



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Fourth Quarter Ended 31 December 2019 (Unaudited)

	Page No.
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Statement of Changes In Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Interim Financial Report	5 - 13

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

		Unaudited As at 31 December 2019 RM'000	Audited As at 31 December 2018 RM'000
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,347	3,418
Right-of-use assets		623	-
Investment properties		125,574	115,852
Inventories	B14	284,144	145,997
Investment in an associate company		340	562
Investment in a joint venture		27,815	26,880
Deferred tax assets		12,760	15,571
		<u>454,603</u>	<u>308,280</u>
Current Assets			
Inventories	B14	154,288	170,283
Trade and other receivables		35,820	64,324
Contract assets		24,522	14,209
Current tax assets		2,537	3,836
Short term funds		62,058	30,756
Cash and bank balances		96,075	144,649
		<u>375,300</u>	<u>428,057</u>
TOTAL ASSETS		<u>829,903</u>	<u>736,337</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital		287,637	287,580
Option reserve		999	890
Retained profits		351,132	319,369
		<u>639,768</u>	<u>607,839</u>
Non-controlling interests		488	1,317
Total Equity		<u>640,256</u>	<u>609,156</u>
Non-Current Liabilities			
Long-term bank borrowings		118,474	37,393
Lease liabilities		400	-
Deferred tax liability		532	106
		<u>119,406</u>	<u>37,499</u>
Current Liabilities			
Trade and other payables		27,838	28,665
Short-term bank borrowings		41,499	58,427
Lease liabilities		119	-
Current tax liabilities		785	2,590
		<u>70,241</u>	<u>89,682</u>
TOTAL LIABILITIES		<u>189,647</u>	<u>127,181</u>
TOTAL EQUITY AND LIABILITIES		<u>829,903</u>	<u>736,337</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.48</u>	<u>1.40</u>

Notes:

a The condensed Consolidated Statement of Financial Position should be read in conjunction with Tambun Indah Land Berhad's ("Tambun Indah" or "the Company") audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

b Based on 433,455,617 (2018: 433,378,517) ordinary shares issued in Tambun Indah ("Shares").

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

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Revenue		40,032	42,839	148,563	179,302
Cost of sales		(23,459)	(22,380)	(73,914)	(84,062)
Gross profit		16,573	20,459	74,649	95,240
Other income	B15	7,158	3,340	9,699	6,006
Sales and marketing expenses		(1,516)	(1,255)	(5,737)	(5,082)
Administrative expenses	B16	(3,168)	(4,954)	(15,326)	(16,463)
Profit from operations		19,047	17,590	63,285	79,701
Finance costs		(1,491)	(609)	(4,039)	(2,611)
Share of profit of an associate		-	-	3	8
Share of profit of a joint venture		603	639	935	973
Profit before tax		18,159	17,620	60,184	78,071
Income tax expense		(2,702)	(4,714)	(12,402)	(22,629)
Profit for the period		15,457	12,906	47,782	55,442
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		15,457	12,906	47,782	55,442
Profit attributable to :					
Equity holders of the Company		15,977	12,902	48,641	55,405
Non-controlling interests		(520)	4	(859)	37
		15,457	12,906	47,782	55,442
Total comprehensive income attributable to :					
Equity holders of the Company		15,977	12,902	48,641	55,405
Non-controlling interests		(520)	4	(859)	37
		15,457	12,906	47,782	55,442
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	3.69	2.98	11.22	12.79
Diluted (sen)	B11	3.69	2.98	11.22	12.79

Note :

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

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

	<u>Attributable to Equity Holders of the Company</u>					
	<u>Non-distributable</u>		<u>Distributable</u>		<u>Non-controlling Interests</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Option Reserve</u>	<u>Retained Profits</u>	<u>Total</u>		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2019	287,580	890	319,369	607,839	1,317	609,156
Profit for the year	-	-	48,641	48,641	(859)	47,782
Total comprehensive income	-	-	48,641	48,641	(859)	47,782
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	57	(6)	-	51	-	51
Incorporation of a subsidiary	-	-	-	-	30	30
Transfer of option reserve to retained earning upon lapse of ESOS	-	(27)	27	-	-	-
Options granted under ESOS	-	142	-	142	-	142
Dividends	-	-	(16,905)	(16,905)	-	(16,905)
Total transactions with owners	57	109	(16,878)	(16,712)	30	(16,682)
At 31 December 2019	287,637	999	351,132	639,768	488	640,256
At 1 January 2018	287,521	957	292,921	581,399	1,880	583,279
Profit for the year	-	-	55,404	55,404	37	55,441
Total comprehensive income	-	-	55,404	55,404	37	55,441
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	59	(7)	-	52	-	52
Transfer of option reserve to retained earning upon lapse of ESOS	-	(78)	78	-	-	-
Options granted under ESOS	-	18	-	18	-	18
Dividends	-	-	(29,034)	(29,034)	(600)	(29,634)
Total transactions with owners	59	(67)	(28,956)	(28,964)	(600)	(29,564)
At 31 December 2018	287,580	890	319,369	607,839	1,317	609,156

Note :

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

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

	12 months ended 31-Dec-2019 RM'000	12 months ended 31-Dec-2018 RM'000
Cash Flows from Operating Activities		
Profit before taxation	60,184	78,071
Adjustments for:-		
Non-cash items	(5,168)	(1,401)
Non-operating items	(425)	(1,805)
Operating profit before changes in working capital	54,591	74,865
Net changes in inventories	(120,289)	44,013
Net changes in trade and other receivables	28,440	17,453
Net changes in contract assets	(10,313)	20,879
Net changes in trade and other payables	3,506	(20,024)
Net changes in contract liabilities	-	(2,008)
Net cash (used in)/from operations	(44,065)	135,178
Interest received	3,526	3,436
Tax paid	(11,955)	(23,286)
Tax refund	2,284	46
Net cash (used in)/from operating activities	(50,210)	115,374
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(532)	(158)
Addition in right-of-use asset	(206)	-
Addition in investment properties	(5,525)	(418)
Changes of deposits pledged with licensed banks	60	837
Proceeds from disposal of property, plant and equipment	57	36
Incorporation of a subsidiary, net of cash and cash equivalents acquired	30	-
Dividend income from associate company	225	-
Proceeds from disposal of investment properties	-	2,416
Net cash (used in)/from investing activities	(5,891)	2,713
Cash Flows from Financing Activities		
Dividends paid	(21,238)	(33,365)
Dividends paid to non-controlling interests of subsidiary companies	-	(600)
Drawdown of revolving credit	35,000	25,000
Drawdown of term loan	91,000	-
Drawdown of lease liabilities	50	-
Proceeds from issuance of shares pursuant to options exercised under the ESOS	51	52
Repayment of bank borrowings	(61,847)	(35,605)
Repayment of lease liabilities	(88)	-
Interest paid	(4,039)	(2,611)
Net cash from/(used in) financing activities	38,889	(47,129)
Net changes in cash and cash equivalents	(17,212)	70,958
Cash and cash equivalents at 1 January 2019/2018	172,679	101,721
Cash and cash equivalents at 31 December 2019/2018	155,467	172,679
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	62,058	30,756
Cash and bank balances	83,605	135,265
Deposits placed with licensed banks	12,470	9,384
	158,133	175,405
Less: Deposits pledged with licensed banks	(2,666)	(2,726)
	155,467	172,679

Note :

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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

A1. Basis of Preparation

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

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

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by Tambun Indah and its subsidiary companies ("Group") for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2018 except for the mandatory adoption of the following new and revised MFRSs and Issues Committee Interpretations ("IC Interpretations") effective for the financial period beginning on 1 January 2019:

MFRSs, amendments to MFRSs and IC Interpretations

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

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2019. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group except for the adoption of MFRS 16 as mentioned below:

MFRS 16, Leases

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have a material impact for leases for which the Group is the lessor.

The Group applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the right-of-use assets are measured at an amount equal to the lease liabilities. The Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 January 2019.

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

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A3. Explanatory Comments about Seasonality or Cyclicity of Interim Operations

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

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

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

A5. Changes in Estimates

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

A6. Debt and Equity Securities

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

Issuance of 77,100 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.69	0.71
No. of shares issued	('000)	20	3	54

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM50,481.

A7. Dividend Paid

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

On 19 September 2019, the Company paid final single tier dividend of 2.9 sen per ordinary share each amounting to RM12,570,126 in respect of the financial year ended 31 December 2018.

On 18 February 2020, the Company paid interim single tier dividend of 1.0 sen per ordinary share each amounting to RM4,334,556 in respect of the financial year ended 31 December 2019.

A8. Operating Segment

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

	Property development and property management RM'000	Investment holdings RM'000	Other operations RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue					
Revenue from external customers	143,580	4,983	-	-	148,563
Inter-segment revenues	(567)	108,309	-	(107,742)	-
	<u>143,013</u>	<u>113,292</u>	<u>-</u>	<u>(107,742)</u>	<u>148,563</u>
Results					
Profit from operations	44,591	119,783	57	(103,694)	60,737
Unallocated amount: - corporate expenses					(553)
Profit before tax					<u>60,184</u>
Tax expense					<u>(12,402)</u>
Profit for the period					<u>47,782</u>

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A9. Subsequent Events

Except as disclosed in B7(2), there were no material events subsequent to the financial period ended 31 December 2019 until 19 February 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), that had not been reflected in the financial statements for the current quarter under review.

A10. Changes in the Composition of the Group

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

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

A11. Changes in contingent liabilities or contingent assets

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

A12. Capital Commitments

The amount of capital commitments not provided for in the financial period ended 31 December 2019 was as follows:

	RM'000
Contractual commitments for purchase of investment property	<u>252</u>

A13. Significant Related Party Transactions

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

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

	12 months ended 31-Dec-2019 RM'000
Rental paid to companies in which a Director has interest	149
Consultant fee charged to an associate company	1
Enter into Sales and Purchase Agreement to purchase an Investment Property from a company in which a Director has interest	<u>260</u>

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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

B1. Review of Performance

Quarter on Quarter review

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

	Current	Preceding Year	Variances	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	%	RM'000
Revenue				
Property development and property management	38,778	41,604	-6.8%	(2,826)
Investment holdings	1,254	1,235	1.5%	19
	40,032	42,839	-6.6%	(2,807)
Profit before tax	18,159	17,620	3.1%	539

There was slight dip in revenue in the current quarter by 6.6% to RM40.0 million compared to that of the same quarter of the previous year. However, profit before tax increased by 3.1% to RM18.2 million. This was due to a fair value gain on investment properties amounting to RM6.1 million (Financial Year 2018: RM1.9 million).

Property development & property management

Property development projects were on track and progressed as scheduled. Revenue was mainly contributed by residential property developments in Pearl City, Simpang Ampat which accounted for approximately 82.0% of the total revenue in the segment for the current quarter under review.

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

The Group recorded higher new property sales of RM66.3 million in the current quarter compared to RM46.8 million in the same quarter of year 2018. This was mainly attributed to the Home Ownership Campaign ("HOC") that was launched by the Government as well as a new project, namely Residensi Permai. Residensi Permai is a gated and guarded residential project located at Kota Permai, Bukit Mertajam.

Investment holdings

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

B2. Comparison of results against immediate preceding quarter

	Current	Preceding	Variances	
	31-Dec-2019 RM'000	30-Sep-2019 RM'000	%	RM'000
Revenue	40,032	33,117	20.9%	6,915
Profit before tax	18,159	13,458	34.9%	4,701

Compared to the immediate preceding quarter, revenue and profit before tax increased by 20.9% and 34.9% respectively. The higher revenue was mainly due to the higher new property sales. The increase in profit before tax was mainly attributed to the higher revenue recorded and the fair value gain of RM6.1 million from investment properties.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B3. Prospects for the next financial year

The property market condition remained subdued in Year 2019. As at 31 December 2019, the Group has five on-going projects which achieved an average take-up rate of 31%. The on-going projects includes three new projects launched during the financial year, namely Palm Garden, Begonia Villa and Residensi Permai.

As at 31 December 2019, the Group has on-going projects with a total Gross Development Value of RM331 million and unbilled sales of approximately RM58 million which should contribute positively to the Group's earnings for the next two years.

The outlook for the property industry continues to be challenging and the Group will remain cautious. Based on the foregoing, the Group expects to achieve a moderate performance for the financial year ending 2020.

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

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

B5. Statement by Board of Directors

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

B6. Income Tax

Income tax comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year-	Preceding
	Quarter	Quarter	To-Date	Year
	31-Dec-2019	31-Dec-2018	31-Dec-2019	31-Dec-2018
	RM'000	RM'000	RM'000	RM'000
Current income tax	1,896	3,410	9,804	17,939
Under/(Over)provision of taxation in respect of prior year	207	-	(639)	3,066
Deferred taxation	673	1,304	3,311	2,370
Overprovision of deferred tax assets in respect of prior year	(74)	-	(74)	(746)
	<u>2,702</u>	<u>4,714</u>	<u>12,402</u>	<u>22,629</u>

The Group's effective tax rate for the financial year-to-date under review was slightly lower compared to the statutory taxation rate mainly due to certain investment income which was not subject to income tax.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B7. Status of Corporate Proposals

1) Proposed Provision of Financial Assistance

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

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

The Proposed Provision of Financial Assistance is deemed a related party transaction pursuant to Paragraphs 8.23(2)(b) and 10.08(2) of the Main Market Listing Requirements as Encik Taufiq was previously a Non-Independent Non-Executive Director of the Company. Currently, Encik Taufiq holds 30% equity interest in Mustiara and is also a director of Mustiara. As such, the Company is required to obtain the approval of its shareholders for the Proposed Provision of Financial Assistance.

On 27 June 2019, the Company had obtained the shareholders' approval for the Proposed Provision of Financial Assistance at the Extraordinary General Meeting. With effect from 9 October 2019, Encik Taufiq was no longer deemed as an interested director pursuant to Paragraph 10.02(c) of the Listing Requirements and ceased to be deemed interested in the Proposed Provision of Financial Assistance.

Details of the Proposed Provision of Financial Assistance as at 31 December 2019 are as disclosed in Note B13.

2) Memorandum of Understanding ("MOU")

On 28 January 2020 the Company had entered into a MOU with Show Chwan Medical Care Corporation to collaborate efforts for the proposed establishment of a private specialist hospital at Pearl City (Bandar Tasek Mutiara), Simpang Ampat, Seberang Perai Selatan, Penang, a township under the development of Tambun Indah.

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 December 2019 are as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	118,474
	<u>118,474</u>
<i>Short term borrowing:</i>	
Revolving credit	25,000
Term loans	16,499
	<u>41,499</u>
Total	<u><u>159,973</u></u>

The Group had no foreign currency borrowings.

B9. Material Litigation

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

B10. Dividend

No dividend has been proposed for the current quarter.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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-Dec-2019	Preceding Year Corresponding Quarter 31-Dec-2018	Current Year- To-Date 31-Dec-2019	Preceding Year Corresponding Period 31-Dec-2018
Profit for the period attributable to equity holders of the Company (RM'000)	15,977	12,902	48,641	55,405
Weighted average number of ordinary shares in issue ('000)	433,453	433,338	433,427	433,315
Basic Earnings Per Share (sen)	3.69	2.98	11.22	12.79

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

	Current Quarter 31-Dec-2019 '000	Preceding Year Corresponding Quarter 31-Dec-2018 '000	Current Year- To-Date 31-Dec-2019 '000	Preceding Year Corresponding Period 31-Dec-2018 '000
Number of ordinary shares at beginning of the period/year	433,379	433,303	433,379	433,303
Effect of shares issued pursuant to: - exercise of ESOS	77	76	55	28
Weighted average number of ordinary shares	433,456	433,379	433,434	433,331

(b) Diluted Earnings per share

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

	Current Quarter 31-Dec-2019	Preceding Year Corresponding Quarter 31-Dec-2018	Current Year- To-Date 31-Dec-2019	Preceding Year Corresponding Period 31-Dec-2018
Profit for the period attributable to equity holders of the Company (RM'000)	15,977	12,902	48,641	55,405
Weighted average number of ordinary shares ('000)	433,527	433,399	433,500	433,347
Diluted Earnings Per Share (sen)	3.69	2.98	11.22	12.79

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

	Current Quarter 31-Dec-2019 '000	Preceding Year Corresponding Quarter 31-Dec-2018 '000	Current Year- To-Date 31-Dec-2019 '000	Preceding Year Corresponding Period 31-Dec-2018 '000
Weighted average number of ordinary shares	433,456	433,379	433,434	433,331
Effect of potential exercise of ESOS	71	20	66	16
Weighted average number of ordinary shares	433,527	433,399	433,500	433,347

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B12. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2018.

B13. Provision of Financial Assistance

On 27 June 2019, the Company had obtained the shareholders' approval for the Proposed Provision of Financial Assistance of up to a total of RM150 million to a 70% owned subsidiary, Mustiara Sdn Bhd at the Extraordinary General Meeting.

Purpose	Proposed utilisation	Actual utilisation as at 31-Dec-19	Balance unutilised as at 31 December 2019	
	RM'000	RM'000	RM'000	%
Balance purchase consideration of Proposed Land Acquisition	40,000	40,000	-	0.0%
Corporate guarantees for banking facilities to be obtained by Mustiara	91,000	91,000	-	0.0%
Other costs related to the land:				
- professional fees (including disbursements) and authorities fees	6,000	1,635	4,365	72.8%
- stamp duty and title transfer fees	6,000	5,480	520	8.7%
- financing costs (in relation to banking facilities)	4,500	1,160	3,340	74.2%
- other relevant expenses	2,500	1,674	826	33.0%
Total	150,000	140,949	9,051	

With effect from 9 October 2019, Encik Taufiq was no longer deemed as an interested director pursuant to Paragraph 10.02(c) of the Listing Requirements and ceased to be deemed interested in the Proposed Provision of Financial Assistance.

B14. Inventories

	Unaudited As at 31 December 2019 RM'000	Audited As at 31 December 2018 RM'000
Non-Current Assets		
Land held for property development	284,144	145,997
Current Assets		
Property development costs	123,557	143,150
Completed properties held for sales	30,731	27,133
	154,288	170,283
Total	438,432	316,280

B15. Other income

	Current quarter 31-Dec-2019 RM'000	Financial year to-date 31-Dec-2019 RM'000
Interest income	1,069	3,526
Gain on disposal of property, plant and equipment	-	56
Fair value gain on investment properties	6,060	6,060
Miscellaneous income	29	57
	7,158	9,699

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B16. Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	Current quarter 31-Dec-2019 RM'000	Financial year to-date 31-Dec-2019 RM'000
Depreciation	168	598
Loss on disposal of property, plant and equipment	1	2
Impairment loss for trade receivables	64	64

Save as disclosed above, there were no provision for and written off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and gain or loss on derivatives for the financial period ended 31 December 2019.

B17. 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 26 February 2020.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
26 February 2020