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

Interim Financial Report
For The First Quarter Ended 31 March 2016 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016
Condensed Consolidated Statement of Financial Position

	Unaudited As at 31 March 2016 RM'000	Audited As at 31 December 2015 RM'000
ASSETS:		
Non-Current Assets:		
Property, plant and equipment	4,410	4,581
Investment properties	108,522	112,865
Land held for development	209,052	206,911
Investment in an associate company	2,716	2,690
Investment in a joint venture	19,494	19,494
Deferred tax assets	20,038	16,883
	364,232	363,424
Current Assets		
Inventories	1,960	2,964
Property development costs	126,910	125,135
Trade and other receivables	118,284	91,325
Current tax assets	1,059	7,193
Short term funds	22,535	4,325
Cash and bank balances	181,380	179,593
	452,128	410,535
TOTAL ASSETS	816,360	773,959
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	212,233	212,074
Share premium	68,013	67,927
Option reserve	1,126	939
Warrant reserve	148	153
Capital redemption reserve	468	468
Retained profits	201,827	178,208
	483,815	459,769
Non-controlling interests	2,964	2,737
Total Equity	486,779	462,506
Non-Current Liabilities:		
Long-term bank borrowings	122,753	138,970
Deferred taxation	690	1,281
	123,443	140,251
Current Liabilities:		
Trade and other payables	134,623	116,062
Short-term bank borrowings	61,557	49,439
Current tax liabilities	9,958	5,701
	206,138	171,202
TOTAL LIABILITIES	329,581	311,453
TOTAL EQUITY AND LIABILITIES	816,360	773,959
Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)	1.14	1.08

Notes:

1 *The condensed Consolidated Statement of Financial Position should be read in conjunction with Tambun Indah Land Berhad's ("Tambun Indah" or "the Company") audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.*

2 *Based on the issued and paid-up share capital of 424,465,815 (2015: 424,147,815) ordinary shares of RM0.50 each in Tambun Indah ("Shares").*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
		RM'000	RM'000	RM'000	RM'000
Revenue		89,315	130,405	89,315	130,405
Cost of sales		(51,357)	(82,780)	(51,357)	(82,780)
Gross profit		37,958	47,625	37,958	47,625
Other income	B13	1,409	1,122	1,409	1,122
Sales and marketing expenses		(1,463)	(2,369)	(1,463)	(2,369)
Administrative expenses	B14	(4,370)	(3,935)	(4,370)	(3,935)
Profit from operations		33,534	42,443	33,534	42,443
Finance costs		(1,504)	(1,368)	(1,504)	(1,368)
Share of profit of an associate		26	213	26	213
Share of profit/(loss) of a joint venture		-	(2)	-	(2)
Profit before tax		32,056	41,286	32,056	41,286
Income tax expense		(8,210)	(10,911)	(8,210)	(10,911)
Profit for the period		23,846	30,375	23,846	30,375
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		23,846	30,375	23,846	30,375
Profit attributable to :					
Equity holders of the Company		23,619	29,906	23,619	29,906
Non-controlling interests		227	469	227	469
		23,846	30,375	23,846	30,375
Total comprehensive income attributable to :					
Equity holders of the Company		23,619	29,906	23,619	29,906
Non-controlling interests		227	469	227	469
		23,846	30,375	23,846	30,375
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	5.57	7.10	5.57	7.10
Diluted (sen)	B11	5.51	6.97	5.51	6.97

Note :
The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company								
	Non-distributable					Distributable			
	Share Capital RM'000	Share Premium RM'000	Option Reserve RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2016	212,074	67,927	939	153	468	178,208	459,769	2,737	462,506
Profit for the period	-	-	-	-	-	23,619	23,619	227	23,846
Total comprehensive income	-	-	-	-	-	23,619	23,619	227	23,846
Transactions with owners									
Issuance of ordinary shares - exercise of Employee share option scheme ("ESOS")	25	55	(15)	-	-	-	65	-	65
- exercise of warrants	134	31	-	(5)	-	-	160	-	160
Options granted under ESOS	-	-	202	-	-	-	202	-	202
Total transactions with owners	159	86	187	(5)	-	-	427	-	427
At 31 March 2016	**212,233**	**68,013**	**1,126**	**148**	**468**	**201,827**	**483,815**	**2,964**	**486,779**
At 1 January 2015	210,390	67,395	289	217	468	118,233	396,992	2,409	399,401
Profit for the period	-	-	-	-	-	101,117	101,117	828	101,945
Total comprehensive income	-	-	-	-	-	101,117	101,117	828	101,945
Transactions with owners									
Issuance of ordinary shares - exercise of Employee share option scheme ("ESOS")	73	146	(44)	-	-	-	175	-	175
- exercise of warrants	1,611	386	-	(64)	-	-	1,933	-	1,933
Options granted under ESOS	-	-	694	-	-	-	694	-	694
Dividends	-	-	-	-	-	(41,142)	(41,142)	(500)	(41,642)
Total transactions with owners	1,684	532	650	(64)	-	(41,142)	(38,340)	(500)	(38,840)
At 31 December 2015	**212,074**	**67,927**	**939**	**153**	**468**	**178,208**	**459,769**	**2,737**	**462,506**

Note :
The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016
Condensed Consolidated Statement of Cash Flows

	3 months ended 31-Mar-2016 RM'000	3 months ended 31-Mar-2015 RM'000
Cash Flows from Operating Activities		
Profit before taxation	32,056	41,286
Adjustments for:-		
Non-cash items	386	10
Non-operating items	234	461
Operating profit before changes in working capital	32,676	41,757
Net changes in land held for development	(2,141)	7,091
Net changes in current assets	(23,057)	(14,834)
Net changes in current liabilities	31,292	4,684
Net cash from operations	38,770	38,698
Interest received	1,244	696
Tax paid	(1,565)	(10,549)
Net cash from operating activities	38,449	28,845
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(13)	(1,058)
Addition in investment properties	(330)	(12,518)
Changes of deposits pledged with licensed banks	441	(22)
Proceeds from disposal of property, plant and equipment	-	240
Dividend income from associate company	-	1,800
Net cash from/(used in) investing activities	98	(11,558)
Cash Flows from Financing Activities		
Dividends paid	(12,731)	(12,638)
Drawdown of term loans, bridging loans & revolving credit	4,200	6,900
Proceeds from issuance of shares pursuant to:		
- ESOS	65	32
- exercise of warrants	160	465
Repayment of term loans, bridging loans & revolving credit	(8,277)	(22,902)
Repayment of hire purchase	(22)	(90)
Interest paid	(1,504)	(1,368)
Net cash used in financing activities	(18,109)	(29,601)
Net changes in cash and cash equivalents	20,438	(12,314)
Cash and cash equivalents at 1 January 2016/2015	179,968	131,454
Cash and cash equivalents at 31 March 2016/2015	200,406	119,140
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	22,535	9,867
Cash and bank balances	160,879	93,418
Deposits placed with licensed banks	20,501	22,570
	203,915	125,855
Less: Deposits pledged with licensed banks	(3,509)	(6,715)
	200,406	119,140

Note :
The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

A1. Basis of Preparation

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities, inter alia, that are within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

The Group falls within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity” ("TE").

On 28 October 2015, the MASB issued another announcement that TEs would only be required to adopt the MFRS Framework for annual periods beginning on or after 1 January 2018.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2018. For the financial year ending 31 December 2016, the Group will continue to prepare financial statements using the Financial Reporting Standards ("FRS").

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

The interim financial statements should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by Tambun Indah and its subsidiary companies ("Group") for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2015 except for the mandatory adoption of the following new and revised FRSs and Issues Committee Interpretations (“IC Interpretations”) effective for the financial period beginning on 1 January 2016:

FRSs, amendments to FRSs and IC Interpretations

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRSs	Annual Improvements to 2012 - 2014 Cycle
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception

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

A3. Explanatory Comments about Seasonality or Cyclicality of Interim Operations

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

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

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

A5. Changes in Estimates

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

A6. Debt and Equity Securities

For the financial quarter under review, there were no issues, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares, save for the disclosure below.

(a) Issuance of 51,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	1.25	1.27
No. of shares issued	('000)	13	38

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM64,510; and

(b) Issuance of 267,000 new ordinary shares of RM0.50 each pursuant to the exercise of warrants at RM0.60 per share. The total cash proceeds arising from the exercise of warrants during the current financial year amounted to RM160,200.

A7. Dividend Paid

On 18 February 2016, the Company paid interim single tier dividend of 3.0 sen per ordinary share of RM0.50 each amounting to RM12,730,974 in respect of the financial year ended 31 December 2015.

A8. Operating Segment

The segmental analysis for the financial period ended 31 March 2016 is as follows:

	Property development and property management RM'000	Other operations RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue				
Revenue from external customers	88,240	1,075	-	89,315
Inter-segment revenues	-	9,067	(9,067)	-
	88,240	10,142	(9,067)	89,315
Results				
Profit from operations	34,342	10,123	(12,292)	32,173
Unallocated amount:				
- corporate expenses				(117)
Profit before tax				32,056
Tax expense				(8,210)
Profit for the year				23,846
Other information				
Capital expenditure	2,144	339	-	2,483
Depreciation	161	18	-	179

A9. Subsequent Events

There were no material events subsequent to the financial period ended 31 March 2016 till 11 May 2016 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), that had not been reflected in the financial statements for the current quarter under review.

A10. Changes in the Composition of the Group

There was no change in the composition of the Group for the current quarter and financial period to-date.

A11. Changes in contingent liabilities or contingent assets

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

A12. Capital Commitments

There were no outstanding capital commitments for the Group as at 31 March 2016.

A13. Significant Related Party Transactions

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

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

	3 months ended 31-Mar-2016 RM'000
Rental paid to companies in which a Director has interest	47

B. Explanatory Notes pursuant to Part A of Appendix 9B of the Listing requirements

B1. Review of Performance

Quarter on Quarter review

Revenue and profit before tax in the current quarter was lower at RM89.32 miliion and RM32.06 million respectively compared to that of the same quarter of the previous year.

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

	Current	Preceding Year	Variances	
	31-Mar-2016 RM'000	31-Mar-2015 RM'000	%	RM'000
Revenue				
Property development and property management	88,240	129,479	-31.8%	(41,239)
Other operations	1,075	926	16.1%	149
	89,315	130,405	-31.5%	(41,090)
Profit before tax	32,056	41,286	-22.4%	(9,230)

Property development & property management

Revenue was mainly contributed by residential and commercial property developments in Pearl City, Simpang Ampat which accounted for approximately 83.0% of the total revenue in the segment for current quarter in review.

Revenue in the current quarter is comparatively lower than the same quarter of the previous year due to a few projects that are nearing completion and handover, furthermore three new projects launched recently are at an early stage of construction.

The Group's ongoing property development projects are ***Camellia Park*** in Butterworth; ***Permai Residence*** and ***Residensi Bukit Kecil*** in Bukit Mertajam; ***Pearl Residence*** , ***Pearl Harmoni, Raintree Park 1, Pearl Avenue 2, Raintree Park 2, Avenue Garden*** and ***Pearl Tropika*** in Pearl City, Simpang Ampat and ***Straits Garden*** in Penang Island.

The Group recorded new properties sales of RM115.74 million (2014: RM146.31 million) in the current quarter.

Other operations

Revenue and profit before tax from Other Operations mainly consist of contruction activities and rental from investment properties.

B2. Comparison of results against immediate preceding quarter

The Group posted a 1.9% decreased in revenue and 18.5% decrease in profit before tax over the preceding quarter. Revenue in the current quarter was lower as a few projects are nearing completion and handover, furthermore three new projects launched recently are at an early stage of construction.

A higher profit before tax in the preceeding quarter was recorded due to a recognition of fair value gain on investment properties of RM6.67 million in the preceding quarter.

	Current	Preceding	Variances	
	31-Mar-2016 RM'000	31-Dec-2015 RM'000	%	RM'000
Revenue	**89,315**	**91,050**	**-1.9%**	**(1,735)**
Profit before tax	**32,056**	**39,315**	**-18.5%**	**(7,259)**

B3. Prospects for the current financial year

As at 31 Mar 2016, the Group achieved an average take-up rate of 76.6% for its ongoing projects, with a total Gross Development Value of RM1.67 billion; and unbilled sales of approximately RM354.42 million. These should contribute positively to the Group's earnings for the next two to three years.

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

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

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

B5. Statement by Board of Directors

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

B6. Income Tax

Income tax comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31-Mar-2016 RM'000	31-Mar-2015 RM'000	31-Mar-2016 RM'000	31-Mar-2015 RM'000
Current income tax	11,129	12,201	11,129	12,201
(over)/Under provision of taxation in respect of prior year	(373)	1	(373)	1
Deferred taxation	(2,546)	(1,291)	(2,546)	(1,291)
	8,210	10,911	8,210	10,911

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

B7. Status of Corporate Proposals

There were no corporate proposals that have been announced but not yet completed during the current financial quarter and financial period-to-date under review.

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2016 were as follows:

	Secured RM'000
Long term borrowings:	
Hire purchase payables	12
Term loans	122,741
	122,753
Short term borrowings:	
Hire purchase payables	88
Term loans	61,469
	61,557
Total	184,310

The Group has no foreign currency borrowings.

B9. Material Litigation

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

B10. Dividend

Details of the final tax exempt dividend approved at the Annual General Meeting held on 18 May 2016 are as follows:

(i)	Final tax exempt Dividend for the financial year	31 December 2015
(ii)	Amount per share (single tier)	6.0 sen
(iii)	Previous corresponding period	6.7 sen
(iv)	Approved and declared on	18 May 2016

(v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be announced at a later date

(vi) Date payable will be announced at a later date

B11. Earnings Per Share

(a) Basic Earnings Per Share

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

	Current Quarter 31-Mar-2016	Preceding Year Corresponding Quarter 31-Mar-2015	Current Year-To-Date 31-Mar-2016	Preceding Year Corresponding Period 31-Mar-2015
Profit for the period attributable to equity holders of the Company (RM'000)	23,619	29,906	23,619	29,906
Weighted average number of ordinary shares in issue ('000)	424,348	421,343	424,348	421,343
Basic Earnings Per Share (sen)	**5.57**	**7.10**	**5.57**	**7.10**

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

	Current Quarter 31-Mar-2016 '000	Preceding Year Corresponding Quarter 31-Mar-2015 '000	Current Year-To-Date 31-Mar-2016 '000	Preceding Year Corresponding Period 31-Mar-2015 '000
Number of ordinary shares at beginning of the period/year	424,148	420,779	424,148	420,779
Effect of shares issued pursuant to:				
- exercise of ESOS	43	18	43	18
- exercise of warrants	157	546	157	546
Weighted average number of ordinary shares	424,348	421,343	424,348	421,343

(b) Diluted Earnings per share

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

	Current Quarter 31-Mar-2016	Preceding Year Corresponding Quarter 31-Mar-2015	Current Year-To-Date 31-Mar-2016	Preceding Year Corresponding Period 31-Mar-2015
Profit for the period attributable to equity holders of the Company (RM'000)	23,619	29,906	23,619	29,906
Weighted average number of ordinary shares ('000)	428,706	428,855	428,706	428,855
Diluted Earnings Per Share (sen)	**5.51**	**6.97**	**5.51**	**6.97**

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

	Current Quarter 31-Mar-2016 '000	Preceding Year Corresponding Quarter 31-Mar-2015 '000	Current Year-To-Date 31-Mar-2016 '000	Preceding Year Corresponding Period 31-Mar-2015 '000
Weighted average number of ordinary shares	424,348	421,343	424,348	421,343
Effect of potential exercise of ESOS/warrants				
- ESOS	231	690	231	690
- Warrants	4,127	6,822	4,127	6,822
Weighted average number of ordinary shares	428,706	428,855	428,706	428,855

B12. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2015.

B13. Other income

	Current quarter 31-Mar-2016 RM'000	Financial year to-date 31-Mar-2016 RM'000
Interest income	1,244	1,244
Miscellaneous income	165	165
	1,409	1,409

The Group did not receive any other income including investment income for the financial period ended 31 March 2016.

B14. Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	Current quarter 31-Mar-2016 RM'000	Financial year to-date 31-Mar-2016 RM'000
Depreciation	179	179

There was no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and gain or loss on derivatives for the financial period ended 31 March 2016.

B15. Disclosure of realised and unrealised profits/losses

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

	31-Mar-2016 RM'000	31-Dec-2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	475,794	444,589
- unrealised	45,550	41,804
	521,344	486,393
Total accumulated loss from a joint venture:		
- realised	(6)	(6)
Total share of retained profits from an associate:		
- realised	1,885	1,859
- unrealised	-	-
	523,223	488,246
Less: Consolidation adjustments	(321,396)	(310,038)
Total Group retained profits as per consolidated accounts	201,827	178,208

B16. Authority for Issue

The interim financial statements were authorised for issue by the Board of Directors of Tambun Indah in accordance with a resolution of the Directors on 18 May 2016.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
18 May 2016