectively compared with the preceding year (January – June 2010: 7%; 21%). Meanwhile, residential property transactions in Kuala Lumpur, Johor and Selangor registered a growth of 17.3%, 17% and 14.5%, respectively.

(Source: Economic Performance and Prospects 2011/2012, Ministry of Finance)

7.3 Prospects of our Group

The Group had sold 912 units of properties valued at RM347.32 million during FYE 31 December 2011, compared to 396 units of properties sold in FYE 31 December 2010, valued at RM137.08 million. As at 31 December 2011, the Group recorded an average take up rate of 76% on all its ongoing projects with a total GDV of RM629.28 million. This will contribute to the Group's earnings for the next two (2) to three (3) years.

As at the LPD, Tambun Indah has an undeveloped land bank size of 623 acres with an estimated potential GDV of RM2.87 billion. 600 acres of the undeveloped land bank are located near the North-South Highway and the Penang bridges whilst the remaining 23 acres are located in growth area such as Penang Island, Butterworth Town and Bukit Mertajam. This will enable Tambun Indah to sustain the earnings growth for the next eight (8) to ten (10) years. Moving forward, the Group is planning to launch new projects with total GDV of approximately RM570 million in FYE 2012.

Based on the statistics by the Department of Statistics, Malaysia, the Board take cognisance that the population of mainland Penang is growing. Hence, it is expected that there will be an increase in the demand of houses in mainland Penang. As more than 99% of our undeveloped land bank is in mainland Penang, our Group will benefit from the above mentioned.

Given the strategic location of our undeveloped land bank, our Board is of the view that the softening property market has minimal impact to our Group. Furthermore, we are very much focused on providing lifestyle residential at affordable prices which are highly in demand.

Based on the foregoing and subject to successful implementation of the projects, the Group expects to achieve favorable performance in both the current and the following financial year.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share capital

The proforma effects of the Rights Issue with Warrants and the ESOS on the issued and paid-up share capital of the Company are set out below:

	No. of Tambun Indah Shares	RM
Issued and paid-up share capital as at the LPD	221,000,000	110,500,000
To be issued pursuant to the Rights Issue with Warrants	88,400,000	44,200,000
After subscription of Rights Shares	309,400,000	154,700,000
Upon full exereise of free Warrants	44,200,000	22,100,000
After full exercise of free Warrants	353,600,000	176,800,000
To be issued pursuant to the full exercise of the ESOS Options granted under the ESOS[(1)]	17,680,000	8,840,000
Enlarged issued and paid-up share capital	**371,280,000**	**185,640,000**

Note:

(1) *Assuming the Company has granted Options under the ESOS of up to five per centum (5%) of the issued and paid-up share capital of the Company after the full exercise of the Warrants.*

8.2 NA and gearing

Based on the latest audited consolidated financial statements of Tambun Indah for the FYE 31 December 2011, the proforma effects of the Rights Issue with Warrants and the ESOS on the consolidated NA per Share and gearing of the Group are as follows:

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	Audited as at 31 December 2011	(i) After the Rights Issue with Warrants	(ii) After (i) and assuming full exercise of Warrants	(iii) After (ii) and ESOS Options	(iv) After (iii) and assuming full exercise of ESOS Options
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	110,500	154,700[b]	176,800[e]	176,800	185,640[i]
Share premium	6,400	6,400	13,914[f][g]	13,914	16,212[j][k]
Warrants reserve	-	3,094[c]	-	-	-
Share options reserve	-	-	-	1,414[h]	-
Retained earnings	38,431	34,137[c][d]	34,137	32,723[h]	32,723
Net Assets	**155,331**	**198,331**	**224,851**	**224,851**	**234,575**
NTA					
No. of Shares ('000)	221,000	309,400	353,600	353,600	371,280
Weighted average number of ordinary shares ('000)	219,422	307,822	352,022	352,022	369,702
NA per Share (RM)	0.70	0.64	0.64	0.64	0.63
NTA per Share (RM)	0.69	0.64	0.63	0.63	0.63
EPS (sen)					
- basic[l]	10.65	7.59	6.64	6.64	6.32
- diluted[m]	10.65	7.47	6.64	6.58	6.32
Borrowings[a]	77,952	77,952	77,952	77,952	77,952
Gearing (times)	0.50	0.39	0.35	0.35	0.33
Net gearing ratio (times)[n]	0.25	*	*	*	*

Notes:

(a) *As at the LPD, the total borrowings of Tambun Indah Group amount to approximately RM75,312,000.*

(b) *After completion of rights issue of 88,400,000 Tombun Indah Shares based on the Issue Price of RM0.50 per Rights Share.*

(c) *After issuance of 44,200,000 free Warrants based on the fair value of RM0.07 per Warrant.*

(d) *Net of estimated expenses in relation ta the Corporate Exercises of approximately RM1,200,000.*

(e) *After assuming full exercise of 44,200,000 Warrants into Tambun Indah Shares of RM0.50.*

(f) *Based on the Exercise Price of RM0.60 per Warrant.*

(g) *The transfer of the warrant reserve to share premium account of RM3,094,000 upon full exercise of 44,200,000 Warrants.*

(h) *After assuming full granting of ESOS Options of 17,680,000 Tambun Indah Shares of RM0.50 at the fair value of RM0.08 per Options.*

(i) *After assuming full exercise of ESOS Options of 17,680,000 Tambun Indah Shares of RM0.50.*

(j) *Assuming an exercise price of RM0.55 per Option being a discount of 10% to the TERP of Tambun Indah Shares of RM0.61 based on five (5)-day VWAMP up to 16 April 2012 of RM0.6582.*

(k) *The transfer of the share options reserve to share premium account of RM1,414,000 pursuant to the full exercise of 17,680,000 ESOS Options.*

(l) *EPS (basic) =* $\frac{\text{Profit after tax for the FYE 31 December 2011}}{\text{Weighted average number of ordinary shares}}$

(m) *EPS (diluted)* = $\frac{\text{Profit after tax for the FYE 31 December 2011}}{\text{Weighted average adjusted for the effect of dilutive potential ordinary shares}}$

(n) *Net gearing ratio* = $\frac{\text{Total borrowings – cash and cash equivalents}}{\text{Total equity}}$

* *This represents a net cash position.*

8.3 Earnings and EPS

The Rights Issue with Warrants is not expected to have an immediate material effect on the consolidated earnings and EPS of Tambun Indah for the FYE 31 December 2012. However, the Rights Issue with Warrants is expected to contribute positively to the earnings of the Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

However, the consolidated EPS of Tambun Indah is expected to be diluted as a result of the increase in the number of Shares in issue pursuant to the Rights Issue with Warrants and arising from the number of new Tambun Indah Shares to be issued upon the exercise of the Warrants. Nonetheless, the level of return generated from the utilisation of proceeds raised from the Rights Issue with Warrants would determine the eventual impact of the dilution.

9. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

Pursuant to the Rights Issue with Warrants, we have procured written irrevocable Undertakings from certain shareholders of Tambun Indah, to subscribe in full for their respective entitlements to the Rights Shares in respect of their direct shareholdings in Tambun Indah.

The details of the Undertakings are as follows:

Shareholders	Direct shareholdings as at the LPD		Entitlements of Rights Shares under the Rights Issue with Warrants		Undertaking to subscribe for Rights Shares entitlement	
	No. of Shares	% of the issued and paid-up share capital [(a)]	No. of Rights Shares	% of total Rights Shares [(b)]	No. of Rights Shares	% of total Rights Shares [(b)]
Amal Pintas Sdn Bhd	23,814,031	10.78	9,525,612	10.78	9,525,612	10.78
Siram Permai Sdn Bhd	89,250,001	40.38	35,700,000	40.38	35,700,000	40.38
Ir. Teh Kiak Seng	9,715,674	4.40	3,886,269	4.40	3,886,269	4.40
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	500,000	0.23	200,000	0.23	200,000	0.23
Lai Fook Hoy	2,192,476	0.99	876,990	0.99	876,990	0.99
Teh Theng Theng	123,000	0.05	49,200	0.05	49,200	0.05
Thaw Yeng Cheong	50,000	0.02	20,000	0.02	20,000	0.02
Total	**125,645,182**	**56.85**	**50,258,071**	**56.85**	**50,258,071**	**56.85**

Notes:

(a) *Based on the issued and paid-up share capital of 221,000,000 as at the LPD.*

(b) *Based on the total number of 88,400,000 Rights Shares issued pursuant to the Rights Issue with Warrants.*

The Undertaking Shareholders have confirmed that they/it have sufficient financial resources to subscribe in full for their respective entitlements under the Rights Issue with Warrants as set out above.

We have entered into the Underwriting Agreement with the Underwriters to underwrite up to 38,141,929 Rights Shares representing approximately 43.15% of the total Rights Shares to be issued under the Rights Issue with Warrants, for which no irrevocable and unconditional written undertaking to subscribe has been obtained from other Entitled Shareholders, based on the terms and conditions of the Underwriting Agreement, in the following proportion:

Underwriters	Number of Underwritten Shares	Issue value of Underwritten Shares (RM)	% of total Underwritten Shares %
MIDF Investment	9,941,929	4,970,964.50	26.06
Affin Investment Bank Berhad	20,000,000	10,000,000.00	52.44
OSK Investment Bank Berhad	8,200,000	4,100,000.00	21.50
Total	**38,141,929**	**19,070,964.50**	**100.00**

The underwriting commission is 2.25% of the value of the Underwritten Shares, amounting to approximately RM429,096.70 payable to the Underwriters. We will also pay the Managing Underwriter a managing underwriting fee of 0.25% of the value of the Underwritten Shares (being the number of Underwritten Shares multiplied by the Issue Price) amounting to approximately RM47,677.40. The underwriting commission payable to the Underwriters, the managing underwriting fee payable to the Managing Underwriter and all other costs in relation to the underwriting arrangement will be fully borne by our Company.

The Rights Issue with Warrants will not be undertaken on a minimum subscription basis.

After taking into consideration the Undertakings and the underwriting arrangement, we confirm that the abovementioned shareholders' subscription of the Rights Shares will not give rise to any consequences of mandatory general offer obligation pursuant to the Code.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

10.1 Working Capital

Our Board is of the opinion that, after taking into account our cash flow generated from operations, banking facilities and financing options available as well as proceeds from the Rights Issue with Warrants, the working capital available to our Group will be sufficient for a period of twelve (12) months from the date of issue of this AP.

10.2 Borrowings

As at the LPD, the total borrowings of our Group is approximately RM75,312,000. Save as disclosed below, we do not have any other borrowings (including foreign currency borrowings). All the borrowings are interest bearing and comprise the following:

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	RM'000
Short-term borrowings (payable within twelve (12) months)	
Secured	
Bank overdrafts	177
Term loans	3,732
	3,909
Long-term borrowings (payable after twelve (12) months)	
Secured	
Term loans	71,403
	71,403
Total borrowings	**75,312**

The purposes of the term loans were for acquisition of lands by the Group in the FYE 2011.

There has been no default on payment of either interest and/or principal sums in respect of any borrowings throughout the past financial year ended 31 Dccember 2011 and the subsequent financial period up to the LPD.

10.3 Contingent Liabilities

Save as disclosed below, there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable may have a material adverse impact on the financial results or position of our Group as at the LPD:

Contractual liability in respect of:	RM'000
Corporate guarantee in favour of OCBC Bank (M) Bhd for banking facilities granted to Tambun Indah Development Sdn Bhd	37,450
Corporate guarantee in favour of Malayan Banking Berhad for banking facilities granted to Hong Hong Development Sdn Bhd	5,200
Corporate guarantee in favour of OCBC Bank (M) Bhd for banking facilities granted to Palmington Sdn Bhd	38,790
Corporate guarantee in favour of OCBC Bank (M) Bhd for banking facilities granted to TID Development Sdn Bhd	11,500
Total Contingent Liabilities	**92,940**

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10.4 Material Commitments

Save as disclosed below, there are no material commitments incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material adverse impact on the financial results or position of our Group as at the LPD:

Approved and contracted for:	RM'000
Acquisition of lands	169,759
Total material commitments	**169,759**

The acquisition of lands are expected to be funded through the bank borrowings and internally generated funds.

The capital commitment above is pursuant to the Land Acquisition as set out in Section 2.8 of this AP.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this AP and the accompanying NPA and RSF enclosed herein.

12. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
TAMBUN INDAH LAND BERHAD

IR. TEH KIAK SENG
Managing Director

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CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 6 APRIL 2012

TAMBUN INDAH LAND BERHAD
(Company No. 810446-U)
(Incorporated in Malaysia)

EXTRACT OF MINUTES OF GENERAL MEETING

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT SALON V , LEVEL 2, G HOTEL, 168A, PERSIARAN GURNEY, 10250 PENANG ON FRIDAY, 06 APRIL 2012 AT 10.00 A.M.

ORDINARY RESOLUTION 1 - PROPOSED 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 TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

The Company Secretary informed members present that the 1st item for the morning's agenda was to consider and if thought fit, to pass with and without modifications, the Ordinary Resolution 1 on the Proposed Rights Issue with Warrants. She then proceeded to inform members present that the Proposed Rights Issue with Warrants, if approved by the members in this meeting, would enable the Company to raise funds for Tambun Indah Group's working capital requirements and further strengthen the capitalization of the Company as well as improve the liquidity of the Company's shares.

Ms. Yew Siew Gaik proposed that the Ordinary Resolution 1 be approved and her proposal was seconded by Ms. Goh Chee Mui.

The motion was then put to the vote of the meeting by show of hands.

The result of the vote by show of hands was as follows:-
"In Favour" - 12
"Against" - 0

As there were no objections, the Company Secretary declared that the following Ordinary Resolution 1 was unanimously carried :-

"THAT subject to the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board of Directors of the Company ("Board") to provisionally allot and issue by way of renounceable rights issue of 88,400,000 Rights Shares together with 44,200,000 Warrants on the basis of two (2) Rights Shares and one (1) Warrant for every five (5) Tambun Indah Shares at an issue price to be determined and announced by the Board later to the entitled shareholders of the Company whose name appear in the Record of Depositors on the Entitlement Date;

2/...

TAMBUN INDAH LAND BERHAD
(Company No. 810446-U)
Extract Minutes of EGM held on 06 April 2012

THAT approval be and is hereby given to the Directors of the Company to determine the final issue price of the Rights Share after taking into consideration, amongst others, the theoretical ex-rights price ("TERP") of Tambun Indah Shares based on five (5) days weighted average market prices ("VWAMPs") up to and including the date immediately prior to the price-fixing date for the Rights Shares, the then prevailing market conditions, and in any case shall not be lower than the par value of RM0.50 and determine the exercise price of the Warrants after the receipt of all relevant approvals, after taking into consideration the TERP of Tambun Indah Shares calculated based on the five (5) days VWAMP of Tambun Indah Shares up to and including the date immediately prior to the price-fixing date for the Rights Shares, the then prevailing market conditions, and in any case shall not be lower than the par value of RM0.50;

THAT approval be and is hereby given to the Directors of the Company to issue the Warrants based on the indicative salient terms of the Warrants as set out in Section 2.1.8 of the Circular to Shareholders of the Company dated 21 March 2012 ("Circular") and the terms and conditions of a deed poll to be executed by the Company ("Deed Poll");

THAT approval be and is hereby given to the Directors of the Company to issue and allot such number of Tambun Indah Shares credited as fully paid-up upon the exercise of the Warrants during the exercise period of the Warrants;

THAT fractional entitlements under the Proposed Rights Issue with Warrants, if any, will be disregarded and dealt in such manner as the Board shall in its absolute discretion deems fit and in the best interest of the Company;

THAT any Rights Share which is not taken up shall be made available for excess applications in such manner as the Directors of the Company shall determine in a fair and equitable manner;

THAT the Directors of the Company be and are hereby authorised with full power to issue and allot such further Warrants and new Tambun Indah Shares arising from any exercise of such further Warrants by the warrant holders or pursuant to any adjustment in the number of Warrants which may be carried out in accordance with the Deed Poll and/or as may be required by the relevant authorities;

THAT the Rights Shares shall, upon allotment and issue, rank pari passu in all respects with the existing issued and fully paid-up Tambun Indah Shares save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or distribution, the entitlement date of which is prior to the allotment date of the Rights Shares;

THAT the new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing issued and fully paid-up Tambun Indah Shares save and except that the new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or distribution, the entitlement date of which is prior to the allotment date of the new Tambun Indah Shares to be issued pursuant to the exercise of the Warrants;

THAT the proceeds from the Proposed Rights Issue with Warrants will be utilised for such purposes as set out in Section 4 of the Circular and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

-3-

TAMBUN INDAH LAND BERHAD
(Company No. 810446-U)
Extract Minutes of EGM held on 06 April 2012

THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit and expedient in order to implement, finalise and give effect to the aforesaid Deed Poll and that the Common Seal of the Company be affixed to the Deed Poll in accordance with the Articles of Association of the Company;

AND THAT any Executive Director be and is hereby authorised to do all acts and things as he may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments and to take all steps to enter into all such agreements, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

CERTIFIED TRUE EXTRACT,

TEH KIAK SENG
Managing Director

P'NG CHIEW KEEM (MAICSA 7026443)
Company Secretary

Date : 18 April 2012

BACKGROUND INFORMATION ON TAMBUN INDAH

1. **COMPANY NAME** : Tambun Indah Land Berhad (810446-U)

2. **DATE AND PLACE OF INCORPORATION** : Tambun Indah was incorporated in Malaysia under the Act on 19 March 2008 as a private limited company under the name of Tambun Indah Land Sdn Bhd. On 10 May 2010, Tambun Indah Land Sdn Bhd was converted to a public company and changed its name to Tambun Indah Land Berhad

3. **DATE OF LISTING** : Main Market of Bursa Securities on 18 January 2011

4. **PRINCIPAL ACTIVITIES** : Tambun Indah is an investment holding company. The subsidiary companies of Tambun Indah are principally engaged in property development and construction management. Details of the subsidiary companies are set out in Section 9 of Appendix II

5. **SHARE CAPITAL**

The details of the authorised and issued and paid-up share capital as at the LPD are as follows:

	No. of Tambun Indah Shares	Par value (RM)	Amount (RM)
Authorised	500,000,000	0.50	250,000,000
Issued and fully paid-up	221,000,000	0.50	110,500,000

6. **CHANGES IN THE ISSUED AND PAID-UP SHARE CAPITAL SINCE DATE OF INCORPORATION**

The details of the changes in the issued and fully paid-up share capital of Tambun Indah since incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Type of issue / Consideration	Cumulative issued and paid-up share capital RM
19 March 2008	2	0.50	Subscribers' shares	2
23 June 2008	-	0.50	Subdivision of shares	2
11 November 2010	188,999,996	0.50	Acquisitions	94,500,000
14 January 2011	32,000,000	0.50	Public issue	110,500,000

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7. SUBSTANTIAL SHAREHOLDERS

For illustrative purposes only and on the assumption that the Rights Issue and the full exercise of the Warrants had been effected on the LPD, and assuming all our substantial shareholders subscribe in full their respective entitlements under the Rights Issue, the proforma effects of the Rights Issue with Warrant on our substantial shareholders' shareholdings, based on our Record of Substantial Shareholders are as follows:

	Existing as at the LPD				(I) After the Rights Issue with Warrants				(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Amal Pintas Sdn Bhd	23,814,031	10.78	-	-	33,339,643	10.78	-	-	38,102,449	10.78	-	-
Siram Permai Sdn Bhd	89,250,001	40.38	-	-	124,950,001	40.38	-	-	142,800,001	40.38	-	-
Ir. Teh Kiak Seng (1)	9,715,674	4.40	89,250,001	40.38	13,601,943	4.40	124,950,001	40.38	15,545,077	4.40	142,800,001	40.38
Tsai Chang Hsiu-Hsiang (2)	-	-	23,814,031	10.78	-	-	33,339,643	10.78	-	-	38,102,449	10.78
Tsai Chia Ling (2)	-	-	23,814,031	10.78	-	-	33,339,643	10.78	-	-	38,102,449	10.78
Tsai Yung Chuan (2)	-	-	23,814,031	10.78	-	-	33,339,643	10.78	-	-	38,102,449	10.78

Notes:

(1) *Deemed interested by virtue of his shareholdings in Siram Permai Sdn Bhd pursuant to Section 6A of the Act.*
(2) *Deemed interested by virtue of his shareholdings in Amal Pintas Sdn Bhd pursuant to Section 6A of the Act.*

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8. DIRECTORS

8.1 Details of our Directors

The details of our Directors as at the LPD are as follows:

Name (Designation)	Age	Nationality	Profession	Address
Tsai Yung Chuan *(Non-Independent Non-Executive Chairman)*	55	Taiwanese	Company Director	20, Lorong Taman Indah 6 Taman Tambun Indah 14100 Simpang Ampat Penang
Ir. Teh Kiak Seng *(Managing Director)*	62	Malaysian	Company Director	509-12-02 Jalan Tanjung Bungah 11200 Tanjung Bungah Penang
Teh Theng Theng *(Executive Director)*	49	Malaysian	Company Director	No. 53A, Lorong Seri Cemerlang 1 Villa Palma 12200 Butterworth Penang
Thaw Yeng Cheong *(Executive Director)*	54	Malaysian	Company Director	6, Lorong Tambun Indah 16 Taman Tambun Indah 14100 Simpang Ampat Penang
Yeoh Chong Keat *(Independent Non-Executive Director)*	54	Malaysian	Company Director	No. 4, Jalan 12/19 46200 Petaling Jaya Selangor
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali *(Independent Non-Executive Director)*	64	Malaysian	Company Director	No.4, Jalan SS 19/3B Subang Jaya 47500 Petaling Jaya Selangor
Lai Fook Hoy *(Independent Non-Executive Director)*	62	Malaysian	Company Director	26, Jalan Padang Victoria 10400 Georgetown Penang

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8.2 Directors shareholdings

Our Directors' respective direct and indirect shareholdings in our Company as at the LPD, and the proforma effects of the Rights Issue with Warrants on our Directors' direct and indirect shareholdings in our Company assuming our Directors subscribe in full their respective direct and indirect entitlements under the Rights Issue with Warrants and based on our Register of Directors' Shareholdings are as follows:

	Existing as at the LPD				(I) After the Rights Issue with Warrants				(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Tsai Yung Chuan [(1)]	-	-	23,814,031	10.78	-	-	33,339,643	10.78	-	-	38,102,449	10.78
Ir. Teh Kiak Seng [(2)]	9,715,674	4.40	89,250,001	40.38	13,601,943	4.40	124,950,001	40.38	15,545,077	4.40	142,800,001	40.38
Teh Theng Theng	123,000	0.06	-	-	172,200	0.06	-	-	196,800	0.06	-	-
Thaw Yeng Cheong	50,000	0.02	-	-	70,000	0.02	-	-	80,000	0.02	-	-
Yeoh Chong Keat	-	-	-	-	-	-	-	-	-	-	-	-
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	500,000	0.23	-	-	700,000	0.23	-	-	800,000	0.23	-	-
Lai Fook Hoy	2,192,476	0.99	-	-	3,069,466	0.99	-	-	3,507,961	0.99	-	-

Notes:

(1) *Deemed interested by virtue of his shareholdings in Amal Pintas Sdn Bhd pursuant to Section 6A of the Act.*
(2) *Deemed interested by virtue of his shareholdings in Siram Permai Sdn Bhd pursuant to Section 6A of the Act.*

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9. SUBSIDIARIES AND ASSOCIATE COMPANY

Details of our subsidiaries and associate company as at the LPD are as follows:

Name	Date & place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest held (%)	Principal Activities
Subsidiary Companies				
Cenderaman Development Sdn Bhd	24 December 2007 Malaysia	4,000,000	100.00	Property development
Denmas Sdn Bhd	12 July 2000 Malaysia	1,800,000	100.00	Project and construction management
Denmas Development Sdn Bhd	9 September 2009 Malaysia	5,000,000	100.00	Property development
Epiland Properties Sdn Bhd	20 August 2002 Malaysia	250,100	100.00	Property development
Hong Hong Development Sdn Bhd	18 July 1996 Malaysia	1,000,000	100.00	Property development
Intanasia Development Sdn Bhd	13 January 2003 Malaysia	1,550,000	100.00	Property development
Jasnia Sdn Bhd	7 January 2005 Malaysia	5,770,000	100.00	Property development
Juru Heights Sdn Bhd	14 April 2005 Malaysia	1,000,000	100.00	Property development
Langstone Sdn Bhd	12 August 1995 Malaysia	2,783,380	100.00	Investment holding and operation of car park
Palmington Sdn Bhd	8 March 2010 Malaysia	5,756,000	60.00	Property development
Perquest Sdn Bhd	28 April 1995 Malaysia	1,250,000	100.00	Property development
Premcourt Development Sdn Bhd	2 March 2010 Malaysia	250,000	100.00	Property development
Pridaman Sdn Bhd	7 May 2003 Malaysia	500,000	100.00	Property development

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Name	Date & place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest held (%)	Principal Activities
Tokoh Edaran Sdn Bhd	11 January 2006 Malaysia	1,000,000	100.00	Construction management
Tambun Indah Sdn Bhd	6 December 1993 Malaysia	1,000,000	100.00	Property development
Tambun Indah Development Sdn Bhd	16 May 2008 Malaysia	1,000,000 ordinary shares 500,000 Redeemable Preference Shares ("RPS") (Series A) 41,857,853 RPS (Series B)	70.00	Property development
TID Development Sdn Bhd	23 December 2009 Malaysia	4,000,000	100.00	Property development
TKS Land Sdn Bhd	3 March 2010 Malaysia	4,800,002	100.00	Investment holding
Zipac Development Sdn Bhd	23 July 2004 Malaysia	500,000 ordinary shares 4,400,000 RPS	50.00	Property development
Held through TKS Land Sdn Bhd:				
- CBD Land Sdn Bhd	15 May 2007 Malaysia	400,000	50.00	Property development
Ascention Sdn Bhd	17 March 2010 Malaysia	400,000	50.00	Property development
<u>Associate Company</u>				
Ikhtiar Bitara Sdn Bhd	15 May 2006 Malaysia	250,000 ordinary shares 3,000,000 RPS	45.00	Property development

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10. PROFIT AND DIVIDEND RECORD

On 10 May 2010, Tambun Indah Land Sdn Bhd was converted to a public company and changed our name to Tambun Indah Land Berhad. On 15 May 2010, Tambun Indah undertook thc acquisition of our subsidiaries in conjunction with our listing on the Main Market of Bursa Securities on 18 January 2011. The acquisition of our subsidiaries was completed on 11 November 2010. As such, our Group's audited consolidated financial statements that are available are for the past two (2) FYE 31 December 2010 and 31 December 2011, as tabulated below:

	Audited financial statement for FYE 31 December 2010 RM'000	Audited financial statement for FYE 31 December 2011 RM'000
Revenue	39,608	191,844
Gross Profit	12,058	61,243
EBITDA	28,343	47,028
Less:		
Depreciation	(22)	(300)
Amortisation	-	-
Results of operating activities after depreciation and amortisation before interest expense	28,321	46,728
Add:		
Interest income	91	842
Less:		
Interest expense	-	(775)
Results of operating activities after depreciation, amortisation and interest expense	28,412	46,795
Share of losses of associate company	-	(35)
PBT	28,412	46,760
Taxation	(2,147)	(13,066)
Profit from ordinary activities	26,265	33,694
Minority interest	1,037	10,316
PAT after minority interest	25,228	23,378
Number of Shares in issue	189,000,000	221,000,000
Gross profit margin (%)	30.44	31.92
Net profit margin (%)	63.69	12.19
EPS (sen)*		
- Basic (sen)	97.44	10.65
- Diluted (sen)	97.44	10.65
Dividend rate (%)	-	9.2

Note:

* *Earnings per ordinary share for the financial year is calculated by dividing the profit after tax for the financial year by the weighted average number of ordinary shares during the financial year.*

<u>**Commentary on the financial performance**</u>

FYE 31 December 2010

The Group recorded revenue of RM39.61 million and profit before tax of RM28.41 million for FYE 2010. As the Group was only formed on 11 November 2010, the audited revenue for FYE 31 December 2010 only represents two (2) months performance.

The Group recorded gross profit margin of 30.44%. However, the net profit margin of 63.69% was mainly due to "bargain purchase gain" of RM16.91 million in relation to the 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.

FYE 31 December 2011

The Group recorded revenue and profit before tax of RM191.84 million and RM46.76 million, respectively for the FYE 31 December 2011. This represents an inerease of 384.36% or RM152.23 million in revenue and 64.58% or RM18.35 million in profit before tax over the previous corresponding FYE 2010.

The substantial increase in the revenue of the Group was mainly due to the full financial year performance of the Group as compared to the two (2) months performance for the FYE 31 December 2010.

The Group's revenue and profit for FYE 31 December 2011 were principally derived from its property development activities.

The gross profit margin of 31.92% recorded in FYE 31 December 2011 was inereased by 1.48% compared to 30.44% in FYE 31 December 2010. This was mainly due to the contribution from higher-margin commereial units launched in year 2011 and cost savings from finalisation of Juru Heights project which was fully completed in 2011.

The net profit margin of 12.19% recorded in FYE 31 December 2011 was lower compared to 63.69% recorded in FYE 31 December 2010. This was mainly due to the audited revenue for FYE 31 December 2010 only represents two (2) months performanee/revenue, recognition of "bargain purchase gain" of RM16.91 million in relation to aequisition of subsidiary companies in FYE 2010 and higher non-controlling interests in FYE 2011.

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11. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Tambun Indah Shares traded on Bursa Securities for the past twelve (12) months are as follows:

	High RM	Low RM
2011		
May	0.71	0.70
June	0.76	0.70
July	0.77	0.73
August	0.76	0.61
September	0.67	0.60
October	0.67	0.60
November	0.65	0.61
December	0.63	0.61
2012		
January	0.65	0.61
February	0.69	0.64
March	0.67	0.62
April	0.64	0.60

Last transacted market price of Tambun Indah Shares on 18 January 2012, being the day prior to the date of announcement of the Rights Issue with Warrants	RM0.64
Last transacted market priee on 2 May 2012, being the last trading day prior to the ex-date for the Rights Issue with Warrants	RM0.59
Last transacted market price of Tambun Indah Shares on 2 May 2012, being the latest practicable date prior to the issuance of this AP	RM0.59

(Source: Bloomberg)

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Jalan Sultan Ahmad Shah
10050 Penang
Malaysia

REPORTING ACCOUNTANT'S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Prepared for inclusion in the Abridged Prospectus)

Date: 23 April 2012

The Board of Directors
TAMBUN INDAH LAND BERHAD
12-01, Penthouse Wisma Pantai
Kampung Gajah
12200 Butterworth
Penang

Dear Sirs

TAMBUN INDAH LAND BERHAD
REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

We have reviewed the proforma consolidated statements of financial position of Tambun Indah Land Berhad ("Tambun Indah") as at 31 December 2011 together with the accompanying notes thereto, for which the Directors of Tambun Indah are solely responsible as set out in the accompanying statement (which we have stamped for the purpose of identification) prepared for illustrative purpose only for inclusion in the abridged prospectus to shareholders of Tambun Indah ("Abridged Prospectus") in relation to the following;-

(i) 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)"), as at 5.00 P.M. on 7 May 2012 at an issue price of RM0.50 per Rights Share; and

(ii) 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.

The above shall be collectively referred to hereinafter as "the Corporate Exercises".

The Board of Directors of Tambun Indah ("Board") is solely responsible for the preparation of the proforma consolidated statements of financial position as at 31 December 2011 in accordance with the requirements of the Prospectus Guideline - Abridged Prospectus. The proforma consolidated statement of financial position as at 31 December 2011 together with the notes and assumptions thereto, which have been prepared for illustrative purposes only and based on the audited consolidated statements of financial position of Tambun Indah as at 31 December 2011 prepared in accordance with applicable approved Financial Reporting Standards in Malaysia issued by the Malaysian Accounting Standards Board. Our responsibility is to form an opinion on the proforma consolidated statements of financial position and to report our opinion to you based on our work.

As the proforma consolidated statements of financial position of Tambun Indah have been prepared for illustrative purposes only, such information, because of its nature, may not reflect Tambun Indah's actual financial position. Further, such information does not predict the Tambun Indah Group's future financial position.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information presented with their original form, discussing the proforma consolidated statements of financial position with the Directors and the responsible officers of Tambun Indah, considering the evidence supporting the adjustments, and checking the bases adopted by the Directors of Tambun Indah in the preparation of the proforma consolidated statements of financial position of Tambun Indah as at 31 December 2011.

In our opinion:

(a) the proforma consolidated statements of financial position of the Tambun Indah as at 31 December 2011, which are prepared for illustrative purposes only, have been properly prepared on the bases set out in the notes to the proforma consolidated statements of financial position and prepared in accordance with applicable approved Financial Reporting Standards in Malaysia; and

(b) within the context of the assumed date of the Corporate Exercises:

   (i) the proforma consolidated statements of financial position have been prepared in such basis that is consistent with the format of financial statements and accounting policies adopted by Tambun Indah as at 31 December 2011; and

   (ii) each material adjustment made in the preparation of the proforma consolidated statements of financial position are appropriate for the purposes of preparing the proforma consolidated statements of financial position.

This letter has been prepared solely for the purpose stated above, in connection with the Corporate Exercises. As such, this report is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,

BDO
AF: 0206
Chartered Accountants

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		Audited as at 31 December 2011	Proforma I After completion of Rights Issue with Warrants	Proforma II After Proforma I and assuming full exercise of Warrants	Proforma III After Proforma II and ESOS Options	Proforma IV After Proforma III and assuming full exercise of ESOS Options
ASSETS	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment		1,266	1,266	1,266	1,266	1,266
Land held for property development		85,774	85,774	85,774	85,774	85,774
Investment properties		9,085	9,085	9,085	9,085	9,085
Investment in an associate		1,636	1,636	1,636	1,636	1,636
Goodwill on consolidation		1,766	1,766	1,766	1,766	1,766
Deferred tax assets		640	640	640	640	640
Total non-current assets		100,167	100,167	100,167	100,167	100,167
Current assets						
Inventories		2,780	2,780	2,780	2,780	2,780
Property development costs		113,309	113,309	113,309	113,309	113,309
Receivables, deposits and prepayments		65,295	65,295	65,295	65,295	65,295
Current tax assets		1,343	1,343	1,343	1,343	1,343
Cash and cash equivalents	4	39,291	82,291	108,811	108,811	118,535
Total current assets		222,018	265,018	291,538	291,538	301,262
Total assets		322,185	365,185	391,705	391,705	401,429

Stamped for the purpose of identification only.
23 APR 2012
BDO (AF0206)
Chartered Accountants
Penang

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		Audited as at 31 December 2011	Proforma I After completion of Rights Issue with Warrants	Proforma II After Proforma I and assuming full exercise of Warrants	Proforma III After Proforma II and ESOS Options	Proforma IV After Proforma III and assuming full exercise of ESOS Options
EQUITY AND LIABILITIES	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Equity attributable to owners of the parent						
Share capital	5	110,500	154,700[(b)]	176,800[(e)]	176,800	185,640[(i)]
Share premium	6	6,400	6,400	13,914[(f)(g)]	13,914	16,212[(j)(k)]
Warrants reserve	7	0	3,094[(c)]	0	0	0
Share options reserve	8	0	0	0	1,414[(h)]	0
Retained earnings	9	38,431	34,137[(c)(d)]	34,137	32,723[(h)]	32,723
		155,331	198,331	224,851	224,851	234,575
Non-controlling interests		32,033	32,033	32,033	32,033	32,033
Total equity		187,364	230,364	256,884	256,884	266,608

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Audited as at 31 December 2011	Proforma I After completion of Rights Issue with Warrants	Proforma II After Proforma I and assuming full exercise of Warrants	Proforma III After Proforma II and ESOS Options	Proforma IV After Proforma III and assuming full exercise of ESOS Options
Current liabilities	RM'000	RM'000	RM'000	RM'000	RM'000
Payables	50,400	50,400	50,400	50,400	50,400
Loan and borrowings	6,014	6,014	6,014	6,014	6,014
Current tax liabilities	3,576	3,576	3,576	3,576	3,576
Total current liabilities	59,990	59,990	59,990	59,990	59,990
Non-current liabilities					
Loan and borrowings	71,938	71,938	71,938	71,938	71,938
Deferred taxation	2,893	2,893	2,893	2,893	2,893
Total non-current liabilities	74,831	74,831	74,831	74,831	74,831
Total liabilities	134,821	134,821	134,821	134,821	134,821
Total equity and liabilities	322,185	365,185	391,705	391,705	401,429

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Chartered Accountants
Penang

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Audited as at 31 December 2011	Proforma I After completion of Rights Issue with Warrants	Proforma II After Proforma I and assuming full exercise of Warrants	Proforma III After Proforma II and ESOS Options	Proforma IV After Proforma III and assuming full exercise of ESOS Options
Number of ordinary shares ('000)	221,000	309,400	353,600	353,600	371,280
Weighted average number of ordinary shares ('000)	219,422	307,822	352,022	352,022	369,702
Net Asset per ordinary share (RM)	0.70	0.64	0.64	0.64	0.63
Net Tangible Asset per ordinary share (RM)	0.69	0.64	0.63	0.63	0.63
EPS (sen)					
- Basic [l]	10.65	7.59	6.64	6.64	6.32
- Diluted [m]	10.65	7.47	6.64	6.58	6.32
Borrowings[a]	77,952	77,952	77,952	77,952	77,952
Gearing ratio (times)	0.50	0.39	0.35	0.35	0.33
Net gearing ratio (times) [n]	0.25	*	*	*	*

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TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

Notes:

(a) *As at 16 April 2012, being the latest practicable date prior to the issuance of the Abridged Prospectus with the Securities Commission of Malaysia, the total borrowings of Tambun Indah Group amounts to approximately RM75,312,000.*

(b) *After completion of right issue of 88,400,000 Tambun Indah Shares based on an issue price of RM0.50 per Right Share;*

(c) *After issuance of 44,200,000 free Warrants based on the fair value of RM0.07 per Warrant;*

(d) *Net of estimated expenses in relation to the Corporate Exercises of approximately RM1,200,000;*

(e) *After assuming full exercise of 44,200,000 Warrants into Tambun Indah Shares of RM0.50;*

(f) *Based on the exercise price of RM0.60 per Warrant;*

(g) *The transfer of the warrant reserve to share premium account of RM3,094,000 upon full exercise of 44,200,000 Warrants;*

(h) *After assuming full granting of ESOS Options of 17,680,000 Tambun Indah Shares of RM0.50 at the fair value of RM0.08 per Options;*

(i) *After assuming full exercise of ESOS Options of 17,680,000 Tambun Indah Shares of RM0.50;*

(j) *Assuming an exercise price of RM0.55 per Option being a discount of 10% to the theoretical ex-rights price of Tambun Indah Shares of RM0.61 based on five (5)-day volume weighted average market price up to 16 April 2012 of RM0.6582;*

(k) *The transfer of the share options reserve to share premium account of RM1,414,000 pursuant to the full exercise of 17,680,000 ESOS Options;*

(l) $\text{EPS (basic)} = \dfrac{\text{Profit after tax for the financial year ended 31 December 2011}}{\text{Weighted average number of ordinary shares}}$;

(m) $\text{EPS (diluted)} = \dfrac{\text{Profit after tax for the financial year ended 31 December 2011}}{\text{Weighted average adjusted for the effect of dilutive potential ordinary shares}}$; and

(n) $\text{Net gearing ratio} = \dfrac{\text{Total borrowings - cash and cash equivalents}}{\text{Total equity}}$

* *This represents a net cash position.*

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TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

1. Corporate Exercises

The Corporate Exercises undertaken by Tambun Indah are as follows:

i. Renounceable rights issue of 88,400,000 Rights Shares together with 44,200,000 new Warrants on the basis of two (2) Rights Shares and one (1) free Warrant for every five (5) Tambun Indah Shares as at 5.00 P.M. on 7 May 2012 at an issue price of RM0.50 per Rights Share; and

ii. Establishment of an 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.

The above are collectively referred to as "the Corporate Exercises".

2. Basis of preparation

The proforma consolidated statements of financial position of Tambun Indah have been prepared for illustrative purposes only to provide information about the consolidated statement of financial position of Tambun Indah as at 31 December 2011 as if the Corporate Exercises stated in Note 1 above had been implemented and completed as of that date.

The proforma consolidated statements of financial position of Tambun Indah, for which the Board of Directors ("Board") is solely responsible, have been prepared using financial statements that have been prepared in accordance with applicable approved Financial Reporting Standards in Malaysia.

The audited consolidated statements of financial position as at 31 December 2011 has been extracted from the audited consolidated financial statements of Tambun Indah for the financial year ended 31 December 2011, of which the statutory auditors expressed an unqualified opinion.

The proforma consolidated statements of financial position of Tambun Indah has been prepared in a manner consistent with both the format of the financial statements and the accounting policies of Tambun Indah as disclosed in Tambun Indah's audited consolidated financial statements for the financial year ended 31 December 2011, except for the adoption of the following new accounting policies:

Warrants reserve

Amount allocated in relation to the issuance of free Warrants are credited to a warrant reserve which is non-distributable. Warrant reserve is transferred to the share premium account upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

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Penang

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

2. Basis of preparation (Continued)

Share option reserve

Amount granted in relation to the ESOS Options are credited to a share option reserve which is non-distributable. Share option reserve is transferred to the share premium account upon the exercise of options and the share option reserve in relation to the unexercised options at the expiry of the options period will be transferred to retained earnings.

Tambun Indah will apply the new additional accounting policies prospectively and therefore there will not have any financial impact on the audited consolidated statement of financial position as at 31 December 2011.

3. Proforma Consolidated Statements of Financial Position

Proforma I

The Rights Issue with Warrants, which involves a renounceable right issue of 88,400,000 Right Shares together with 44,200,000 new Warrants at an issue price of RM0.50 per Right Shares on the basis of two (2) Rights Shares and one (1) free Warrant for every five (5) Tambun Indah Shares. Based on the issue price of the Right Shares and assuming all Right Shares with Warrants subscribe in full, the Right Issue with Warrants will raise gross proceeds of up to approximately RM44,200,000. The details of the proposed utilisation of proceeds raised are set out as follows:-

	RM'000
Working capital*	43,000
Estimated expenses pursuant to the Corporate Exercises	1,200
Total	44,200

Notes:
* Included in cash and cash equivalents

The estimated expenses to be incurred for the Corporate Exercises amounted to RM1,200,000 and have been charged to retained earnings.

The fair value of RM0.07 per Warrant is determined using the Black Scholes pricing model based on the following key assumptions:

Interest rate	3.00%
Expected volatility of TILB's share price	26.10%

For the purpose of illustrating Proforma I, the Rights Shares and Warrants are recorded at the par value of RM0.50 per Rights Share and the fair value of RM0.07 per Warrant respectively.

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TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

3. Proforma Consolidated Statements of Financial Position (Continued)

Proforma I (Continued)

After completion of the Rights Issue, the issued and paid-up share capital of Tambun Indah will be increased to RM154,700,000. Correspondingly, there will be a creation of a warrants reserve of RM3,094,000 based on the fair value of RM0.07 per Warrant.

As the issue price of the Right Shares with free warrants is at their par value and according to FRSIC Consensus 9, there is a value attached to the free warrant. Hence, the difference is affected via equity movement and to capitalised retained earnings to share capital in the equity statement.

Proforma II

Proforma II incorporates the effects of Proforma I and the full exercise of 44,200,000 Warrants, based on an exercise price of RM0.60 per Warrant.

Pursuant to the full exercise of 44,200,000 Warrants, 44,200,000 new TILB Shares will be issued and this will increase the issued and paid-up share capital and share premium account by RM22,100,000 and RM4,420,000 respectively. The warrant reserve of RM3,094,000 will be transferred to share premium account.

Proforma III

Proforma III incorporates the effects of Proforma II and taking into consideration the fair value of ESOS Options and FRS-2 accounting treatment of all the 17,680,000 ESOS Options.

The fair value of RM0.08 per ESOS option is determined using the Binomial model based on the following key assumptions:

Interest rate	3.00%
Expected volatility of TILB's share price	26.10%

For the purpose of illustrating Proforma III, ESOS Options are recorded at the fair value of RM0.08 per Options by assuming that the number of ESOS Options granted under the ESOS of up to 5% of the issued and paid-up share capital of the Company after the full exercise of the Warrants.

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TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

3. Proforma Consolidated Statements of Financial Position (Continued)

Proforma IV

Proforma IV incorporates the effects of Proforma III and the full exercise of the 17,680,000 ESOS Options granted based on an exercise price of RM0.55 per ESOS Options being a discount of 10% to the theoretical ex-rights price of Tambun Indah Shares of RM0.61 based on five (5)-day volume weighted average market price up to 16 April 2012 of RM0.6582.

Pursuant to the full exercise of the 17,680,000 ESOS Options, 17,680,000 new Tambun Indah Shares will be issued and this will increase the issued and paid-up share capital and share premium account by RM8,840,000 and RM884,000 respectively. The share options reserve of RM1,414,000 will be transferred to share premium account.

4. Cash and cash equivalents

The movements in the cash and cash equivalents are as follows:

	RM'000
As at 31 December 2011	39,291
Arising from the Rights Issue with Warrants	44,200
Estimated expenses in relation to the Corporate Exercises	(1,200)
As per Proforma I	82,291
Arising upon full exercise of the Warrants	26,520
As per Proforma II and III	108,811
Arising upon full exercise of the ESOS Options	9,724
As per Proforma IV	118,535

Company No. 810446-U

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

5. Share Capital

The movements in the share capital are as follows:

	No of ordinary shares of RM0.50 each	
	Unit'000	RM'000
As at 31 December 2011	221,000	110,500
To be issued pursuant to the Rights Issue With Warrants	88,400	44,200
As per Proforma I	309,400	154,700
To be issued upon full exercise of the Warrants	44,200	22,100
As per Proforma II and III	353,600	176,800
To be issued upon full exercise of the ESOS options	17,680	8,840
As per Proforma IV	371,280	185,640

6. Share Premium

The movements in the share premium are as follows:

	RM'000
As at 31 December 2011	6,400
Arising from the Rights Issue with Warrants	0
As per Proforma I	6,400
Arising upon exercise of the Warrants	4,420
Transfer from warrants reserve upon exercise of the Warrants	3,094
As per Proforma II and III	13,914
Arising upon exercise of the ESOS Options	884
Transfer from share option reserve upon exercise of the ESOS Options	1,414
As per Proforma IV	16,212

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23 APR 2012
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Chartered Accountants
Penang

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

7. Warrants reserve

The movements in the warrant reserve are as follows:

	RM'000
As at 31 December 2011	0
Arising from the Right issue with Warrants	3,094
As per Proforma I	3,094
Transfer to share premium account upon exercise of the Warrants	(3,094)
As per Proforma II, III and IV	0

8. Share options reserve

The movements in the share option reserve are as follows:

	RM'000
As at 31 December 2011/ As per Proforma I and II	0
Arising from granting of ESOS Options	1,414
As per Proforma III	1,414
Transfer to share premium account upon exercise of the ESOS Options	(1,414)
As per Proforma IV	0

9. Retained earnings

The movements in the retained earnings are as follows:

	RM'000
As at 31 December 2011	38,431
Arising from the Rights Issue with Warrants	(3,094)
Arising from the estimated expenses to be incurred for the Corporate Exercises	(1,200)
As per Proforma I and II	34,137
Arising from granting of ESOS Options	(1,414)
As per Proforma III and IV	32,723

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23 APR 2012
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Chartered Accountants
Penang

Company No. 810446-U

TAMBUN INDAH LAND BERHAD ("TAMBUN INDAH")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 23 APR 2012

Teh Kiak Seng
Director
Tambun Indah Land Berhad

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23 APR 2012
BDO (AF 0206)
Chartered Accountants
Penang

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

CONTENTS	PAGE

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 December 2011.**

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and during the financial year, the Company commenced its project management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	33,694,404	16,206,272
Attributable to:		
Owners of the parent	23,378,513	16,206,272
Non-controlling interests	10,315,891	0
	33,694,404	16,206,272

DIVIDEND

Dividend paid, declared or proposed since the end of the previous financial year was as follows:

	Company RM
In respect of financial year ended 31 December 2010:	
Single Tier interim dividend of 4.6 sen per ordinary share, paid on 7 September 2011	10,166,000

The Directors propose a first and final tax exempt dividend of 3.8 sen per ordinary share, amounting to RM8,398,000 in respect of the financial year ended 31 December 2011, subject to the approval of members at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (CONTINUED)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM94,500,000 to RM110,500,000 by way of public issuance of 32,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 each ("Public Issue") pursuant to the listing and quotation of its ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The total proceeds raised from the Public Issue amounted to RM22,400,000.

The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issue of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Teh Kiak Seng	
Tsai Yung Chuan	
Teh Theng Theng	
Thaw Yeng Cheong	
Yeoh Chong Keat	
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	(Appointed on 15 April 2011)
Lai Fook Hoy	(Appointed on 24 February 2012)
Dato' Hong Yeam Wah	(Resigned on 15 April 2011)
Ong Eng Choon	(Retired on 24 June 2011)
Dato' Mohamad Nadzim Bin Shaari	(Resigned on 22 March 2012)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares in the Company during the financial year ended 31 December 2011 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, were as follows:

	Number of Ordinary Shares of RM 0.50 each			
	Balance as at 1-1-2011	Bought	Sold	Balance as at 31-12-2011
Shareholdings in the Company				
Direct interests				
Teh Kiak Seng	4,955,974	4,759,700	0	9,715,674
Teh Theng Theng	0	123,000	0	123,000
Thaw Yeng Cheong	0	300,000	(250,000)	50,000
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	0	500,000	0	500,000
Yeoh Chong Keat	0	100,000	(100,000)	0
Indirect interests				
Teh Kiak Seng	89,250,001	0	0	89,250,001
Tsai Yung Chuan	34,001,105	862,926	(11,050,000)	23,814,031

By virtue of his interests in the ordinary shares of the Company, Teh Kiak Seng is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares in the Company or ordinary shares of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen from the transactions disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(a) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(b) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the result of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(a) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(b) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(c) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Company during the financial year are as follows:

(a) On 4 May 2011, the Company completed the acquisition of 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.

(b) On 4 May 2011, Palmington Sdn. Bhd., a 60%-owned subsidiary of Tambun Indah Land Berhad 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 Sdn. Bhd. and Pembangunan Bandar Mutiara Sdn. Bhd. mutually agreed to extend the completion date of the acquisition of Parcel R1 to 30 November 2011.

On 30 November 2011, Palmington Sdn. Bhd. and Pembangunan Bandar Mutiara Sdn. Bhd. mutually agreed to further extend the completion date in respect of the acquisition of Parcel R1 from 30 November 2011 to on or before 9 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.

(c) On 27 July 2011, the Company completed the acquisition of 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 RM4,650,000.

(d) On 9 August 2011, the Company completed the acquisition of 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 RM1,460,000.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(e) On 22 September 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 RM5,500,000, in the manner of RM5,000,000 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 RM500,000 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 sale and purchase agreement or such other extended period as may be agreed by the Company, the parties agree that the purchase consideration for the sale shares shall be only RM5,000,000. In such event, the Company shall not be obliged to pay to the Premcourt Vendors the sum of RM500,000 and such amount shall be treated as a discount given by the Premcourt Vendors to Tambun Indah Land Berhad for the purchase of the sale shares.

On 19 March 2012, Premcourt had obtained planning permission/development order from local authority and the Company had on 22 March 2012 paid the balance of RM500,000 to the Vendors accordance to their respective shareholding proportion.

(f) On 29 December 2011, TKS Land Sdn. Bhd., the wholly-owned subsidiary of Tambun Indah Land Berhad completed the acquisition of 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.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 19 January 2012, the Company proposed a renounceable rights issue of 88,400,000 new ordinary shares of RM0.50 each in the Company ("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 the Company held on an entitlement date and issue price to be determined later; and establishment of an employees' share option scheme of up to five per centum (5%) of the issued and paid-up share capital (excluding treasury shares) of the Company for eligible persons of the Company and its subsidiaries.

(b) On 2 April 2012, Perquest Sdn. Bhd. a wholly-owned subsidiary company of the Company had entered into a Joint Venture Agreement with landowner for the joint development of a piece of land in Butterworth Town, Seberang Perai Utara, Penang with total land area measuring approximately 3.26 acres.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, BDO, have expressed their willingness to continued in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TEH KIAK SENG
Director

TEH THENG THENG
Director

Dated: 13 APR 2012

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 13 to 118 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2011** and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

TEH KIAK SENG
Director

TEH THENG THENG
Director

Dated: 13 APR 2012

STATUTORY DECLARATION

I, **TEH KIAK SENG**, being the Director primarily responsible for the financial management of **TAMBUN INDAH LAND BERHAD**, do solemnly and sincerely declare that the financial statements set out on page 13 to 118 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **TEH KIAK SENG** at Georgetown in the State of Penang this 13 APR 2012

TEH KIAK SENG

Before me,

Commissioner for Oaths

No. 53-3-05,
JALAN SULTAN AHMAD SHAH,
MBF TOWER,
10050 PULAU PINANG

PESURUHJAYA SUMPAH
No: P 092
Nama: QUAH KEAT JIN, PJM
MALAYSIA

CERTIFIED TRUE COPY

KHOO TENG JIN
MIA 27228

BDO

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51-21-F, Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang
Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TAMBUN INDAH LAND BERHAD
(Company No. 810446-U)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tambun Indah Land Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 117.

The financial statements of the Group and of the Company for the financial year ended 31 December 2010 were audited by another firm of chartered accountants whose report dated 12 April 2011 expressed an unqualified opinion on those statements.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TAMBUN INDAH LAND BERHAD (CONTINUED)
(Company No. 810446-U)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TAMBUN INDAH LAND BERHAD (CONTINUED)
(Company No. 810446-U)
(Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out in Note 43 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO	KOAY THEAM HOCK
AF: 0206	No. 2141/04/13 (J)
Chartered Accountants	Chartered Accountant

Penang

Dated : 13 APR 2012

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KHOO TENG JIN
MIA 27228

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		Group		Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	1,265,797	808,414	9,006	0
Investment properties	8	9,085,000	8,925,000	0	0
Land held for property development	9	85,773,628	52,327,965	0	0
Investment in subsidiaries	10	0	0	113,159,998	94,499,998
Investment in an associate	11	1,635,942	0	1,671,079	0
Goodwill on consolidation	12	1,766,236	431,380	0	0
Deferred tax assets	13	640,000	0	0	0
		100,166,603	62,492,759	114,840,083	94,499,998
Current assets					
Inventories	14	2,779,717	0	0	0
Property development costs	15	113,309,745	64,839,578	0	0
Receivables, deposits and prepayments	16	65,295,149	58,451,270	33,862,462	8,329,329
Current tax assets		1,342,872	2,254,549	0	0
Cash and cash equivalents	17	39,290,710	27,190,254	3,361,606	4,929
		222,018,193	152,735,651	37,224,068	8,334,258
TOTAL ASSETS		322,184,796	215,228,410	152,064,151	102,834,256
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	18	110,500,000	94,500,000	110,500,000	94,500,000
Share premium		6,400,000	0	6,400,000	0
Retained earnings/(Accumulated losses)		38,431,011	25,218,498	6,013,151	(27,121)
		155,331,011	119,718,498	122,913,151	94,472,879
Non-controlling interests		32,033,019	13,976,746	0	0
TOTAL EQUITY		187,364,030	133,695,244	122,913,151	94,472,879

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KHOO TENG JIN
MIA 27228

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (CONTINUED)

		Group		Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Borrowings	19	71,938,087	4,664,619	0	0
Deferred tax liabilities	13	2,893,350	1,129,950	0	0
		74,831,437	5,794,569	0	0
Current liabilities					
Payables	23	50,399,814	55,230,474	28,972,500	8,361,377
Borrowings	19	6,014,266	18,404,195	0	0
Current tax liabilities		3,575,249	2,103,928	178,500	0
		59,989,329	75,738,597	29,151,000	8,361,377
TOTAL LIABILITIES		134,820,766	81,533,166	29,151,000	8,361,377
TOTAL EQUITY AND LIABILITIES		322,184,796	215,228,410	152,064,151	102,834,256

Inilah Ekshibit bertanda ....
Yang disebutkan di dalam Akuan
Berkanun / Afidavit ....
yang diikrarkan pada 13 APR 2012

Pesuruhjaya Sumpah

No. 53-3-05,
JALAN SULTAN AHMAD SHAH,
MBF TOWER,
10050 PULAU PINANG

PESURUHJAYA SUMPAH
No: P 092
Nama: QUAH KEAT JIN, PJM
MALAYSIA

The accompanying notes form an integral part of the financial statements.

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KHOO TENG JIN
MIA 27228

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

		Group		Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
Revenue	24	191,843,758	39,608,289	21,782,969	0
Cost of sales	25	(130,600,595)	(27,549,804)	0	0
Gross profit		61,243,163	12,058,485	21,782,969	0
Other income					
Interest income	26	842,487	90,893	444,714	0
Other income	27	531,033	16,954,902	0	0
Selling and distribution expenses		(5,824,061)	(491,469)	0	0
Administrative expenses		(9,221,690)	(200,905)	(4,494,294)	(17,272)
Finance costs	28	(775,034)	0	(448,617)	0
Share of loss of an associate		(35,137)	0	0	0
Profit/(Loss) before tax	29	46,760,761	28,411,906	17,284,772	(17,272)
Tax expense	31	(13,066,357)	(2,146,686)	(1,078,500)	0
Profit/(Loss) for the financial year		33,694,404	26,265,220	16,206,272	(17,272)
Other comprehensive income		0	0	0	0
Total comprehensive income/(loss)		33,694,404	26,265,220	16,206,272	(17,272)
Profit/(Loss) attributable to:					
Owners of the parent		23,378,513	25,228,347	16,206,272	(17,272)
Non-controlling interests		10,315,891	1,036,873	0	0
		33,694,404	26,265,220	16,206,272	(17,272)

Earnings per ordinary share attributable to equity holders of the Company (sen):

Basic earnings per share (sen)	32	10.65	97.44

The accompanying notes form an integral part of the financial statements.

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KHOO TENG JIN
MIA 27228

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Group	NOTE	Share capital RM	Share premium RM	Distributable (Accumulated losses)/ Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2010		2	0	(9,849)	(9,847)	0	(9,847)
Profit for the financial year		0	0	25,228,347	25,228,347	1,036,873	26,265,220
Total comprehensive income		0	0	25,228,347	25,228,347	1,036,873	26,265,220
Transactions with owners							
Issuance of shares for acquisition of subsidiary companies	18	94,499,998	0	0	94,499,998	12,939,873	107,439,871
Total transactions with owners		94,499,998	0	0	94,499,998	12,939,873	107,439,871
Balance at 31 December 2010		94,500,000	0	25,218,498	119,718,498	13,976,746	133,695,244
Balance at 1 January 2011		94,500,000	0	25,218,498	119,718,498	13,976,746	133,695,244
Profit for the financial year		0	0	23,378,513	23,378,513	10,315,891	33,694,404
Total comprehensive income		0	0	23,378,513	23,378,513	10,315,891	33,694,404
Transactions with owners							
Dividend paid	33	0	0	(10,166,000)	(10,166,000)	0	(10,166,000)
Public issue	18	16,000,000	6,400,000	0	22,400,000	0	22,400,000
Redeemable preference shares acquired by non-controlling interest of a subsidiary company		0	0	0	0	5,250,000	5,250,000
Additional non-controlling interest arising on business combination	10	0	0	0	0	2,490,382	2,490,382
Total transactions with owners		16,000,000	6,400,000	(10,166,000)	12,234,000	7,740,382	19,974,382
Balance at 31 December 2011		110,500,000	6,400,000	38,431,011	155,331,011	32,033,019	187,364,030

The accompanying notes form an integral part of the financial statements.

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KHOO TENG JIN
MIA 27228

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

	NOTE	Share capital RM	Share premium RM	Distributable (Accumulated losses)/ Retained earnings RM	Total equity RM
Company					
Balance at 1 January 2010		2	0	(9,849)	(9,847)
Loss for the financial year		0	0	(17,272)	(17,272)
Total comprehensive loss		0	0	(17,272)	(17,272)
Transactions with owners					
Issuance of shares for acquisition of subsidiary companies	18	94,499,998	0	0	94,499,998
Total transactions with owners		94,499,998	0	0	94,499,998
Balance at 31 December 2010		94,500,000	0	(27,121)	94,472,879
Balance at 1 January 2011		94,500,000	0	(27,121)	94,472,879
Profit for the financial year		0	0	16,206,272	16,206,272
Total comprehensive income		0	0	16,206,272	16,206,272
Transactions with owners					
Public issue	18	16,000,000	6,400,000	0	22,400,000
Dividend paid	33	0	0	(10,166,000)	(10,166,000)
Total transactions with owners		16,000,000	6,400,000	(10,166,000)	12,234,000
Balance at 31 December 2011		110,500,000	6,400,000	6,013,151	122,913,151

The accompanying notes form an integral part of the financial statements.

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KHOO TENG JIN
MIA 27228

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	NOTE	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		46,760,761	28,411,906	17,284,772	(17,272)
Adjustments for:					
Depreciation of property, plant and equipment	7	299,556	22,275	2,252	0
Bargain purchase gain	10	(52,109)	(16,912,529)	0	0
Goodwill on consolidation written off	12	502,724	0	0	0
Listing expenses		2,674,165	0	2,674,165	0
Net gain from fair value adjustment on investment properties	8	(160,000)	(25,765)	0	0
Property, plant and equipment written off	7	24,013	0	0	0
Share of loss of an associate	11	35,137	0	0	0
Interest paid	28	775,034	0	448,617	0
Interest income	26	(842,487)	(90,893)	(444,714)	0
Operating profit/(loss) before working capital changes		50,016,794	11,404,994	19,965,092	(17,272)
Land held for property development		(24,581,360)	(41,971,168)	0	0
Inventories		(2,779,717)	0	0	0
Property development costs		(36,883,895)	5,761,253	0	0
Receivables, deposits and prepayments		(5,698,172)	(13,046,335)	(25,533,133)	(8,329,329)
Payables		(15,962,111)	29,092,505	20,611,123	8,340,777
Net cash (used in)/generated from operations		(35,888,461)	(8,758,751)	15,043,082	(5,824)
Interest received		842,487	90,893	444,714	0
Tax paid		(10,153,045)	(1,795,235)	(900,000)	0
Tax refunded		604,175	0	0	0
Net cash flow from operating activities		(44,594,844)	(10,463,093)	14,587,796	(5,824)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	7	(780,951)	(76,388)	(11,258)	0
Purchase of investment properties	8	0	(389,235)	0	0
Acquisition of subsidiaries	10	(3,745,327)	39,706,549	(6,410,000)	0
Acquisition of redeemable preference shares in a subsidiary		0	0	(12,250,000)	0
Acquisition of an associate	11	(1,671,079)	0	(1,671,079)	0
Net cash flow from investing activities		(6,197,357)	39,240,926	(20,342,337)	0

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KHOO TENG JIN
MIA 27228

Company No. 810446-U

TAMBUN INDAH LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

	NOTE	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOW FROM FINANCING ACTIVITIES					
Changes in fixed deposits pledged with licensed banks		(693,526)	(123,518)	0	0
Drawdown of bank borrowings		72,018,417	0	0	0
Redeemable preference shares acquired by non-controlling interest of a subsidiary		5,250,000	0	0	0
Listing expenses	29	(2,674,165)	0	(2,674,165)	0
Repayment of bank borrowings		(20,903,306)	(4,714,905)	0	0
Proceeds from public issue	18	22,400,000	0	22,400,000	0
Interest paid		(775,034)	0	(448,617)	0
Dividend paid	33	(10,166,000)	0	(10,166,000)	0
Net cash flow from financing activities		64,456,386	(4,838,423)	9,111,218	0
Net increase/(decrease) in cash and cash equivalents		13,664,185	23,939,410	3,356,677	(5,824)
Cash and cash equivalents at beginning of the financial year		23,950,163	10,753	4,929	10,753
Cash and cash equivalents at end of the financial year	17	37,614,348	23,950,163	3,361,606	4,929

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MIA 27228

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 12-01, Penthouse, Wisma Pantai, Jalan Wisma Pantai, Kampung Gajah, 12200 Butterworth, Penang.

The financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 13 APR 2012

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and during the financial year, the Company commenced its project management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 43 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including special purposes entities) over which the Company has the power to govern the financial operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are charged to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represents the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation (Continued)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at either fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs. The choice of measurement basis is made on an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 Business Combinations in accounting for business combinations from 1 July 2010 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 Financial Instruments: Recognition and Measurement or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Business combinations

Business combinations from 1 January 2011 onwards

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income Taxes and FRS 119 Employee Benefits respectively;

(b) liabilities or equity instruments related to the replacements by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 Share-based Payment at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profits or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquire (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquire net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquire (if any), and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.9. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Business combinations (Continued)

Business combinations before 1 January 2011

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.9 to the financial statements on goodwill). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Property, plant and equipment and depreciation (Continued)

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to written off the cost or valuation of the assets to their residual values on a straight line basis over the estimated useful lives. The principal depreciation rates are as follows:

Air conditioner	10%
Computers	20%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%
Renovation	10%

Construction-in-progress represents renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 to the financial statements on impairment of assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fee, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or costs that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realised value.

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

4.6 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the end of the reporting period, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair values of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. Investments accounted for at cost shall be accounted for in accordance with FRS 5 Non-current assets Held for Sale and Discontinued Operations when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognised the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the Group's net investment in the associates.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Investments (Continued)

(b) Associates (Continued)

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains or losses on transaction between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the Group's share of the net fair value of net assets of the associates' identifiable assets and liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

4.10 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories, assets arising from construction contract, property development costs, deferred tax assets, investment properties measured at fair value and non-current assets held for sale, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that has an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Impairment of non-financial assets (Continued)

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Impairment of non-financial assets (Continued)

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as revaluation increase and credited to the revaluation reserve account for the same asset. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4.11 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to received cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivates (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains and losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains and losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(a) Financial assets (Continued)

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in according with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(b) Financial liabilities (Continued)

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(c) Equity (Continued)

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.13 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivables or investee, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Impairment of financial assets (Continued)

If in an subsequent period, the amount of the impairment loss decreases and if objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

4.15 Income taxes

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes, such as real property gains taxes payable on disposal of properties.

Taxes in the statement of comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Income taxes (Continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) either the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries make contributions to the Employees Provident Fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follow:

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Revenue recognition (Continued)

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreement by end of the financial year and when the risks and rewards of ownership have passed to the customers.

(b) Construction contracts

Profits from contract works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(c) Management fees

Management fees are recognised when services are rendered.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Revenue recognition (Continued)

(d) Rental income

Rental income from investment properties is recognised based on accrual basis.

(e) Car park income

Car park income is recognised based on receipt basis.

(f) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(g) Dividend income

Dividend income is recognised when the right to received payment is established.

4.20 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Chief Operating Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 Operating segments (Continued)

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) per cent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRSs and amendment to FRSs adopted during the financial year

(a) Amendments to FRS 132 are mandatory for annual periods beginning on or after 1 March 2010 in respect of the classification of rights issues respectively.

These Amendments clarify that rights, options or warrants to acquire a fixed number of the Company's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Company offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

There is no impact upon adoption of these Amendments during the financial year.

(b) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 *Construction Contracts* and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

There is no impact upon adoption of this Interpretation during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED\)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(c) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Company adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

(i) All assets and liabilities shall be recognised in accordance with FRSs;

(ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;

(iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and

(iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

There is no impact upon adoption of this Standard during the financial year.

(d) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(d) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010. (continued)

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date. Any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

The revised FRS 3 has been applied prospectively in accordance with its transitional provisions. Assets and liabilities that arose from business combinations whose acquisition dates were before 1 July 2010 are not adjusted.

During the financial year, the newly acquired subsidiary was accounted for in accordance with this new Standard as disclosed in Note 10 to the financial statements.

(e) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with the new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(e) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010. (continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Company loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be remeasured at its fair value at the date when control is lost.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 July 2010. These changes would only affect future transactions with non-controlling interest.

There is no impact upon adoption of this Standard during the financial year.

(f) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the Company acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Company retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. There is no impact upon adoption of these Amendments during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(f) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010. (continued)

Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Company reflects the expectations of the Company of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. There is no impact upon adoption of these Amendments during the financial year.

Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. There is no impact upon adoption of these Amendments during the financial year.

(g) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Company wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met. There is no impact upon adoption of this Interpretation during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(h) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Company to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Company. The liability shall be measured at the fair value of the assets to be distributed. If the Company gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss. There is no impact upon adoption of this Interpretation during the financial year.

(i) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This Amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7.

There is no impact upon adoption of this Amendment during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(j) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These Amendments permits a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

There is no impact upon adoption of these Amendments during the financial year.

(k) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These Amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these Amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

(l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These Amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

There is no impact upon adoption of these Amendments during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(m) IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

There is no impact upon adoption of this Interpretation during the financial year because there are no arrangements dependent on the use of specific assets in the Group.

(n) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer either an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services or cash for the acquisition or construction of property, plant and equipment. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

There is no impact upon adoption of this Interpretation during the financial year because there are no such arrangement in the Group.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(o) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarifies that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 3 clarifies that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 7 clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Company has incorporated these disclosures on maximum exposure to credit risk in Note 40 to the financial statements.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements and analysis of other comprehensive income shall also be presented in the statement of changes in equity. This has been reflected in the statement of changes in equity.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.1 New FRSs and amendment to FRSs adopted during the financial year (Continued)

(o) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011. (continued)

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Company's interim financial report. There is no impact upon adoption of these Amendments during the financial year. However, there would be additional disclosures in the quarterly interim financial statements of the Group.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. There is no impact upon adoption of these Amendments during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

(a) Amendments to IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are mandatory for annual periods beginning on or after 1 July 2011.

These Amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

The Group does not expect any impact on the financial statements arising from the adoption of these Amendments.

(b) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations whereby equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(c) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

(d) Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets* are mandatory for annual periods beginning on or after 1 January 2012.

These Amendments apply to the measurement of deferred tax liabilities and deferred tax assets when investment properties are measured using the fair value model under FRS 140 *Investment Property*. The Amendments introduce a rebuttable presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The Group currently provides for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties would be recovered through use. Upon adoption of these amendments, there is a presumption that the carrying amount of an investment property measured at fair value would be recovered entirely through sale. Accordingly, there would be no deferred tax liability on investment properties in Malaysia as the applicable real property gains tax rate is nil. The Group expects the adoption of these Amendments to result in a decrease in deferred tax liabilities of the Group and a corresponding increase in retained earnings upon initial application of the amendments.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(e) Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2012.

These Amendments include two changes to FRS 1 *First-time adoption of Financial Reporting Standards*. The first amendment replaces references to a fixed date of 1 January 2006 with 'the date of transition to FRSs', thus eliminating the need for entities adopting FRSs for the first time to restate derecognition transactions that occurred before the date of transition to FRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with FRSs after a period when the entity was unable to comply with FRSs because its functional currency was subject to severe hyperinflation.

The Group does not expect any impact on the financial statements arising from the adoption of these Amendments.

(f) Amendments to FRS 7 *Disclosures – Transfers of Financial Assets* are mandatory for annual periods beginning on or after 1 January 2012.

These Amendments amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

The Group does not expect any impact on the financial statements arising from the adoption of these Amendments.

(g) Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income* are mandatory for annual periods beginning on or after 1 July 2012.

These Amendments requires the Group to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments) or otherwise. It does not change the option to present items of other comprehensive income either before tax or net of tax. However, if the items are presented before tax, then the tax related to each of the two group's of other comprehensive income items shall be shown separately.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(g) Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income* are mandatory for annual periods beginning on or after 1 July 2012. (continued)

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2013.

(h) FRS 10 *Consolidated Financial Statements* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The investor is required to reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(i) FRS 11 *Joint Arrangements* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are classified into two types; joint operations and joint ventures. A joint operation is a joint arrangement whereby joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangements. A joint operator recognises and measures the assets and liabilities in relation to its interest in the arrangement in accordance with applicable relevant FRS whereas a joint venture recognises the investment using the equity method of accounting.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(j) FRS 12 *Disclosure of Interests in Other Entities* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard establishes disclosure objectives and requirements that enable users of financial statements to evaluate the nature of, and risks associated with, the Group's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. If the minimum disclosures required in this Standard are not sufficient to meet the disclosure objectives, the Group is expected to disclose whatever additional information that is necessary to meet that objective.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(k) FRS 13 *Fair Value Measurements* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard applies to FRS that requires or permits fair value measurements or disclosures about fair value measurements. It explains how to measure fair value for financial reporting and does not require fair value measurements in addition to those already required or permitted by other FRS. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The definition of fair value is a market-based measurement and not an entity-specific measurement whereby assumptions made by market participants would be used when pricing the asset or liability under current market conditions. Consequently, the Group's intention to hold an asset or to settle or fulfill a liability is not relevant when measuring fair value.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(l) FRS 127 *Separate Financial Statements* (revised) is mandatory effective for annual periods beginning on or after 1 January 2013.

This revised Standard contains accounting requirements for investments in subsidiaries, joint ventures and associates when separate financial statements are prepared. The Group is required to account for those investments either at cost or in accordance with FRS 9 in the separate financial statements.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(m) FRS 128 *Investments in Associates and Joint Ventures* (revised) is mandatory for annual periods beginning on or after 1 January 2013.

This revised Standard defines the equity method of accounting whereby the investment in an associate or joint venture is initially measured at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes its share of the profit or loss of the investee and the other comprehensive income of the investor includes its share of other comprehensive income of the investee.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(n) FRS 119 *Employee Benefits* (revised) is mandatory for annual periods beginning on or after 1 January 2013.

This revised Standard requires the Group to recognise all changes in the defined benefit obligations and in the fair value of related plan assets when those changes occur. The Group is also required to split the changes in the net defined benefit liability or asset into the following three components: service cost (presented in profit or loss), net interest on the net defined benefit liability (presented in profit or loss) and remeasurement of the net defined benefit liability (presented in other comprehensive income and not recycled through profit or loss).

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(o) IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* is mandatory for annual periods beginning on or after 1 January 2013.

This Interpretation clarifies that removed material that can be used to build up inventory is accounted for in accordance with the principles of MFRS 102 *Inventories*. The other removed material, that provides access to deeper levels of material that will be mined in future periods, is recognised as a non-current asset (referred to as a 'stripping activity asset') if recognition criteria are met. This Interpretation requires stripping activity assets to be measured at cost at initial recognition. Consequently, they are carried either at cost or revalued amount less depreciation or amortisation and any impairment losses.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

(p) Amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* is mandatory for annual periods beginning on or after 1 January 2013.

These Amendments require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2013.

(q) Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities* is mandatory for annual periods beginning on or after 1 January 2014.

These Amendments provide application guidance for the criteria to offset financial assets and financial liabilities.

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2014.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (Continued)

(r) FRS 9 *Financial Instruments* is mandatory for annual periods beginning on or after 1 January 2015.

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Financial assets are subsequently measured at amortised cost or fair value. Financial liabilities are subsequently measured at amortised cost or fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2015.

(s) Mandatory Effective Date of FRS 9 and Transition Disclosures is effective immediately upon adoption of FRS 9.

This Amendment modifies the effective date of FRS 9 from 1 January 2013 to 1 January 2015. Transitional provisions in FRS 9 were also amended to provide certain relief from retrospective adjustments.

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2015.

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') announced the issuance of the new MFRS framework that is applicable to entities other than private entities. However, the Group has elected for the continued use of FRS for the financial year ending 31 December 2012 as a transitioning entity affected by the scope of IC Interpretation 15. The Group would subsequently adopt the MFRS framework for the financial year ended 31 December 2013.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

The subsequent adoption of the MFRS framework would result in the Group preparing an opening MFRS statement of financial position as at 1 January 2012 which adjusts for differences between the classification and measurement bases in the existing FRS framework versus that in the new MFRS framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ending 31 December 2012 in accordance with MFRS which would form the MFRS comparatives for the quarter ending 31 March 2013 and financial year ending 31 December 2013 respectively.

The MFRSs and IC Interpretations expected to be adopted are as follows:

MFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contracts
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 110	Events After the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

The MFRSs and IC Interpretations expected to be adopted are as follows:
(continued)

MFRS 119	Employee Benefits
MFRS 119	Employee Benefits (revised)
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 127	Separate Financial Statements
MFRS 128	Investment in Associates
MFRS 128	Investment in Associates and Joint Ventures
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interests in Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property
MFRS 141	Agriculture
Improvements to MFRSs	
Amendments to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities	
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	
Mandatory Effective Date of MFRS 9 and Transition Disclosures	
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

The MFRSs and IC Interpretations expected to be adopted are as follows:
(continued)

IC Interpretation 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	MFRS 119 - The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 107	Introduction of the Euro
IC Interpretation 110	Government Assistance – No Specific Relation to Operating Activities
IC Interpretation 112	Consolidation – Special Purpose Entities
IC Interpretation 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC Interpretation 115	Operating Leases – Incentives
IC Interpretation 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Interpretation 129	Service Concession Arrangements: Disclosures
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services
IC Interpretation 132	Intangible Assets – Web Site Costs

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

Technical Release 3 Guidance on Disclosures of Transition to IFRSs ('TR 3') provides voluntary disclosure requirements on the potential impact of adoption of MFRSs. However, the Group is unable to quantify the impact of implementing Malaysian Financial Reporting Framework ('MFRS') since the effects would only be observable for the financial year ending 31 December 2013. Nonetheless, the potential impact arising from differences between the current FRS framework versus the MFRS framework are as follows:

(a) FRS 116 contains an additional disclosure to require an entity to disclose if it had applied the transitional provision provided by the MASB when FRS 116 was first adopted in 1998. The said transitional provision allowed an entity to carry the asset's revalued amount as surrogate cost.

However, MFRS 116 does not have similar requirements for such a transition.

(b) FRS 117 contains two transitional provisions, one of which is in relation to the transition from MASB 10 *Leases* to FRS 117:

i. An entity that had previously classified its leasehold land as property, plant and equipment shall reclassify the unamortised carrying amount as operating lease.

If the entity had previously revalued such leasehold land, the entity shall retain the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments.

However, MFRS 117 does not have this transitional provision as the requirement to treat leasehold land as operating lease was already prescribed in IAS 17 *Leases*.

ii. An entity need not disclose the effect of impending changes of accounting standards required under FRS 108 *Accounting Policies, Changes in Estimates and Errors* when it first applied the revised Standard.

However, MFRS 117 does not have similar requirements for such a transition.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

(c) FRS 121 mandates the use of Ringgit Malaysia as the presentation currency in accordance with the Companies Act, 1965. However, MFRS 121 does not have such a similar requirement.

(d) FRS 139 contains three transitional provisions, namely:

i. Transitional provision for first-time adoption of FRS 139 which prohibits retrospective application and instead, requires an initial application of the recognition, classification and measurement on the effective date of the Standard.

ii. An entity need not disclose the effect of impending changes of accounting standards required under FRS 108 when it first applied the revised Standard.

However, MFRS 139 does not have similar requirements for such a transition.

(e) FRS 140 contains an additional disclosure to require an entity to disclose that it had applied the transitional provision provided by the MASB in 1998. The same transitional provision allowed an entity to carry the asset's revalued amount as surrogate cost.

However, MFRS 140 does not have similar requirements for such a transition.

(f) FRS 4 contains a transitional provision that an entity need not disclose the effect of impending changes of accounting standards required under FRS 108 when it first applied the Standard.

However, MFRS 4 does not have similar requirements for such a transition.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

(g) FRS 7 contains two transitional provisions:

i. An entity is not required to present any comparative disclosures required by the Standard when it first applied the Standard.

ii. An entity need not disclose the effect of impending changes of accounting standards required under FRS 108 when it first applied the Standard.

However, MFRS 7 does not have similar requirements for such a transition.

(h) IC Interpretation 12 contains a transitional provision that an entity need not disclose the effect of impending changes of accounting standards required under FRS 108 when it first applied the Standard.

However, IC 12 does not have similar requirements for such a transition.

(i) MFRS 141 *Agriculture* is mandatory for annual period beginning on or after 1 January 2013.

This Standard prescribes the accounting treatment, financial statement presentation, and disclosures related to agricultural activity. It requires measurement at fair value less costs to sell from initial recognition of biological assets up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. This Standard requires that a change in fair value less costs to sell of a biological asset be included in profit or loss for the period in which it arises.

The Group does not expect any impact on the financial statements upon adaption of this standard.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

(j) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2013.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

At the end of the reporting period, the Group recognises revenue and associated costs from the construction of real estate by reference to the stage of completion of the construction works. The Group is in the process of assessing the impact of implementing this Interpretation since the effects would only be observable for the financial year ending 31 December 2013.

(k) Amendments to MFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* is mandatory for annual periods beginning on or after 1 January 2013.

These Amendments require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2013.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2013 (Continued)

(l) Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities* is mandatory for annual periods beginning on or after 1 January 2014.

These Amendments provide application guidance for the criteria to offset financial assets and financial liabilities.

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2014.

(m) *Mandatory Effective Date of MFRS 9 and Transition Disclosures* is effective immediately upon adoption of FRS 9.

This Amendment modifies the effective date of MFRS 9 from 1 January 2013 to 1 January 2015. Transitional provisions in MFRS 9 were also amended to provide certain relief from retrospective adjustments.

The Group is in the process of assessing the impact of implementing these Amendments since the effects would only be observable for the financial year ending 31 December 2015.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Change in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no changes in estimates during the financial year and at the end of the reporting period.

6.2 Critical judgements

There are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generated units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The calculations of the value-in-use amount is most sensitive to the following assumptions:

i. Cash flows are projected based on the management's most recent five (5) years business plan.

ii. Discount rates used for cash flows discounting purpose is the Group's weighted average cost of capital. The average discount rate applied for cash flow projection is 7%.

iii. Estimated number of units sold based on current market conditions and past performance.

Further details are disclosed in Note 12 to the financial statements.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.3 Key sources of estimation uncertainty (Continued)

(b) Property development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgment is required in determining the stage of completion, the extent of total property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluated based on the past experience and by relying on the work of specialists.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(d) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(e) Fair value of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

7. PROPERTY, PLANT AND EQUIPMENT

Group	Computers RM	Construction-in-progress RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Air conditioner RM	Renovation RM	Total RM
At cost							
Balance as at 1 January 2011	123,584	0	492,370	723,460	17,530	76,388	1,433,332
Acquisition of subsidiaries (Note 10)	2,700	0	0	0	0	0	2,700
Additions	38,735	412,993	197,378	73,850	0	57,995	780,951
Written off	(85,864)	0	(237,063)	0	0	0	(322,927)
Balance as at 31 December 2011	79,155	412,993	452,685	797,310	17,530	134,383	1,894,056
Accumulated depreciation							
Balance as at 1 January 2011	64,380	0	291,347	263,932	5,259	0	624,918
Acquisition of subsidiaries (Note 10)	2,699	0	0	0	0	0	2,699
Current charge	30,569	0	72,334	181,461	1,753	13,439	299,556
Written off	(72,057)	0	(226,857)	0	0	0	(298,914)
Balance as at 31 December 2011	25,591	0	136,824	445,393	7,012	13,439	628,259
Net carrying amount							
Balance as at 31 December 2011	53,564	412,993	315,861	351,917	10,518	120,944	1,265,797

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7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Air conditioner RM	Renovation RM	Total RM
At cost						
Balance as at 1 January 2010	0	0	0	0	0	0
Acquisition of subsidiaries (Note 10)	123,584	492,370	723,460	17,530	0	1,356,944
Additions	0	0	0	0	76,388	76,388
Balance as at 31 December 2010	123,584	492,370	723,460	17,530	76,388	1,433,332
Accumulated depreciation						
Balance as at 1 January 2010	0	0	0	0	0	0
Acquisition of subsidiaries (Note 10)	59,014	283,526	255,136	4,967	0	602,643
Current charge	5,366	7,821	8,796	292	0	22,275
Balance as at 31 December 2010	64,380	291,347	263,932	5,259	0	624,918
Net carrying amount						
Balance as at 31 December 2010	59,204	201,023	459,528	12,271	76,388	808,414

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	**Computers RM**	**Furniture, fittings and office equipment RM**	**Total RM**
At cost			
Balance as at 1 January 2011	0	0	0
Additions	5,738	5,520	11,258
Balance as at 31 December 2011	5,738	5,520	11,258
Accumulated depreciation			
Balance as at 1 January 2011	0	0	0
Current charge	1,148	1,104	2,252
Balance as at 31 December 2011	1,148	1,104	2,252
Net carrying amount			
Balance as at 31 December 2011	4,590	4,416	9,006

8. INVESTMENT PROPERTIES

	Group 2011 RM	**2010 RM**
Fair value		
Balance as at 1 January	8,925,000	0
Acquisition of subsidiaries on fair value (Note 10)	0	8,510,000
Additions from acquisition	0	389,235
Net gain from fair value adjustment	160,000	25,765
Balance as at 31 December	9,085,000	8,925,000
Rental income from investment properties	475,800	81,192
Direct operating expenses arising from investment properties		
- Rental generating properties	66,136	9,602
- Non-rental generating properties	3,315	552

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2011 RM	2010 RM
Balance as at 1 January		
- Freehold land, at cost	49,847,456	0
- Development costs	2,480,509	0
	52,327,965	0
Acquisition of subsidiaries (Note 10)		
- Freehold land, at cost	8,191,766	9,598,016
- Development costs	672,537	758,781
	61,192,268	10,356,797
Add: Cost incurred during the financial year		
- Freehold land, at cost	44,495,474	40,249,440
- Development costs	3,547,158	1,721,728
	48,042,632	41,971,168
Less: Transfer to property development costs (Note 15)		
- Freehold land, at cost	(21,731,480)	0
- Development costs	(1,729,792)	0
	(23,461,272)	0
Balance as at 31 December		
- Freehold land, at cost	80,803,216	49,847,456
- Development costs	4,970,412	2,480,509
	85,773,628	52,327,965

The freehold land held for property development with carrying value of RM66,276,328 (2010: RM40,249,440) have been charged to banks for credit facilities granted to subsidiaries (Note 19).

10. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM	2010 RM
At cost		
Unquoted ordinary shares	81,309,501	74,899,501
Redeemable preference shares	31,850,497	19,600,497
	113,159,998	94,499,998

(a) Details of the subsidiaries

Name of subsidiaries	Place of incorporation	Effective interest 2011	2010	Principal activities
Cenderaman Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Denmas Sdn. Bhd.	Malaysia	100%	100%	Project and construction management
Denmas Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Epiland Properties Sdn. Bhd.	Malaysia	100%	100%	Property development
Hong Hong Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Intanasia Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Jasnia Sdn. Bhd.	Malaysia	100%	100%	Property development
Juru Heights Sdn. Bhd.	Malaysia	100%	100%	Property development
Langstone Sdn. Bhd.	Malaysia	100%	100%	Investment holding and operation of car park
Palmington Sdn. Bhd.	Malaysia	60%	0%	Property development
Perquest Sdn. Bhd.	Malaysia	100%	100%	Property development

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries (Continued)

Name of subsidiaries	Place of incorporation	Effective interest 2011	2010	Principal activities
Premcourt Development Sdn. Bhd.	Malaysia	100%	0%	Property development
Pridaman Sdn. Bhd.	Malaysia	100%	0%	Property development
Tokoh Edaran Sdn. Bhd.	Malaysia	100%	100%	Construction management
Tambun Indah Sdn. Bhd.	Malaysia	100%	100%	Property development
Tambun Indah Development Sdn. Bhd.	Malaysia	70%	70%	Property development
TID Development Sdn. Bhd.	Malaysia	100%	100%	Property development
TKS Land Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Zipac Development Sdn. Bhd.	Malaysia	*50%	*50%	Property development
Held through TKS Land Sdn. Bhd.:				
Ascention Sdn. Bhd.	Malaysia	*50%	0%	Property development
CBD Land Sdn. Bhd.	Malaysia	*50%	*50%	Property development

The above subsidiaries are all audited by BDO in Malaysia

* The Group is able to govern the financial and operating policies of these companies by virtue of Shareholders' Agreements. Consequently, the Group consolidates its investment in these companies.

10. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Acquisition of subsidiaries

On 4 May 2011, the Company acquired 60% issued and paid-up ordinary share capital of Palmington Sdn. Bhd., a company incorporated in Malaysia which is involved in property development for a cash consideration of RM3,510,000.

On 27 July 2011, the Company acquired 100% issued and paid-up ordinary share capital of Pridaman Sdn. Bhd., a company incorporated in Malaysia which is involved in property development for a cash consideration of RM4,650,000, of which an amount of RM3,750,000 was used for the repayment of advances by shareholder of Pridaman Sdn. Bhd.. As such, the net cash consideration for the investment in Pridaman Sdn. Bhd. is RM900,000.

On 22 September 2011, the Company acquired 100% issued and paid-up ordinary share capital of Premcourt Development Sdn. Bhd., a company incorporated in Malaysia which is involved in property development for a cash consideration of RM5,500,000, of which an amount of RM3,500,000 was used for the repayment of advances by shareholder of Premcourt Development Sdn. Bhd.. As such, the net cash consideration for the investment in Premcourt Development Sdn. Bhd. is RM2,000,000 (where contingent consideration of RM500,000 has been included).

On 29 December 2011, its wholly-owned subsidiary company TKS Land Sdn. Bhd. acquired 50% issued and paid-up ordinary share capital of Ascention Sdn. Bhd., a company incorporated in Malaysia which is involved in property development for a cash consideration of RM200,000.

The above acquisitions by the Group were to strengthen its position as a leading property developer in the Northern region of Malaysia and to sustain its property development activities.

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10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (Continued)

(i) The fair values of the identified assets and liabilities arising from the acquisitions are as follows:

	2011	2010	
	Carrying/ Fair value	Fair value	Carrying value
	RM	RM	RM
Non-current assets			
Property, plant and equipment (Note 7)	1	754,301	754,301
Land held for property development (Note 9)	8,864,303	10,356,797	10,356,797
Investment properties (Note 8)	0	8,510,000	8,510,000
Deferred tax assets (Note 13)	60,000	0	0
	8,924,304	19,621,098	19,621,098
Current assets			
Property development cost (Note 15)	11,586,272	70,600,831	68,606,523
Receivables, deposits and prepayments	1,145,707	45,404,935	45,404,935
Current tax assets	0	2,730,080	2,730,080
Fixed deposits with licensed banks	1,405,679	14,534,825	14,534,825
Cash and bank balances	1,458,994	29,686,953	29,686,953
	15,596,652	162,957,624	160,963,316
Non-current liabilities			
Payables	(11,131,451)	(26,117,369)	(26,117,369)
Bank overdraft	0	(4,515,229)	(4,515,229)
Borrowings	(6,025,683)	(24,667,146)	(24,667,146)
Tax payable	(48,911)	(3,022,508)	(3,022,508)
Deferred tax liabilities (Note 13)	0	(335,450)	(335,450)
	(17,206,045)	(58,657,702)	(58,657,702)
Fair value of net assets	7,314,911	123,921,020	
Less: Non-controlling interest as at acquisition date	(2,490,382)	(12,939,873)	
Group's share of net assets	4,824,529	110,981,147	
Goodwill on acquisition (Note 12)	1,837,580	431,380	
Bargain purchase	(52,109)	(16,912,529)	
Total cost of acquisition	6,610,000	94,499,998	

The cash (outflow)/inflow on the acquisitions are as follows:

Cash paid	(6,610,000)	0
Cash and cash equivalent of subsidiaries acquired	2,864,673	39,706,549
Cash (outflow)/inflow of the Company on acquisitions	(3,745,327)	39,706,549

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (Continued)

(ii) The effect of the acquisitions on the financial results of the Group from the date of acquisition to 31 December 2011 are as follows:

	2011 RM	2010 RM
Revenue	5,201,968	39,608,289
Profit for the financial year	838,314	26,282,492

Had the business combination taken place at the beginning of the year, the Group's revenue would have been RM192,738,483 and the profit for the financial year would have been RM33,723,038.

11. INVESTMENT IN AN ASSOCIATE [2011 ONLY]

	Group 2011 RM	Company 2011 RM
At cost		
Unquoted ordinary shares	831,079	831,079
Redeemable preference shares	840,000	840,000
Share of post acquisition profits	(35,137)	0
	1,635,942	1,671,079

The details of the associate company are as follows:

Name of company	Place of incorporation	Effective interest 2011	Principal activity
Ikhtiar Bitara Sdn. Bhd.	Malaysia	45%	Property development

The financial statements of the above associate has a financial year end of 31 October 2011. In applying the equity method of accounting, the financial statement of Ikhtiar Bitara Sdn. Bhd. for the financial year ended 31 October 2011 has been used and appropriate adjustment has been made for the effects of significant transactions between 31 October 2011 and 31 December 2011.

11. INVESTMENT IN AN ASSOCIATE [2011 ONLY] (CONTINUED)

The summarised financial information of the associate are as follows:

	Group 2011 RM
Assets and liability	
Current assets	2,321,725
Non-current assets	132,477
Total assets	2,454,202
Current liability	1,308,669
Total liability	1,308,669
Results	
Revenue	0
Loss for the financial year	(78,082)

12. GOODWILL ON CONSOLIDATION

	Group 2011 RM	2010 RM
Cost		
Balance as at 1 January	431,380	0
Acquisition of subsidiaries (Note 10)	1,837,580	431,380
	2,268,960	431,380
Written off	(502,724)	0
Balance as at 31 December	1,766,236	431,380

The goodwill written off is based on management's decision.

For the purpose of impairment testing, goodwill is allocated to the Group's Cash-generating Units ("CGU") identified according to the operating segments as follows:

	Group 2011 RM	2010 RM
Property development	1,766,236	431,380

12. GOODWILL ON CONSOLIDATION (CONTINUED)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions:

(i) Cash flows are projected based on the management's most recent five (5) years business plan.

(ii) Discount rates used for cash flows discounting purpose is the Group's weighted average cost of capital. The average discount rate applied for cash flow projection is 7%.

(iii) Estimated number of units sold based on current market conditions and past performances.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

13. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group 2011 RM	Group 2010 RM
Balance as at 1 January	1,129,950	0
Acquisition of subsidiaries (Note 10)	(60,000)	335,450
Recognised in profit or loss (Note 31):		
- property, plant and equipment	(100)	(3,500)
- property development costs	1,221,400	797,800
- (over)/underprovision in respect of prior financial year	(37,900)	200
Balance as at 31 December	2,253,350	1,129,950
Presented after appropriate offsetting:		
Deferred tax assets, net	(640,000)	0
Deferred tax liabilities, net	2,893,350	1,129,950
	2,253,350	1,129,950

13. DEFERRED TAX (CONTINUED)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group	**2011 RM**	**2010 RM**
Balance as at 1 January		
- property, plant and equipment	2,450	0
- property development costs	1,127,500	0
	1,129,950	0
Acquisition of subsidiaries (Note 10)	0	335,450
Recognised in profit or loss (Note 31):		
- property, plant and equipment	(100)	(3,500)
- property development costs	1,801,400	797,800
- (over)/underprovision in respect of prior financial year	(37,900)	200
Balance as at 31 December	2,893,350	1,129,950

The deferred tax liabilities of the Group at end of the financial year are analysed as follows:

	2011 RM	**2010 RM**
Property, plant and equipment	2,350	2,450
Property development costs	2,891,000	1,127,500
	2,893,350	1,129,950

Deferred tax assets of the Group	**2011 RM**	**2010 RM**
Balance as at 1 January	0	0
Acquisition of subsidiaries (Note 10)		
- property development costs	60,000	0
Recognised in profit or loss (Note 31):		
- property development costs	580,000	0
Balance as at 31 December		
- property development costs	640,000	0

13. DEFERRED TAX (CONTINUED)

(c) The amount of temporary differences for which no deferred tax asset has been recognised in the statement of the financial position are as follows:

	Group	
	2011	2010
	RM	RM
Property, plant and equipment	(4,400)	(9,700)
Property development costs	0	80,400
Unabsorbed tax losses	59,900	59,900
	55,500	130,600

Deferred tax assets of certain subsidiaries had not been recognised in respect of these items as it was not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The deductible temporary differences do not expire under the current tax legislation.

14. INVENTORIES [2011 ONLY]

	Group
	2011
	RM
At cost	
Completed development properties	2,779,717

15. PROPERTY DEVELOPMENT COSTS

	Group 2011 RM	2010 RM
Balance as at 1 January		
- Freehold land, at cost	77,500,523	0
- Development costs	153,212,298	0
	230,712,821	0
Acquisition of subsidiaries (Note 10)		
- Freehold land, at cost	8,697,721	92,817,858
- Development costs	3,584,244	189,673,204
	242,994,786	282,491,062
Add: Transfer from land held for property development (Note 9)		
- Freehold land, at cost	21,731,480	0
- Development costs	1,729,792	0
	266,456,058	282,491,062
Add: Costs incurred during the financial year		
- Freehold land, at cost	22,417,519	0
- Development costs	116,053,350	14,818,551
	404,926,927	297,309,613
Less:		
- Allowance for foreseeable losses	0	(8,480)
- Costs eliminated due to completion of project	(134,810,595)	(66,588,312)
Balance as at 31 December	270,116,332	230,712,821
Cost recognised in profit or loss:		
Balance as at 1 January	(165,873,243)	0
Acquisition of subsidiaries (Note 10)	(695,693)	(211,890,231)
Recognised during the financial year	(124,199,614)	(20,571,324)
Costs eliminated due to completion of project	134,810,595	66,588,312
Balance as at 31 December	(155,957,955)	(165,873,243)
Transfer to inventories	(848,632)	0
Balance as at 31 December	113,309,745	64,839,578

15. PROPERTY DEVELOPMENT COSTS (CONTINUED)

Included in the property development costs are the following charges incurred during the financial year:

	Group 2011 RM	2010 RM
Directors of the Company		
Executive Directors		
Directors' remuneration (Note 30)		
- other emoluments	0	69,000
Directors of the Subsidiaries		
Executive Director		
Directors' remuneration (Note 30)		
- other emoluments	101,426	21,103
Staff costs (exclude Directors' remuneration)	50,962	8,468
Interest on bank overdraft	139,953	9,648
Interest on bridging loans	267,517	95,063
Interest on term loans	1,039,055	305,735

Interest is capitalised in property development costs at rates ranging from 4.30% to 7.60% (2010: 4.06% to 7.30%) per annum.

Freehold land held under development with carrying value of RM81,818,163 (2010: RM35,202,385) has been charged to banks for for credit facilities granted to subsidiaries (Note 19).

Included in Directors' remuneration and staff costs of the Group are contributions to a defined contribution plan amounting to RM10,800 and RM5,400 (2010: RM11,250 and RM900) respectively.

16. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade receivables	18,034,475	14,582,292	0	0
Non-trade receivables	315,188	171,667	4,200	0
Accrued billings in respect of property development costs	41,338,505	18,898,593	0	0
Amount due from an associate	547,421	0	547,421	0
Amount due from customers for contract work	1,361	22,493,342	0	0
Amount due from subsidiaries	0	0	33,157,645	7,000,000
Deposits	4,919,250	174,554	15,540	0
Prepayments	138,949	2,130,822	137,656	1,329,329
	65,295,149	58,451,270	33,862,462	8,329,329

All receivables are denominated in RM.

(a) Trade receivables

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company are generally on 30 days term. They are recognised at their original billing amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2011	2010
	RM	RM
Neither past due nor impaired	16,706,309	11,409,977
1 to 30 days past due not impaired	1,028,516	1,731,090
31 to 60 days past due not impaired	80,400	138,760
61 to 90 days past due not impaired	48,300	470,021
More than 91 days past due not impaired	170,950	832,444
	18,034,475	14,582,292

16. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(a) Trade receivables (Continued)

Receivables that are neither past due nor impaired

Trade receivables are creditworthy debtors with good payment records with the Group.

Included in trade receivables that are neither past due nor impaired is an amount of RM621,945 (2010: RM2,376,126) held by solicitor as stakeholders.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,328,166 (2010: RM3,172,315) that are past due at the reporting date but not impaired. These relate to customers for whom there are no recent historical of default, purchasers with end financing from reputable financial institutions or and titles being held by the group until receipt of full payment. There is no objective evidence that the receivables are not fully recoverable.

(b) Amount due from customers for contract work

The amount due from customers for contract work are represented by:

	Group	
	2011	2010
	RM	RM
Construction contract costs	68,412,494	64,350,398
Attributable profits	27,638,755	26,022,873
	96,051,249	90,373,271
Progress billings	(94,728,700)	(67,879,929)
	1,322,549	22,493,342
Transfer to inventories	(1,321,186)	0
	1,363	22,493,342

Included in the contract expenditure incurred during the financial year are as follows:

Directors of the Company		
Executive Directors		
Directors' remuneration (Note 30)		
- other emoluments	0	245,740
Staff costs (exclude Directors' remuneration)	0	207,786

Included in Directors' remuneration and staff costs of the Group are contributions to a defined contribution plan amounting to RM Nil (2010: RM30,240 and RM21,751) respectively.

16. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(c) Amount due from subsidiaries

Include in the amount due from subsidiaries amounting to RM31,774,676 (2010: RM7,000,000) is non-trade in nature, bear interest at 4% (2010: Nil %) per annum, unsecured and payable upon demand in cash and cash equivalents.

(d) Amount due from an associate

The amount due from an associate is unsecured, non-interest bearing and payable upon demand in cash and cash equivalents.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	33,875,499	15,514,992	3,361,606	4,929
Fixed deposits with licensed banks	5,415,211	11,675,262	0	0
	39,290,710	27,190,254	3,361,606	4,929

All cash and cash equivalents are demoninated in RM.

(a) Included in the Group's cash and bank balances is an amount of RM17,037,762 (2010: RM3,058,625) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2002.

(b) Information on financial risk of cash and cash equivalents are disclosed in Note 40 to the financial statements.

(c) Included in the fixed deposits is an amount of RM817,044 (2010: RM123,518) pledged as securities for bank guarantees granted to the Group.

17. CASH AND CASH EQUIVALENTS (CONTINUED)

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Cash and bank balances	33,875,499	15,514,992	3,361,606	4,929
Deposits with licensed banks	4,598,167	11,551,744	0	0
Bank overdrafts included in borrowings (Note 19)	(859,318)	(3,116,573)	0	0
	37,614,348	23,950,163	3,361,606	4,929

18. SHARE CAPITAL

	Group and Company 2011 No. of shares	2010 No. of shares	2011 RM	2010 RM
Authorised				
Ordinary shares of RM0.50 each				
Balance as at 1 January	500,000,000	200,000	250,000,000	100,000
Created during the financial year	0	499,800,000	0	249,900,000
Balance as at 31 December	500,000,000	500,000,000	250,000,000	250,000,000
Issued and fully paid				
Ordinary shares of RM0.50 each				
Balance as at 1 January	189,000,000	4	94,500,000	2
Issued for acquisition of subsidiaries	0	188,999,996	0	94,499,998
Public issue	32,000,000	0	16,000,000	0
Balance as at 31 December	221,000,000	189,000,000	110,500,000	94,500,000

(a) During the financial year, the issued and paid-up share capital of the Company was increased from RM94,500,000 to RM110,500,000 by way of public issuance of 32,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 each ("Public Issue") pursuant to the listing and quotation of its ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The total proceeds raised from the Public Issue amounted to RM22,400,000.

18. SHARE CAPITAL (CONTINUED)

(b) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

(c) The Malaysian Budget 2008 introduced a single tier income tax system with effect from year of assessment 2008. Companies without Section 108 tax credit will automatically move to the new single tier dividend system on 1 January 2008 whilst companies with such tax credit are given an irrevocable option to switch to the new system during the transitional period of six years. All the companies will be in the new system on 1 January 2014. Under the new system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of shareholders. The Company does not have any Section 108 tax credit and thus it will be automatically moved to the new single tier dividend system.

19. BORROWINGS

	Group	
	2011	**2010**
	RM	**RM**
Current liabilities		
Secured		
Bank overdraft (Note 17(d))	859,318	3,116,573
Bridging loans	0	12,852,241
Term loans	5,154,948	2,435,381
	6,014,266	18,404,195
Non-Current liability		
Secured		
Term loans	71,938,087	4,664,619
	77,952,353	23,068,814
Total borrowings		
Bank overdraft (Note 20)	859,318	3,116,573
Bridging loans (Note 21)	0	12,852,241
Term loans (Note 22)	77,093,035	7,100,000
	77,952,353	23,068,814

All borrowings are denominated in RM.

20. BANK OVERDRAFT

The bank overdraft is secured by:

(a) Legal charge over certain parcel of a freehold property under development as disclosed in Note 15 to the financial statements; and

(b) Corporate guarantee by Nadayu Properties Berhad and the Company.

Information on financial risks of borrowings and its remaining maturity is disclosed in Note 40 to the financial statements.

21. BRIDGING LOANS [2010 ONLY]

The bridging loans of the Group were secured by:

(a) Legal charge over one parcel of a freehold property under development as disclosed in Note 15 to the financial statements; and

(b) Corporate guarantee by Nadayu Properties Berhad and the Company.

Information on financial risks of borrowings and its remaining maturity is disclosed in Note 40 to the financial statements.

22. TERM LOANS

The term loans are secured by:

(a) Legal charge over the Group's development land as disclosed in Note 9 and 15 to the financial statements; and

(b) Corporate guarantee by Nadayu Properties Berhad and the Company.

Information on financial risks of borrowings and its remaining maturity is disclosed in Note 40 to the financial statements.

23. PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade payables	22,204,662	19,121,510	0	0
Non-trade payables	17,859,510	34,609,795	3,000,000	20,000
Progress billings in respect of property development costs	5,760,012	131,146	0	0
Amount due to subsidiaries	0	0	25,790,000	8,329,877
Accruals	2,899,056	550,083	182,500	11,500
Deposits received	1,676,574	817,940	0	0
	50,399,814	55,230,474	28,972,500	8,361,377

All payables are denominated in RM.

(a) Trade payables are non-interest bearing and the normal trade credits granted to the Company is 30 days (2010: 30 days). Included in trade payables of the Group is retention sum on contracts amounting to RM10,769,172 (2010: RM12,373,070).

(b) Amount due to subsidiaries is unsecured, non-trade in nature, bear interest at 4% (2010: Nil %) per annum and payable upon demand in cash and cash equivalents.

(c) Information on financial risks of trade and other payables are disclosed in Note 40 to the financial statements.

24. REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Property development revenue	182,785,989	27,818,410	0	0
Contract revenue	8,463,487	11,691,867	0	0
Project management fees	0	0	1,382,969	0
Rental income from investment properties	475,800	81,192	0	0
Operation of car park	118,482	16,820	0	0
Dividend income from subsidiaries	0	0	20,400,000	0
	191,843,758	39,608,289	21,782,969	0

25. COST OF SALES

	Group 2011 RM	Group 2010 RM
Property development cost	125,242,188	20,571,324
Contract works	5,358,407	6,978,480
	130,600,595	27,549,804

26. INTEREST INCOME

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Interest income from:				
Financial institution	705,940	55,844	99,149	0
Loans and receivables				
- subsidiaries	0	0	345,565	0
- third parties	136,547	35,049	0	0
	842,487	90,893	444,714	0

27. OTHER INCOME

	Group 2011 RM	Group 2010 RM
Administrative charges	34,660	110
Bargain purchase gain	52,109	16,912,529
Deposit forfeited	79,540	11,500
Upgrading works	204,724	4,998
Fair value adjustments on investment properties	160,000	25,765
	531,033	16,954,902

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28. FINANCE COSTS [2011 ONLY]

	Group 2011 RM	Company 2011 RM
Interest expense on:		
- term loans	775,034	0
- advances from subsidiaries	0	448,617
	775,034	448,617

29. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration				
- statutory audits	141,500	52,700	25,000	12,000
- other services	43,000	0	0	0
Listing expenses	2,674,165	0	2,674,165	0
Depreciation of property, plant and equipment (Note 7)	299,556	22,275	2,252	0
Directors' remuneration (Note 30)				
- fee	170,000	0	170,000	0
- other emoluments	1,415,575	110,400	9,600	0
Goodwill on consolidation written off (Note 12)	502,724	0	0	0
Property, plant and equipment written off (Note 7)	24,013	0	0	0
Rental of automatic parking machine	12,000	2,000	0	0
Office- Rental	28,200	52,330	0	0
Show unit- Rental	35,280	0	0	0

30. DIRECTORS' REMUNERATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
Directors' fee	48,000	0	48,000	0
Salaries and other emoluments	994,000	120,000	9,600	0
Bonus	238,500	251,500	0	0
Defined contribution plan	183,075	53,640	0	0
	1,463,575	425,140	57,600	0
Less:				
- capitalised in property development cost (Note 15)	0	(69,000)	0	0
- capitalised in construction costs (Note 16)	0	(245,740)	0	0
Total executive directors' remuneration (exclude benefits-in-kind) (Note 29)	1,463,575	110,400	57,600	0
Estimated money value of benefits-in-kind	28,750	3,211	0	0
Total executive directors' remuneration (including benefits-in-kind)	1,492,325	113,611	57,600	0
Directors of the Company				
Non-executive Directors				
- Directors' fee (Note 29)	122,000	0	122,000	0
Directors of the Subsidiaries				
Executive Director				
Salaries and other emoluments	75,626	10,103	0	0
Bonus	15,000	8,750	0	0
Defined contribution plan	10,800	2,250	0	0
	101,426	21,103	0	0
Less:				
- capitalised in property development costs (Note 15)	(101,426)	(21,103)	0	0
Total executive directors' remuneration (excluding benefits-in-kind) (Note 29)	0	0	0	0

30. DIRECTORS' REMUNERATION (CONTINUED)

The number of Directors of the Group whose total remuneration during the financial year which fell within the following bands is analysed as below:

	Number of directors 2011	2010
Executive Directors		
RM50,001 - RM100,000	0	1
RM100,001 - RM150,000	0	1
RM200,001 - RM250,000	1	0
RM250,001 - RM300,000	0	1
RM350,001 - RM400,000	1	0
RM850,001 - RM900,000	1	0

	Number of directors 2011	2010
Non-executive Directors		
RM1 - RM50,000	5	0

Director of the Subsidiary Executive Director	Number of director 2011	2010
RM100,001 - RM150,000	1	0

31. TAX EXPENSE

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
The major components of the tax expense are:				
Current tax expense based on profit for the financial year	11,880,711	1,352,185	1,078,500	0
Underprovision of taxation in respect of prior financial year	2,246	1	0	0
	11,882,957	1,352,186	1,078,500	0
Deferred tax (Note 13):				
- relating to origination and reversal of			0	0
temporary differences	1,221,300	794,300	0	0
- (over)/underprovision in respect of prior financial year	(37,900)	200	0	0
	13,066,357	2,146,686	1,078,500	0

Reconciliation of tax expense and accounting profit/(loss):

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Accounting profit/(loss) before tax	46,760,761	28,411,906	17,284,772	(17,272)
Tax at the applicable tax rate of 25%	11,690,100	7,103,000	4,321,200	(4,300)
Tax effect in respect of:				
Income not subject to tax	(47,670)	(4,566,470)	(4,206,200)	0
Non-allowable expenses	1,478,381	26,750	963,500	0
Different tax rate for first RM500,000 of chargeable income	0	6,835	0	0
Permanent loss not recognised during the financial year	56,300	3,400	0	4,300
Underprovision of taxation in respect of prior financial year	2,246	1	0	0
Deferred tax assets not recognised during the financial year	3,500	6,670	0	0
(Over)/Underprovision of deferred tax liabilities in respect of prior financial year	(37,900)	200	0	0
Utilisation of deferred tax assets previously not recognised	(78,600)	(433,700)	0	0
Tax expense for the financial year	13,066,357	2,146,686	1,078,500	0

32. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2011 RM	2010 RM
Profit attributable to equity holders of the parent	23,378,513	25,228,347
Weighted average number of ordinary shares in issue (units)	219,421,918	25,890,414
Basic earnings per share (sen)	10.65	97.44

(b) Diluted

As there are not dilutive ordinary shares during the financial year, no diluted earning per share is presented.

33. DIVIDEND [2011 ONLY]

	Company Gross dividend per share sen	Amount of dividend net of tax RM
Interim dividend paid	4.60	10,166,000

A first and final tax exempt dividend in respect of the financial year ended 31 December 2011 of 3.8 sen per ordinary share, amounting to RM8,398,000 has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2012.

34. EMPLOYEE BENEFITS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Wages, salaries and bonuses	3,862,737	620,625	601,659	0
Directors' fee	48,000	0	48,000	0
Contributions to defined contribution plan	514,652	81,942	71,928	0
Social security contributions	25,584	1,966	5,480	0
Commission	460,000	0	0	0
Other benefits	278,453	8,907	48,236	0
	5,189,426	713,440	775,303	0

Include in the employee benefits of the Group are Executive Directors' remuneration amounting to RM1,463,575 (2010: RM425,140).

35. CAPITAL COMMITMENTS

	Group	
	2011	2010
	RM	RM
Approved and contracted for:		
- Development land	169,758,540	59,982,255

36. CONTINGENT LIABILITIES

	Group and Company	
	2011	2010
	RM	RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries - unsecured	92,940,000	0

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantee are remote.

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

37. RELATED PARTY DISCLOSURES (CONTINUED)

(b) In addition to the transaction and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Progress claimed charged to associate	286,568	0	0	0
Rental received from a company of which a Director has interest	4,300	0	0	0
Rental paid to a company of which a Director has interest	63,480	0	0	0
Payment of professional services rendered for consulting civil and structural engineer to a company of which a Director has interest	64,620	0	0	0
Payment of services rendered for external telecom, electronic works and street lighting to a company of which a Director has interest	324,711	0	0	0
Dividend received from subsidiaries	0	0	20,400,000	0
Project management fee charged to subsidiary	0	0	1,382,969	0
Interest charged to subsidiaries	0	0	345,565	0
Interest charged by subsidiaries	0	0	448,617	0

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

37. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short term employee benefits	1,659,233	371,500	436,332	0
Contributions to defined contribution plans	216,681	53,640	33,606	0
	1,875,914	425,140	469,938	0

38. OPERATING SEGMENTS

Tambun Indah Land Berhad and its subsidiaries are principally engaged in investment holding, property development, construction and project management.

Tambun Indah Land Berhad has arrived at three (3) reportable segments that are organised and managed seperately according to the services, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Investment holding - Operation of car park and rental income.

(ii) Property development - Development of land into vacant lots, residential, commercial and industrial buildings.

(iii) Construction and project management - Construction and project management activities.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring gain/(losses), such as bargain purchase gain and goodwill on consolidation written off.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial year.

Segment assets exclude tax assets and segment liabilities exclude tax liabilities.

38. OPERATING SEGMENTS (CONTINUED)

(a) Business Segments (Continued)

	Investment holding RM	Property development RM	Construction and project management RM	Group RM
2011				
Revenue:				
Total revenue	21,249,742	182,785,989	42,086,411	246,122,142
Inter-segment revenue	(20,655,460)	0	(33,622,924)	(54,278,384)
Revenue from external customer	594,282	182,785,989	8,463,487	191,843,758
Interest income	102,651	659,732	80,104	842,487
Finance costs	0	(775,034)	0	(775,034)
Net finance expense	102,651	(115,302)	80,104	67,453
Depreciation of property, plant and equipment	(3,391)	(40,266)	(255,899)	(299,556)
Segment profit before income tax	686,263	47,986,386	2,148,949	50,821,598
Share of loss of an associate	0	(35,137)	0	(35,137)
Tax expense	(336,009)	(12,278,954)	(451,394)	(13,066,357)
Other non-cash items:				
- bargain purchase gain	52,109	0	0	52,109
- goodwill on consolidation written off	(502,724)	0	0	(502,724)
- net gain from fair value adjustment on investment properties	160,000	0	0	160,000
Investment in an associate	0	1,635,942	0	1,635,942
Additions to non-current assets other than financial instruments and tax assets	171,258	48,755,540	323,350	49,250,148
Segment assets	14,918,958	301,771,596	3,511,370	320,201,924
Segment liabilities	3,233,943	118,915,998	6,202,226	128,352,167

38. OPERATING SEGMENTS (CONTINUED)

(a) Business Segments (Continued)

	Investment holding RM	Property development RM	Construction and project management RM	Group RM
2010				
Revenue:				
Total revenue	130,242	27,818,410	12,798,354	40,747,006
Inter-segment revenue	(32,230)	0	(1,106,487)	(1,138,717)
Revenue from external customer	98,012	27,818,410	11,691,867	39,608,289
Interest income	583	88,472	1,838	90,893
Depreciation of property, plant and equipment	(240)	(6,445)	(15,590)	(22,275)
Segment profit before income tax	105,494	5,629,139	5,764,744	11,499,377
Tax expense	(20,955)	(1,299,291)	(826,440)	(2,146,686)
Other non-cash items:				
- bargain purchase gain	16,912,529	0	0	16,912,529
- net gain from fair value adjustment on investment properties	25,765	0	0	25,765
Additions to non-current assets other than financial instruments and tax assets	389,235	41,971,168	76,388	42,436,791
Segment assets	11,290,451	172,728,931	28,954,479	212,973,861
Segment liabilities	412,403	66,881,207	11,005,678	78,299,288

38. OPERATING SEGMENTS (CONTINUED)

(a) Business Segments (Continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

Revenue

	2011 RM	2010 RM
Total revenue for reportable segments	246,122,142	40,747,006
Elimination of inter-segmental revenues	(54,278,384)	(1,138,717)
Group's revenue per consolidated statement of comprehensive income	191,843,758	39,608,289

Profit for the financial year

	2011 RM	2010 RM
Total profit for reportable segments	50,821,598	11,499,377
Unallocated amount:		
- corporate expenses	(3,610,222)	0
Bargain purchase gain	52,109	16,912,529
Goodwill on consolidation written off	(502,724)	0
Profit before tax	46,760,761	28,411,906
Income tax expenses	(13,066,357)	(2,146,686)
	33,694,404	26,265,220

Assets

	2011 RM	2010 RM
Total assets for reportable segments	320,201,924	212,973,861
Deferred tax assets	640,000	0
Current tax assets	1,342,872	2,254,549
Group's assets	322,184,796	215,228,410

Liabilities

	2011 RM	2010 RM
Total liabilities for reportable segments	128,352,167	78,299,288
Deferred tax liabilities	2,893,350	1,129,950
Current tax liabilities	3,575,249	2,103,928
Group's liabilities	134,820,766	81,533,166

38. OPERATING SEGMENTS (CONTINUED)

(b) Geographical segments

The segmental financial information by geographical segments is not presented as the Group's activities are mainly carried out in Malaysia.

There are no single external customers that the revenue generated from exceeded 10% of the Group's revenue.

39. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group and the Company remains unchanged from that in the financial year ended 31 December 2010.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial year ended 31 December 2011 and 31 December 2010.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a capital gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep capital gearing ratio at 50% determined as the proportion of net debt to equity. The Group includes within net debt, loans and borrowings less cash and cash equivalents. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Borrowings	77,952,353	23,068,814	0	0
Less: Cash and cash equivalents (Note 17)	(39,290,710)	(27,190,254)	(3,361,606)	(4,929)
Net debt/(cash)	38,661,643	(4,121,440)	(3,361,606)	(4,929)
Total capital	155,331,011	119,718,498	122,913,151	94,472,879
Net debt/(cash)	38,661,643	(4,121,440)	(3,361,606)	(4,929)
Equity	193,992,654	115,597,058	119,551,545	94,467,950
Capital gearing ratio	19.9%	*	*	*

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39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Capital management (Continued)

* Capital gearing ratio is not presented as the Group is in net cash position as at 31 December 2010 and the Company is in net cash position as at 31 December 2011 and 31 December 2010 respectively.

(b) Categories of financial instruments

Loans and receivables	**Group RM**	**Company RM**
2011		
Financial assets		
Receivables, excluding deposits and prepayments	60,236,950	33,709,266
Cash and cash equivalents	39,290,710	3,361,606
	99,527,660	37,070,872
2010		
Financial assets		
Receivables, excluding deposits and prepayments	56,145,894	7,000,000
Cash and cash equivalents	27,190,254	4,929
	83,336,148	7,004,929

Other financial liabilities	**Group RM**	**Company RM**
2011		
Financial liabilities		
Borrowings	77,952,353	0
Payables	50,399,814	28,972,500
	128,352,167	28,972,500
2010		
Financial liabilities		
Borrowings	23,068,814	0
Payables	55,230,474	8,361,377
	78,299,288	8,361,377

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Methods and assumptions used to estimate fair value

Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as receivables, payables and borrowings are reasonable approximation of fair value, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

The Group and the Company operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group and the Company financial risk management policies. The Group and the Company is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Exposure to credit risk

At the end of the reporting date, the Group and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

As at the end of the reporting period, the Group and the Company have no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16 to the financial statements. Deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due nor impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 to the financial statements.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity and cash flow risk

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet its financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group and the Company measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group and the Company's activities.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.

The table below summarises the maturity profile of the Group and the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

As at 31 December 2011	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Financial liabilities:				
Payables	50,399,814	0	0	50,399,814
Borrowings	9,350,727	76,161,467	3,071,858	88,584,052
Total undiscounted financial liabilities	59,750,541	76,161,467	3,071,858	138,983,866

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity and cash flow risk (Continued)

	On demand or within one year RM	One to five years RM	Total RM
Company			
Financial liabilities:			
Payables	28,972,500	0	28,972,500
Total undiscounted financial liabilities	28,972,500	0	28,972,500
As at 31 December 2010			
Group			
Financial liabilities:			
Payables	55,230,474	0	55,230,474
Borrowings	18,805,748	4,822,821	23,628,569
Total undiscounted financial liabilities	74,036,222	4,822,821	78,859,043
Company			
Financial liabilities:			
Payables	8,361,377	0	8,361,377
Total undiscounted financial liabilities	8,361,377	0	8,361,377

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company's exposure to interest rate risk arises primarily from variable loans and borrowings.

As at the reporting date, the Group and the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (Continued)

Sensitivity analysis for interest rate risk

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 December 2011. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's profit after tax would decrease or increase by RM58,200, as a result of higher or lower interest expense on these borrowings.

For those interest expense incurred and capitalised as part of the expenditure on property development costs during the financial year, if the interest rates were to increase or decrease by 50 basis points with all other variables held constant, those assets of the Group would increase or decrease by RM116,300, as a result of higher or lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (Continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Company's financial instruments that are exposed to interest rate risk:

	Note	Interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
As at 31 December 2011									
Fixed rates									
Deposits with licensed banks	17	3.00 - 3.25	5,415,211	0	0	0	0	0	5,415,211
Floating rates									
Cash and bank balances	17	2.00	33,875,499	0	0	0	0	0	33,875,499
Term loan	19	4.30 - 5.35	(5,154,948)	(13,632,740)	(17,533,340)	(17,722,205)	(19,999,802)	(3,050,000)	(77,093,035)
Bank overdrafts	19	4.60	(859,318)	0	0	0	0	0	(859,318)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (Continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Company's financial instruments that are exposed to interest rate risk:

	Note	Interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
As at 31 December 2010									
Fixed rates									
Deposits with licensed banks	17	2.00 - 2.95	11,675,262	0	0	0	0	0	11,675,262
Floating rates									
Cash and bank balances	17	2.00	15,514,992	0	0	0	0	0	15,514,992
Bank overdrafts	19	6.80	(3,116,573)	0	0	0	0	0	(3,116,573)
Term loan	19	5.05	(2,435,381)	(4,664,619)	0	0	0	0	(7,100,000)
Bridging loans	19	7.30	(12,852,241)	0	0	0	0	0	(12,852,241)

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Company during the financial year are as follows:

(a) On 4 May 2011, the Company completed the acquisition of 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.

(b) On 4 May 2011, Palmington Sdn. Bhd., a 60%-owned subsidiary of the Company 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 Sdn. Bhd. and Pembangunan Bandar Mutiara Sdn. Bhd. mutually agreed to extend the completion date of the acquisition of Parcel R1 to 30 November 2011.

On 30 November 2011, Palmington Sdn. Bhd. and Pembangunan Bandar Mutiara Sdn. Bhd. mutually agreed to further extend the completion date in respect of the acquisition of Parcel R1 from 30 November 2011 to on or before 9 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.

(c) On 27 July 2011, the Company completed the acquisition of 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 RM4,650,000.

(d) On 9 August 2011, the Company completed the acquisition of 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 RM1,460,000.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(e) On 22 September 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 RM5,500,000, in the manner of RM5,000,000 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 RM500,000 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 sale and purchase agreement or such other extended period as may be agreed by the Company, the parties agree that the purchase consideration for the sale shares shall be only RM5,000,000. In such event, the Company shall not be obliged to pay to the Premcourt Vendors the sum of RM500,000 and such amount shall be treated as a discount given by the Premcourt Vendors to Tambun Indah Land Berhad for the purchase of the sale shares.

On 19 March 2012, Premcourt had obtained planning permission/development order from local authority and the Company had on 22 March 2012 paid the balance of RM500,000 to the Vendors accordance to their respective shareholding proportion.

(f) On 29 December 2011, TKS Land Sdn. Bhd., the wholly-owned subsidiary of Tambun Indah Land Berhad completed the acquisition of 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.

42. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

(a) On 19 January 2012, the Company proposed a renounceable rights issue of 88,400,000 new ordinary shares of RM0.50 each in the Company ("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 the Company held on an entitlement date and issue price to be determined later; and establishment of an employees' share option scheme of up to five per centum (5%) of the issued and paid-up share capital (excluding treasury shares) of the Company for eligible persons of the Company and its subsidiaries.

(b) On 2 April 2012, Perquest Sdn. Bhd. a wholly-owned subsidiary company of the Company had entered into a Joint Venture Agreement with landowner for the joint development of a piece of land in Butterworth Town, Seberang Perai Utara, Penang with total land area measuring approximately 3.26 acres.

43. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2011 into realised and unrealised profits is presented in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total retained profits of the Company and its subsidiaries:				
- realised	76,822,426	50,345,130	6,013,151	(27,121)
- unrealised	15,172,503	16,143,794	0	0
	91,994,929	66,488,924	6,013,151	(27,121)
Total share of retained profits from an associate:				
- realised	(35,137)	0	0	0
- unrealised	0	0	0	0
	91,959,792	66,488,924	6,013,151	(27,121)
Less: Consolidation adjustments	(53,528,781)	(41,270,426)	0	0
Total group/company retained profits as per consolidated accounts	38,431,011	25,218,498	6,013,151	(27,121)

TAMBUN INDAH LAND BERHAD (Company No: 810446-U)
12-01, Penthouse, Wisma Pantai,
Jalan Wisma Pantai, Kampung Gajah,
12200 Butterworth, Penang
Tel: 04-324 0088 Fax: 04-324 0090
e-mail: tambunsb@streamyx.com website: www.tambunindah.com

Date: 30 April 2012

Registered Office:

51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

The Shareholders of Tambun Indah Land Berhad ("Tambun Indah" or the "Company")

Dear Sir/ Madam,

On behalf of the Board of Directors of Tambun Indah ("Board"), I wish to report that, after making due enquiries in relation to the interval between 31 December 2011, being the date to which the last audited consolidated financial statements of the Company and its subsidiaries and its associate company ("Group") have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the date of issuance of this Abridged Prospectus ("AP"):

(i) in the opinion of the Board, the business of the Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;

(iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in Section 10.3 of this AP and to the best knowledge of the Board, there are no material contingent liabilities which have arisen by reason of any guarantees or indemnities given by any company within the Group;

(v) there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/ or principal sums in relation to any borrowings in the Group since the last audited consolidated financial statements of the Group of which the Board is aware of; and

(vi) save as disclosed in this AP, to the knowledge of the Board, there has been no material changes in the published reserves or any unusual factor affecting the profits of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully
For and on behalf of the Board of Directors of
TAMBUN INDAH LAND BERHAD

IR. TEH KIAK SENG
Managing Director

1. SHARE CAPITAL

(i) Save for the ESOS, the Rights Shares, Warrants and new Shares to be issued pursuant to the exereise of Warrants and ESOS, no securities in our Company will be issued or allotted on the basis of this AP later than twelve (12) months after the date of this AP;

(ii) As at the date of this AP, there is no founder, management or deferred shares in our Company. There is only one (1) elass of shares, namely ordinary shares of RM0.50 eaeh in our Company;

(iii) The Rights Shares and new Tambun Indah Shares to be issued arising from the exereise of the Warrants and ESOS, if any, shall, upon issuanee and allotment, rank *pari passu* in all respeets with the then existing issued and fully paid-up Tambun Indah Shares save and exeept that they will not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid prior to the allotment date of the Rights Shares or the new Tambun Indah Shares to be issued pursuant to the exereise of the Warrants and ESOS;

(iv) The names, addresses and professions of our Board are set out under the seetion on Corporate Direetory of this AP.

(v) Save for the Rights Issue with Warrants for Entitled Shareholders and the options to be granted under the ESOS to eligible employees and Direetors, no person has been or is entitled to be granted an option to subscribc for any seeurities of our Company and no eapital of our Company is under any option or agreed eonditionally or uneonditionally to be put under any option as at the date of this AP.

The salient terms of the ESOS are as follows:

Maximum number of Shares	:	The maximum number of new Shares whieh may be issued and allotted pursuant to the exercise of the Options shall not at any point in time in aggregate exeeed five per centum (5%) of the issued and paid-up share capital of the Company (excluding treasury shares) at any point in time during the duration of the Scheme.
Grantee	:	A Director or employee who fulfills the conditions of eligibility stipulated in Bylaws who has accepted an offer made in writing by the ESOS Committee.
Option period	:	The period commencing from the date of acceptance and expiring five (5) years from the effective date or upon the date of expiry or termination of the Seheme.
Exercise price of ESOS Options	:	The higher of the following: (a) A priee to be determined by the Board upon recommendation of the ESOS Committee based on the weighted average market price of the Shares for five (5) Market Days immediately preceding the date of offer with a discount of not more than ten per centum (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme; or (b) The par value of the Shares. As at the LPD, no option has been granted.

Acceptance : An offer shall be accepted by eligible employees and Directors within the offer period by written notice to the ESOS Committee accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the grant of thc Options.

(vi) Save as disclosed in Section 6 of Appendix II, no securities of our Company have been issued or agreed to be issued as fully or partly paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this AP.

2. REMUNERATION OF DIRECTORS

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows (capitalised terms mentioned are as defined in our Company's Articles of Association):

Article 95

(a) The fees payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting, provided that such fees shall not be increased except pursuant to an Ordinary Resolution passed at a general meeting, where notice of the proposed increase has been given in the noticc convening the meeting.

(b) Executive Director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, rcceive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may from time to time determine.

(c) Fees payable to non-executivc Directors shall be a fixed sum, and not by a commission on or percentagc of profits or turnover.

(d) Salaries payable to executive Director(s) may not include a commission on or percentage of turnover.

(e) Any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Dircctor nominating him and shall be paid out of the remuneration of the latter.

Article 96

(1) The Directors shall be paid all their travelling and other expenscs properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.

(2) If any Director being willing shall be called upon to perform extra scrvices or to makc any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to non-executive Director(s) shall not include a commission on or percentage of turnover or profits.

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3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiaries has entered into any other material contract (not being contracts entered into in the ordinary course of business of the Company or its subsidiaries) during the two (2) years immediately preceding the date of this AP:

(i) The Deed Poll dated 27 April 2012 constituting the Warrants;

(ii) Underwriting Agreement dated 18 April 2012 between the Company, the Managing Underwriter and the Underwriters whereby:

   (a) the Underwriters agreed to underwrite up to 38,141,929 Rights Shares pursuant to the Rights Issue with Warrants for an underwriting commission of RM429,096.70 to be paid to the Underwriters; and

   (b) a managing underwriting fee of 0.25% of the value of the Underwritten Shares amounting to approximately RM47,677.40 to be paid to the Managing Underwriter;

(iii) On 2 April 2012, the Company's subsidiary, Perquest Sdn Bhd has entered into a joint venture agreement with Al. Alamelu Achi D/O Vengadachalam Chettiar, CT. Arunachalam A/L Chidambaram Chettiar, CT. Narayanan A/L Chidambaram Chettiar, Ramasamy A/L Alagappa Chettiar and A. Alagappan as executor of the estate of Arunachalam A/L Alagappa Chettiar (deccased) for the development of Lot 185 and Lot 186, both in Section 2, Bandar Butterworth, Daerah Seberang Perai Utara, Penang held under Geran 24008 and 24009;

(iv) On 29 December 2011, the Company's subsidiary, TKS Land Sdn Bhd has entered into a share sale and purchase agreement and shareholders agreement both with Ooi Boon Ewe, Ooi Boon Hwa and Ooi Bee Eng in relation to the purchase of 200,000 ordinary shares in Ascention Sdn Bhd by TKS Land Sdn Bhd for a total cash consideration of RM200,000;

(v) On 29 August 2011, the Company has entered into a share sale and purchase agreement with Siram Permai Sdn Bhd and Tah-Wah Sdn Bhd for the acquisition of 250,000 ordinary shares in Premcourt Development Sdn Bhd ("Premcourt") for a cash consideration of RM5,500,000;

(vi) The Company's subsidiary, Palmington Sdn Bhd has entered into five (5) sale and purchase agreements, all dated 4 May 2011 together with a supplemental agreement relating thereto dated 19 September 2011 with Pembangunan Bandar Mutiara Sdn Bhd for the purchase of Parcel R1, R2, R3, C and Amenities Lands (more particularly defined therein), all within the locality of Simpang Ampat, Mukim 15, Province Wellesley South, Penang for a cash consideration of RM233,223,021. The parties have also entered into a shareholders agreement dated 4 May 2011 to regulate their relationship in Palmington Sdn Bhd;

(vii) On 16 February 2011, the Company has entered into a share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Alpha Master (M) Sdn Bhd and Teh Eng Bew for the acquisition of 500,000 ordinary shares in Pridaman Sdn Bhd for a cash consideration of RM4,650,000;

(viii) On 16 February 2011, the Company has entered into a share sale and purchase agreement with Siram Permai Sdn Bhd and Siti Shikha Binti Zakaria for the acquisition of 45,000 ordinary shares in Ikhtiar Bitara Sdn Bhd for a cash consideration of RM1,460,000;

(ix) On 3 December 2010, the Company's subsidiary, Hong Hong Development Sdn Bhd has entered into a sale and purchase agreement with Goh Ah Bah @ Goh Kim Liang and Lim Ah Poo for the acquisition of a parcel of land known as Lot No. 968, 527 & 528, Mukim 14, Seberang Perai Utara, Penang held under Geran Mukim No. GM 2, 407 & 3 for a total cash consideration of RM7,512,972;

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(x) On 15 November 2010, the Company has entered into an underwriting agreement with MIMB Investment Bank Berhad for the underwriting of the following:

(a) 11,050,000 ordinary shares of RM0.50 each for the subscription of the Malaysian public to be underwritten for an underwriting commission of 2.5% of the initial public offering price of RM0.70 per share; and

(b) 11,050,000 ordinary shares of RM0.50 each to be underwritten under the pink form allocation for an underwriting commission of 0.5% of the initial public offering price of RM0.70 per share;

(xi) On 30 August 2010, the Company's subsidiary, Premcourt has entered into a joint venture agreement with Lin Ghee Seah – Goh Hian Tai Teh (Registration No. 305 (Penang) for the development of Lot 420, Section 1, Bandar Jelutong, Daerah Timur Laut, Penang held under Geran 17696;

(xii) On 22 July 2010, the Company's subsidiary, Ascention Sdn Bhd has entered into a sale and purchase agreement with Heng Fook Yat and Yong Sow Kin for the purchase of GM959, Lot 1467 and GM618, Lot 1226, both of Mukim 14, Daerah Seberang Perai Tengah, Penang for a cash consideration of RM2,750,000;

(xiii) On 11 June 2010 The Company's subsidiary, Pridaman Sdn Bhd has entered into a sale and purchase agreement with Tan Kheng Hong (vendor) for the purchase of Lot 699, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang held under GM100 for a cash consideration of RM8,697,721;

(xiv) On 22 May 2010, the Company's subsidiary, Palmington Sdn Bhd has entered into three (3) sale and purchase agreements with Lee Cha Boh @ Lee Ah Han, Ong Chin Seng as executor of the estate of Ong Yew Gee @ Ong Yew Lee and Ong Seng Swee @ Ong Ah Bah for the purchase of Geran 43670, Lot No. 1471, Mukim 15, Daerah Seberang Perai Selatan, Penang for a total cash consideration of RM5,441,763;

(xv) On 15 May 2010, in connection with the listing of the Company on the Main Market of Bursa Securities, the Company has entered into the following:

(a) conditional share sale and purchase agreement with Siram Permai Sdn Bhd and Tah-Wah Sdn Bhd for the acquisition of the entire issued and paid-up share eapital of Cenderaman Development Sdn Bhd comprising 4,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM3,991,350 satisfied by the issuance of 7,982,700 new shares in the Company at an issue price of RM0.50 per share;

(b) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd and NLE Electrical Engineering Sdn Bhd for the acquisition of the entire issued and paid-up share capital of Denmas Sdn Bhd comprising 1,800,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,789,024 satisfied by the issuance of 3,578,048 new shares in the Company at an issue price of RM0.50 per share;

(c) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Tah-Wah Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd and Teh Eng Bew for the acquisition of the entire issued and paid-up share capital of Denmas Development Sdn Bhd comprising 5,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM4,994,056 satisfied by the issuance of 9,988,112 new shares in the Company at an issue price of RM0.50 per share;

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(d) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd and Teh Eng Bew for the acquisition of the entire issued and paid-up share capital of Epiland Properties Sdn Bhd comprising 250,100 ordinary shares of RM1.00 each for a purchase consideration of RM504,292 satisfied by the issuance of 1,008,584 new shares in the Company at an issue price of RM0.50 per share;

(e) conditional share sale and purchase agreement with Poh Chean Hung and Ng Lai Lai for the acquisition of the entire issued and paid-up share capital of Langstone Sdn Bhd comprising 2,783,380 ordinary shares of RM1.00 each for a purchase consideration of RM8,386,323 satisfied by the issuance of 16,772,646 new shares in the Company at an issue price of RM0.50 per share;

(f) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Tah-Wah Sdn Bhd and Viewpoint Style Sdn Bhd for the acquisition of the entire issued and paid-up share capital of Hong Hong Development Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM5,950,384 satisfied by the issuance of 11,900,768 new shares in the Company at an issue price of RM0.50 per share;

(g) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Tah-Wah Sdn Bhd and Sound Vantage Sdn Bhd for the acquisition of the entire issued and paid-up share capital of Intanasia Development Sdn Bhd comprising 1,550,000 ordinary shares of RM1.00 each for a purchase consideration of RM4,222,661 satisfied by the issuance of 8,445,322 new shares in the Company at an issue price of RM0.50 per share;

(h) conditional share sale and purchase agreement with Siram Permai Sdn Bhd and Tah-Wah Sdn Bhd for the acquisition of the entire issued and paid-up share capital of Jasnia Sdn Bhd comprising 5,770,000 ordinary shares of RM1.00 each for a purchase consideration of RM8,499,242 satisfied by the issuance of 16,998,484 new shares in the Company at an issue price of RM0.50 per share;

(i) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Teh Eng Bew and Lai Fook Hoy for the acquisition of the entire issued and paid-up share capital of Juru Heights Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM11,726,244 satisfied by the issuance of 23,452,488 new shares in the Company at an issue price of RM0.50 per share;

(j) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Alpha Master (M) Sdn Bhd, Mahcesy Sdn Bhd and Teh Eng Bew for the acquisition of the entire issued and paid-up share capital of Perquest Sdn Bhd comprising 1,250,000 ordinary shares of RM1.00 each for a purchase consideration of RM10,395,297 satisfied by the issuance of 20,790,594 new shares in the Company at an issue price of RM0.50 per share;

(k) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Alpha Master (M) Sdn Bhd, Mahcesy Sdn Bhd and Teh Eng Bew for the acquisition of the entire issued and paid-up share capital of Tambun Indah Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,447,283 satisfied by the issuance of 2,894,566 new shares in the Company at an issue price of RM0.50 per share;

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(l) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Honour Symbol Sdn Bhd, Lai Fook Hoy and Teh Eng Bew for the acquisition of the entire issued and paid-up share capital of Tokoh Edaran Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM3,595,522 satisfied by the issuance of 7,191,044 new shares in the Company at an issue price of RM0.50 per share;

(m) conditional share sale and purchase agreement with Siram Permai Sdn Bhd for the acquisition of the entire issued and paid-up share capital of TKS Land Sdn Bhd comprising 4,800,002 ordinary shares of RM1.00 each for a purchase consideration of RM4,800,002 satisfied by the issuance of 9,600,004 new shares in the Company at an issue price of RM0.50 per share;

(n) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd and Tah-Wah Sdn Bhd for the acquisition of 70% of the entire issued and paid-up share capital of Tambun Indah Development Sdn Bhd comprising 700,000 ordinary shares of RM1.00 each, 350,000 redeemable preference shares ("RPS") (Series A) and RPS (Series B) for a purchase consideration of RM17,720,331 satisfied by the issuance of 35,440,662 new shares in the Company at an issue price of RM0.50 per share;

(o) conditional share sale and purchase agreement with Ir. Teh Kiak Seng for the acquisition of 50% of the entire issued and paid-up share capital of Zipac Development Sdn Bhd comprising 250,000 ordinary shares of RM1.00 each and 2,200,000 RPS for a purchase consideration of RM2,477,987 satisfied by the issuance of 4,955,974 new shares in the Company at an issue price of RM0.50 per share; and

(p) conditional share sale and purchase agreement with Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Tah-Wah Sdn Bhd and Teh Eng Bew for the acquisition of the entire issued and paid-up share capital of TID Development Sdn Bhd comprising 4,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM4,000,000 satisfied by the issuance of 8,000,000 new shares in the Company at an issue price of RM0.50 per share;

(xvi) On 15 May 2010, the Company's subsidiary, Jasnia Sdn Bhd has entered into a sale and purchase agreement with Yeap Mah Ee @ Yeap Boon Yee, Cheah Chin Hoe, Cheah Chin Hock and Cheah Chin Eng (administrator of the Estate of Cheah Hup Sin) for the acquisition of Geran No. 33337, Lot No. 1032 (new Lot No. 3620), Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Penang for a total cash consideration of RM3,529,480;

(xvii) On 10 May 2010, the Company's subsidiary, Tambun Indah Development Sdn Bhd has entered into a sale and purchase agreement with Pembangunan Bandar Mutiara Sdn Bhd for the acquisition of Geran 73117 Lot No. 8750, Geran 44612 Lot No. 114 and GM 356 Lot No. 1067, all of Mukim 15, Daerah Seberang Perai Selatan, Penang (Parcel B) for a total cash consideration of RM40,249,440; and

(xviii) On 10 May 2010, the Company's subsidiary, TKS Land Sdn Bhd has entered into a share sale and purchase agreement and shareholders agreement both with Ooi Boon Ewe, Ooi Boon Hwa and Ooi Bee Eng in relation to the purchase of 200,000 ordinary shares in CBD Land Sdn Bhd for a total cash consideration of RM3,517,209.

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4. MATERIAL LITIGATION

Neither we nor our subsidiaries are engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of Tambun Indah Group and the Board is not aware of any proceedings, pending or threatened against Tambun Indah or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the position and business of Tambun Indah or any of its subsidiaries during the two (2) years immediately preceding the date of this AP.

5. GENERAL

(i) The total expenses of or in connection with the Rights Issue with Warrants including professional fees, fees payable to the relevant authorities, underwriting commission, registration and other incidental expenses is estimated to be approximately RM1,200,000, which will be borne by our Company;

(ii) None of our Directors has any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payments or compensation (other than statutory compensation) within one (1) year from the date of this AP;

(iii) Save as disclosed in this AP and to the best knowledge of our Board, the financial condition and operations of our Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

(b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of funding;

(c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from our operations and the extent to which income was so affected;

(d) known trends or uncertainties which have had, or that our Group reasonably expects will have, a material favourable or unfavourable impact on revenues or operating income; and

(e) material information, including all special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

(i) Our Principal Adviser and Managing Underwriter, Underwriters, Share Registrar, Principal Bankers, Company Secretaries and Solicitors have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto, as the case may be, in the form and manner in which they so appear in this AP.

(ii) Our Auditors and Reporting Accountants, have given and have not subsequently withdrawn their written consents to the inclusion of their names in this AP, the Reporting Accountants' letter in relation to our proforma consolidated statements of financial position of our Company as at 31 December 2011 and the Auditors' Report on our audited consolidated financial statements of our Company for the FYE 31 December 2011, and all references thereto, as the case may be, in the form and manner in which they so appear in this AP.

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7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the registered office of our Company at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia from Mondays to Fridays (except public holidays) during normal business hours for a period of twelve (12) months from the date of this AP:

(i) the Memorandum and Articles of Association of Tambun Indah;

(ii) the audited financial statements of Tambun Indah Group for the past two (2) FYE 31 December 2010 and FYE 31 December 2011;

(iii) the proforma consolidated statements of financial position of the Company as at 31 December 2011 together with the Reporting Accountants' letter;

(iv) the Directors Report as set out in Appendix VI of this AP;

(v) the material contracts referred to in Section 3 of Appendix VII of this AP above;

(vi) the Undertakings referred to in Section 9 of this AP;

(vii) the letters of consent referred to in Section 6 above; and

(viii) the Deed Poll governing the Warrants to be issued pursuant to the Rights Issue with Warrants.

8. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this AP, together with the accompanying NPA and the RSF. They individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in this AP and the accompanying NPA and the RSF false or misleading.

MIDF Investment, being the Principal Adviser, Managing Underwriter and Underwriter for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

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