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TAMBUN INDAH LAND BERHAD

(Company No.: 810446-U)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ACQUISITION BY PALMINGTON SDN BHD, A WHOLLY-OWNED SUBSIDIARY COMPANY OF TAMBUN INDAH LAND BERHAD, OF 27 PARCELS OF FREEHOLD LAND MEASURING IN AGGREGATE OF APPROXIMATELY 209.54 ACRES IDENTIFIED AS LOT NOS. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 TO 3423 HELD UNDER TITLE NOS. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD NOS. 27819 TO 27835, MUKIM 15, DISTRICT OF SEBERANG PERAI SELATAN, PULAU PINANG, FROM TPPT SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM150.00 MILLION TO BE SATISFIED ENTIRELY BY CASH

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of Tambun Indah Land Berhad (the "Company") which is scheduled to be held at Salon III, Level 2, G Hotel Penang, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 1 October 2014 at 11.00 a.m., together with the Proxy Form are enclosed herein.

A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and to vote on his/ her behalf. In such event, the Proxy Form should be lodged at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty-eight (48) hours before the time stipulated for holding the EGM, as indicated below. The lodging of the Proxy Form shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 29 September 2014 at 11.00 a.m.

Date and time of the EGM : Wednesday, 1 October 2014 at 11.00 a.m.

This Circular is dated 15 September 2014

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act, 1965
"Board"	:	The Board of Directors of TILB
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	This circular dated 15 September 2014
"Director(s)"	:	<p>The director(s) of TILB and shall have the meaning given in Section 2(1) of the Capital Markets And Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon –</p> <p>i. a director of the listed issuer, its subsidiary or holding company; or</p> <p>ii. a chief executive of the listed issuer, its subsidiary or holding company;</p> <p>iii. in relation to a Special Purpose Acquisition Company ("SPAC"), a member of the SPAC's management team; and</p> <p>iv. in relation to a business trust, a director or chief executive of the trustee-manager, its subsidiary or holding company</p>
"EGM"	:	Extraordinary General Meeting
"EPS"	:	Earnings per share
"ESOS Options"	:	Options issued pursuant to the employees' share option scheme of the Company
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended/ ending
"Henry Butcher" or the "Valuer"	:	Henry Butcher Malaysia (Seberang Perai) Sdn Bhd, a firm of independent registered valuer for the Subject Land
"Land Surveyor"	:	Juruukur Bersama
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	9 September 2014, being the latest practicable date prior to the printing and despatch of this Circular
"NA"	:	Net assets
"NLC" or "Code"	:	The National Land Code (Act 56 of 1965) and includes all amendments or re-enactments thereof
"Palmington" or the "Purchaser"	:	Palmington Sdn Bhd, a wholly-owned subsidiary company of TILB

DEFINITIONS (CONT'D)

"Proposed Acquisition"	:	The proposed acquisition by Palmington of the Subject Land from TPPT for a total purchase consideration of RM150.00 million to be satisfied entirely by cash
"RHBIB" or "Adviser"	:	RHB Investment Bank Berhad
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SPA"	:	The conditional sale and purchase agreement dated 11 July 2014 entered into between Palmington and TPPT in respect of the Proposed Acquisition
"Sq. metres"	:	Square metres
"Subject Land"	:	27 parcels of freehold land measuring in aggregate of approximately 209.54 acres identified as Lot Nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423 held under Title Nos. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD NOS. 27819 to 27835, Mukim 15, District of Seberang Perai Selatan, Pulau Pinang
"TILB" or "Company"	:	Tambun Indah Land Berhad
"TILB Group" or "Group"	:	TILB and its subsidiaries, collectively
"TILB Shares" or "Shares"	:	Ordinary shares of RM0.50 each in TILB
"TPPT" or the "Vendor"	:	TPPT Sdn Bhd
"Valuation Report"	:	The valuation report prepared by the Valuer dated 5 June 2014 to assess the market value of the Subject Land
"Warrants"	:	Warrants 2012/ 2017 of the Company

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular 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 Circular shall be a reference to Malaysian time, unless otherwise specified.

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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

15 September 2014

Board of Directors

Lai Fook Hoy (*Independent Non-Executive Chairman*)
Teh Kiak Seng (*Managing Director*)
Teh Theng Theng (*Executive Director*)
Tsai Chia Ling (*Non-Independent Non-Executive Director*)
Yeoh Chong Keat (*Independent Non-Executive Director*)
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali (*Independent Non-Executive Director*)

To: The Shareholders of Tambun Indah Land Berhad

Dear Sir/ Madam,

PROPOSED ACQUISITION BY PALMINGTON SDN BHD, A WHOLLY-OWNED SUBSIDIARY COMPANY OF TAMBUN INDAH LAND BERHAD, OF 27 PARCELS OF FREEHOLD LAND MEASURING IN AGGREGATE OF APPROXIMATELY 209.54 ACRES IDENTIFIED AS LOT NOS. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 TO 3423 HELD UNDER TITLE NOS. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD NOS. 27819 TO 27835, MUKIM 15, DISTRICT OF SEBERANG PERAI SELATAN, PULAU PINANG, FROM TPPT SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM150.00 MILLION TO BE SATISFIED ENTIRELY BY CASH

1. INTRODUCTION

On 11 July 2014, RHBIB had, on behalf of the Board, announced that Palmington, a wholly-owned subsidiary company of TILB, had on 11 July 2014, entered into a SPA with TPPT for the proposed acquisition by Palmington of 27 parcels of freehold land measuring in aggregate of approximately 209.54 acres identified as Lot Nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423 held under Title Nos. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD Nos. 27819 to 27835, Mukim 15, District of Seberang Perai Selatan, Pulau Pinang, from TPPT for a total purchase consideration of RM150.00 million to be satisfied entirely by cash.

Further details of the Proposed Acquisition are set out in ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF TILB WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF TILB FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

SHAREHOLDERS OF TILB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

TPPT has agreed to sell and Palmington has agreed to purchase the Subject Land on an "as is where is" basis free from all encumbrances, caveat or any third party claiming interest of any nature whatsoever and without vacant possession in its present state and condition but subject to all conditions of title (whether express or implied), if any, and subject to any defect in the titles be rectified and perfected by the Vendor at its own cost and expense, for a total purchase consideration of RM150.00 million based upon the terms and conditions contained in the SPA.

2.1 Information on the Subject Land

The Subject Land, which comprises 27 parcels of agricultural land measuring in aggregate of approximately 209.54 acres, is situated off the eastern side of Jalan Besar Simpang Ampat in between the locality of Simpang Ampat and Kampung Baru Valdor, Seberang Perai Selatan, Pulau Pinang and is situated approximately 25 km to the south-east of the Butterworth Ferry Terminal Complex and approximately 9 km to the south-east of the small town of Simpang Ampat. The Subject Land is accessible from the Butterworth-Ipoh main road (Jalan Besar Simpang Ampat) via Jalan Valdor for approximately 2 km.

The major portion of the Subject Land is located adjoining the southern side of the existing Pearl Garden housing estate which is part of the development of Bandar Tasek Mutiara (marketed as Pearl City) by TILB. The Subject Land is surrounded by a mix of residential, industrial and agricultural estates.

The Subject Land is presently and majorly planted with matured oil palm trees.

Further details of the Subject Land are summarised in the table below:-

Identification	:	Lot Nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423 held under Title Nos. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD Nos. 27819 to 27835, Mukim 15, District of Seberang Perai Selatan, Pulau Pinang
Aggregate land area	:	209.54 acres
Category of land use	:	<u>For Lot Nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378</u> Nil <u>For Lot No. 1442</u> Not stated <u>For Lot Nos. 3407 to 3423</u> Agriculture
Existing use	:	Agricultural land

Express condition	<p>: <u>Lot Nos. 1058, 1060, 1309, 1375 and 1376 (First Grade)</u> The land comprised in this title:-</p> <ol style="list-style-type: none"> shall not be affected by any provision of NLC limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of Land Administrator's/ Collector's² right of way; subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs; <p>and the title shall confer the absolute right to all forest produce and all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land)</p> <p><u>Lot Nos. 1066 and 1295</u> Nil</p> <p><u>Lot Nos. 1373 and 1378</u></p> <ol style="list-style-type: none"> The land comprised in this title shall not be affected by any provisions of NLC or any other written law prohibiting mining or the removal of specified materials beyond the boundaries of the land except a provision prohibiting the prospecting for and extraction of mineral oil; The provision of law relating to the creation of a private right of way shall apply to this land. <p><u>Lot Nos. 1442</u> The land comprised in this title:-</p> <ol style="list-style-type: none"> shall not be affected by any provision of NLC or any other written law prohibiting mining or the removal of specified materials beyond the boundaries of the land; shall not be affected by any provision of NLC limiting the compensation payable on the creation of Collector's right of way to compensation for damage in respect of trees, crops or buildings. <p><u>Lot Nos. 3407 to 3423</u> Tanah ini hanya untuk tujuan pertanian seperti berikut: seluas 156 ekar daripada lot ini ditanam dengan kelapa sawit dan bakinya 73e Or 37p³ ditanam dengan getah.</p>
Restriction-in-interest	: Nil
Other endorsements	<p>: <u>Lot No. 1058</u> No Pers 0799N2005000057 Hak Laluan Talian Elektrik Tanah seluas lebih kurang 0.3118 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 1 Februari 2005. (No. rujukan fail: PPHMT/PP/PTG/413.1)</p> <p><u>Lot No. 1066</u> No Pers 0703N2012000018 Hak Laluan Talian Elektrik Tanah seluas lebih kurang 0.473 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 14 Mac 2012. (No. rujukan fail: PTSPS/D/339)</p> <p><u>Lot No. 1309</u> No Pers 0703N2005000038 Hak Laluan Talian Elektrik Tanah seluas lebih kurang 0.0018 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 15 Julai 2005. (No. rujukan fail: TNB/10/10/1056)</p>

Lot Nos. 1373

No Pers 0703N2004000036 Hak Laluan Talian Elektrik

Tanah seluas lebih kurang 0.692 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 6 Disember 2004.

(No. rujukan fail: TNB/10/10/849)

Subject to Provision of Land Conservation Act 1960

Lot No. 1378

No Pers 0703N2005000038 Hak Laluan Talian Elektrik

Tanah seluas lebih kurang 0.2213 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 15 Julai 2005.

(No. rujukan fail: TNB/10/10/1056)

Lot No. 1442

No Pers 0703N2005000038 Hak Laluan Talian Elektrik

Tanah seluas lebih kurang 0.165 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 15 Julai 2005.

(No. rujukan fail: TNB/10/10/1056)

Lot No. 3420

No Pers 0799N2004000644 Hak Laluan Talian Elektrik

Tanah seluas lebih kurang 0.1841 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 22 Oktober 2004.

(No. rujukan fail: PPHMT/PP/PTG/413.1)

Lot No. 3421

No Pers 0799N2004000644 Hak Laluan Talian Elektrik

Tanah seluas lebih kurang 0.2007 hektar telah terlibat dengan talian bekalan elektrik mengikut Seksyen 11, Akta Bekalan Elektrik 1990 didaftarkan pada 22 Oktober 2004.

(No. rujukan fail: PPHMT/PP/PTG/413.1)

Tenure	:	Freehold
Registered owner	:	TPPT Sdn Bhd
Encumbrances	:	Nil
Valuation method	:	Comparison method
Market value ⁴	:	RM150,000,000
Net book value	:	The Purchaser is not privy to the information on the net book value of the Subject Land and as such, is unable to disclose this information.

Notes:-

- ¹ Certain land in Penang with "First Grade" imposed in the land title does not require the conversion of land use in the event of any development, and hence does not require any payment of conversion premium
- ² "Land Administrator" or formerly known as "Collector", is referred to as the administrative head in land matters in the district
- ³ "73e Or 37p" is referred to as 73 acres 0 rood 37 poles or 73.2312 acres
- ⁴ Based on the valuation appraised by Henry Butcher as at 5 June 2014, being the date of valuation

Upon completion of the Proposed Acquisition, TILB Group will conduct periodic feasibility assessments and market study, prudent planning and allocation of resources, and engage the services of professionals/ experts, if any, in formalising the development plan for the Subject Land. Prior to the commencement of the development project, the Group will procure the necessary approvals/ licenses/ permits which include but not limited to, conversion of land use, drawing project development plan, building plan, advertising permit and developer's license, where applicable, from the relevant authorities.

2.2 Basis and justification of arriving at the purchase consideration

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The purchase consideration of RM150.00 million represents neither a premium nor a discount to the market value of the Subject Land of RM150.00 million.

2.3 Mode of settlement

The purchase consideration of RM150.00 million for the Proposed Acquisition shall be satisfied in the following manner:-

	Payment terms	Timing	Consideration RM'000
i.	Deposit (10%)		
a.	Earnest deposit	Paid on 19 May 2014	20
b.	Acceptance deposit	Paid upon acceptance of the Letter of Acceptance on 4 June 2014	3,000
c.	Balance deposit	Paid upon signing of the SPA dated 11 July 2014	11,980
ii.	Balance purchase consideration (90%)	Subject to the SPA being unconditional, payable within three (3) months from the date of the SPA ("Completion Date") with a further extension of one (1) month, subject to payment of interest at the rate of eight percentum (8%) per annum ^{*1} on the balance purchase consideration calculated on daily basis from the last day of the Completion Date to the date of actual payment ("Extended Completion Date")	135,000
TOTAL			150,000

Note:-

^{*1} The interest rate of eight percentum (8%) per annum imposed in the SPA is calculated on a daily basis as mutually agreed upon by both the Purchaser and the Vendor after taking into consideration the prevailing base lending rate of 6.85% per annum offered by RHB Bank Berhad plus margin of 1.15% per annum

2.4 Background information on the Vendor

TPPT, the registered proprietor of the Subject Land, is a private limited company incorporated in Malaysia on 22 November 1990 and its principal activity is property development. As at the LPD, the authorised share capital of TPPT is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each of which 250,000 shares are issued and fully paid-up.

2.5 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SPA, there are no liabilities, including contingent liabilities and guarantees, to be assumed by TILB Group pursuant to the Proposed Acquisition.

2.6 Additional financial commitment required

Save for the total purchase consideration of RM150.00 million for the Proposed Acquisition, there are no additional financial commitments to be incurred by TILB Group in relation to the Proposed Acquisition.

The estimated development cost on the Subject Land can only be determined at a later stage if and when the development plan has been formalised by TILB Group.

2.7 Source of funding

TILB Group intends to fund the Proposed Acquisition through internally generated funds and bank borrowings, the exact quantum of which will be determined by the Board at a later date upon obtaining all the necessary approvals. Based on internal preliminary discussion, the indicative quantum of the funding is tabulated in the following manner:-

	RM'million	%
Internally generated fund	50.00	33.33
Bank borrowings	100.00	66.67
Total	150.00	100.00

2.8 Salient terms of the SPA

The salient terms of the SPA are set out below:-

i. Conditions Precedent

The Proposed Acquisition is subject to the following conditions precedent to be fulfilled within three (3) months from the date of the SPA with a further extension of one (1) month subject to the penalty charges for late payment calculated as the rate as stipulated in Section 2.3(ii) of this Circular ("Cut-Off Date"):-

- a. the Purchaser shall at its own cost and expense obtain the approval of the shareholders at a general meeting of TILB, being the Purchaser's holding company, to the purchase of the Subject Land by the Purchaser from the Vendor upon the terms and conditions of the SPA;
- b. the Purchaser shall at its own cost and expense obtain the approval of the Economic Planning Unit of the Prime Minister's Department, to the acquisition of the Subject Land from the Vendor by the Purchaser upon the terms and conditions of the SPA; and
- c. the Vendor and the Purchaser (collectively referred to as the "Parties") shall at their joint cost and expense obtain the approval of the Estate Land Board established under Section 214A(3) of NLC to the transfer, conveyance or disposal of the Subject Land by the Vendor to the Purchaser

ii. Unconditionality of the SPA

Upon the Parties fulfilling the Conditions Precedent, each party shall within seven (7) days from the date of such fulfilment, through their respective solicitors, notify the other party through its solicitors accordingly and the SPA shall become unconditional on the date of receipt ("Unconditional Date") by such party's solicitors of notification that the last of the above Conditions Precedent has been fulfilled.

In the event that any of the Conditions Precedent is not fulfilled on or before the Cut-Off Date, the Purchaser or the Vendor shall be entitled to terminate the SPA by serving a written notice to the other party whereupon the Vendor shall not later than 21 working days from the date of receipt of such written notice, refund to the Purchaser the deposit of RM15,000,000 paid hereunder, without interest, whereupon the SPA shall be rendered of no further effect and the Vendor shall be entitled thereafter to deal with the Subject Land without further reference to the Purchaser.

iii. Default by the Purchaser

In the event the Purchaser fails to effect payment of the balance purchase consideration of RM135,000,000 within the Completion Date or the Extended Completion Date, the Vendor shall be entitled by notice in writing to the Purchaser or the Purchaser's Solicitors to revoke and rescind the SPA whereupon:-

- a. the Vendor shall be entitled absolutely to forfeit the deposit of RM15,000,000 as agreed liquidated damages for breach of contract by the Purchaser; and
- b. the Vendor shall forthwith refund to the Purchaser the balance of whatsoever monies paid by the Purchaser free of interest; and
- c. in exchange whereof the Purchaser's Solicitors shall simultaneously return to the Vendor the Memorandum of Transfer (unless the same is required by the Purchaser's Solicitors to apply for refund of the stamp duty paid on the Transfer in which event the Purchaser's Solicitors shall return the same once it serves the purpose and is returned to the Purchaser's Solicitors by the Inland Revenue Department) and all other documents with Vendor's interest intact which have been delivered by the Vendor pursuant to the terms of the SPA; and
- d. the Purchaser shall at its own cost and expense, remove or cause to be removed immediately any private caveat or other encumbrances lodged by the Purchaser against the Subject Land; and
- e. thereafter the SPA shall become null and void and of no further effect and neither party hereto shall have any further claims whatsoever against the other arising out of the SPA.

iv. Default by the Vendor

If the Vendor shall at any time hereafter and for any reason breach any of the provisions of the SPA and on the part of the Vendor to be observed or performed or if at any time hereafter any of representations, warranties and undertakings contained herein shall be found to be incorrect or untrue in any material respect or if the Vendor is wound up or has a winding up order presented against it, or if the Subject Land cannot be registered in the name of the Purchaser free from any liens, charges, mortgages, easements and any other security interest or encumbrances, then upon happening of any of such events aforesaid, the Purchaser shall give notice to the Vendor to remedy such breach within 21 working days failing which the Purchaser shall be entitled forthwith to, either:-

- a. commence legal proceedings against the Vendor for specific performance (i.e. being specific relief(s) granted by the court pursuant to Chapter 8 of the Specific Relief Act 1950 (Revised 1974) to compel contracting party to perform its obligations under the contract) of the SPA or for damages for breach of contract and/or other remedies available to the Purchaser and all costs and expenses incurred by the Purchaser in connection therewith (including but not limited to the Purchaser's Solicitors' costs on a Solicitors and client basis) shall be borne by the Vendor; or
- b. terminate the SPA whereupon the Vendor shall refund all monies paid towards the purchase price of RM150,000,000 (including the deposit of RM15,000,000) within 21 working days from the notice of demand from the Purchaser or the Purchaser's Solicitors free of interest whereupon the SPA shall be null and void and neither party shall thereafter have any claim against the other save for any antecedent breach.

v. Upon termination of the SPA

Upon the termination of the SPA, the following provisions shall apply:-

- a. save where the SPA is terminated pursuant to Section 2.8(iii) of this Circular (in which the deposit of RM15,000,000 shall be forfeited absolutely to the Vendor), all sums paid pursuant to the SPA shall be refunded free from interest by the Vendor to the Purchaser within 21 working days; and
- b. upon compliance of Section 2.8(v)(a) above, the Purchaser shall redeliver or cause to be redelivered to the Vendor all documents within 21 working days (other than the memoranda of transfer of the Subject Land in form 14A of NLC ("Transfer") if the same is required by the Purchaser's Solicitors to apply for refund of the stamp duty paid on the Transfer in which event the Purchaser's Solicitors shall return the same once it serves the purpose and is returned to the Purchaser's Solicitors by the Inland Revenue Department) delivered hereunder by the Vendor, to the Purchaser, the Purchaser's Solicitors or the Purchaser's Financier, with (where applicable) the Vendor's interest intact, all encumbrances and caveats registered or lodged by or for the benefit of the Purchaser to be removed as well as possession of the Subject Land should the same have been delivered to the Purchaser. Whereupon the SPA shall cease to have any further force and effect and neither party shall have any further claims hereunder against the other party but without prejudice to any right which either party may be entitled to against the other party in respect of any antecedent breach of the SPA.

vi. Delivery of possession

It is expressly agreed by the Parties that the sale and purchase in accordance with the SPA shall be without vacant possession by the Vendor and the Purchaser shall be at liberty and at its entire own discretion, responsibility cost and expense to resolve in any manner as it deems fit or otherwise expedient to remove any existing building(s), structure(s) or materials including any temple, place of worships or any religious statue and/or otherwise evict any squatter(s) or occupants including any tenant or licensee (if any) from the Subject Land. Provided always that the Purchaser shall indemnify and keep the Vendor fully indemnified from any cost, action, claims, liability or proceeding whether directly or indirectly from any party or person(s) whether actual, contingent or otherwise in respect of the Subject Land in pursuance of all acts, matters and things as envisaged in this clause unless the same is due to or arising from a breach of the provision of the SPA by the Vendor including but not limited to a breach by the Vendor of the representation, undertaking and covenant that it has good registrable and marketable title to the Subject Land free from any liens, charges, mortgages, easements and any other security interest or encumbrances. In any event, it is expressly provided that nothing herein shall be ground for any delay in compliance of any obligation by the Purchaser hereunder and/ or otherwise affecting the due completion of the SPA.

2.9 Salient features of the Valuation Report

Henry Butcher had appraised the Subject Land in its Valuation Report dated 5 June 2014 using the comparison method of valuation. The comparison method of valuation is deemed the most suitable method of valuation for the Subject Land and was adopted as there is no proposed development plan for the Subject Land at this juncture and there are ample sales evidences available which can be used to justify the market value of the Subject Land.

The comparison method of valuation is the market approach of comparing the Subject Land with other comparable lands that were transacted within the same location or other comparable localities. In comparing these, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at the valuer's opinion of value.

Henry Butcher is of the opinion that the market value of the freehold unencumbered interest in the Subject Land with vacant possession in its existing physical condition on the basis of the titles being good, registrable, marketable and free from all statutory notices and outgoings is RM150.00 million.

The details of the Subject Land are summarised in Section 2.1 of this Circular. The valuation certificate prepared by Henry Butcher dated 5 June 2014 is set out in Appendix I of this Circular.

For avoidance of doubt, pursuant to the SPA, the Subject Land was purchased on the basis of amongst others, without vacant possession, as the Vendor was unable to ascertain the existence of any buildings or structures on the Subject Land. However, pursuant to the Valuation Report, the Valuer had valued the Subject Land on the basis of amongst others, vacant possession, as the Valuer did not sight any buildings or structures on the Subject Land during its site inspection. In addition, pursuant to the SPA, the Purchaser shall be at liberty and at its entire own discretion, responsibility cost and expense to resolve in any manner as it deems fit or otherwise expedient to remove amongst others, any existing building(s), structure(s) and/ or evict any squatter(s) from the Subject Land, of which further details are set out in Section 2.8(vi) of this Circular.

Notwithstanding the differences on the abovementioned basis, the Company has appointed a Land Surveyor, namely Juruukur Bersama, to conduct survey works on the Subject Land. The Land Surveyor has confirmed vide its letter dated 28 August 2014 that there are no existing buildings/ structures erected or squatters on the Subject Land during its land survey. The letter of confirmation by the Land Surveyor dated 28 August 2014 is set out in Appendix II of this Circular.

3. RATIONALE FOR THE PROPOSED ACQUISITION

TILB Group is principally involved in the business of property development. The Proposed Acquisition is in line with TILB Group's strategy to expand its land bank in location with growth potential and strengthen its foothold in the property market in mainland Penang. As the major portion of the Subject Land is located adjoining the southern side of the existing Pearl Garden housing estate which is part of the Bandar Tasek Mutiara (marketed as Pearl City) flagship township in Seberang Perai developed by TILB Group, the Proposed Acquisition will present TILB Group further development potential in the vicinity of its Pearl City flagship township and synergistic opportunities to scale-up its development in the said vicinity.

4. INDUSTRY OVERVIEW AND OUTLOOK

The Malaysian economy continued to record strong expansion of 6.4% during the second quarter of 2014 (1Q2014:6.2%), underpinned by strong external demand and resilient domestic activity. On the supply side, the services and manufacturing sectors remained the key drivers of growth. Domestic demand expanded 5.7% in the second quarter of 2014 (1Q2014:7.4%). Household spending was supported by continued growth in disposable income from stable labour market conditions and higher export earnings. The performance of the construction sector remained strong with a growth of 9.9% in the second quarter of 2014 (1Q2014:18.9%). The residential segment increased by 15.5% with construction works mainly concentrated in Johor and the Klang Valley whilst the non-residential building activity rose 11.7% following higher number of commercial building construction works in the Klang Valley.

Moving forward, the Malaysian economy is expected to record a steady growth in the second half of 2014. Domestic demand is anticipated to remain resilient supported by strong private investment, while public investment is expected to improve with higher capital spending by Non-Financial Public Enterprises in the second half of 2014. On the supply side, growth in the services and manufacturing sectors is expected to expand, driven by higher export-oriented manufacturing activities as well as trade-related services.

(Source: Malaysian Economy, Second Quarter 2014, Ministry of Finance Malaysia)

In Penang, the state has attracted RM3.91 billion worth of total investment in 2013, a significant growth of about 58% compared to 2012. Domestic investment captured RM2.12 billion whilst foreign investment contributed the remaining RM1.79 billion, which is partly boosted by the investments from a few multinational corporations particularly in Batu Kawan and Bayan Lepas.

The property market performance in Penang moderated in 2013, recording a total volume of 24,346 transactions with a total value of RM13.49 billion. The volume of transactions declined by 21.4% but the total value of transactions rose by 4.5%, as compared to the preceding year. The residential sub-sector continued to dominate the market activity, capturing 72.7% of the total market share followed by the commercial sub-sector at 9.2% market share.

In Seberang Perai, the total volume of property transactions reduced by nearly 18% but the total value of property transactions increased by 7.84%, as compared to the preceding year. Property prices generally still remain high without any significant sign of correction and the prices recorded for the development lands and new houses are still in an upward trend. New launches declined during the first half of 2013 amidst the market uncertainties leading up to the Malaysian 13th general election, but slightly increased towards end of 2013.

The performance of the property market in Seberang Perai is expected to be moderated as a result of the cooling measures and stringent financing policies but the prices are unlikely to face any corrections. General market sentiment would remain cautious particularly in the beginning of 2014 during the digestion period of the new measures. Prices in the primary market would remain high due to escalating land and development costs. The sales performance is expected to be average but should be able to pick up towards the second half of 2014.

(Source: Valuation Report by Henry Butcher dated 5 June 2014)

5. PROSPECTS AND FUTURE PLANS

The Proposed Acquisition is expected to be favourable given the prospects and economy outlook in Penang as set out in Section 4 of this Circular, the opening of the Sultan Abdul Halim Muadzam Shah Bridge (or Second Penang Bridge) and the upcoming developments in Batu Kawan.

The Subject Land which is located in the district of Seberang Perai Selatan with the surrounding area of Bukit Tambun and Simpang Ampat in particular would benefit from economic spill-over effects from the impact of the Second Penang Bridge which had opened in early March 2014. The Subject Land also lies in close proximity to Batu Kawan, the town with upcoming development plans installed and/ or earmarked for, including, amongst others, an IKEA store, an international technology park and other educational and commercial developments.

Premised on the above, the Board is of the view that prospects for the property development activities in Penang will remain positive and that the Proposed Acquisition will enhance the overall viability and value of the Pearl City flagship township and its vicinity.

(Source: Management of TILB)

6. RISK FACTORS

The risks factors associated with the Proposed Acquisition are already known and mitigating measures have already been implemented as TILB Group is involved in the property development industry.

Nevertheless, the potential risk factors that may arise from the Proposed Acquisition, which may not be exhaustive, are set out below:-

6.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of the Conditions Precedent as disclosed in Section 2.8(i) of this Circular. In the event any of the the Conditions Precedent is not being fulfilled, the Proposed Acquisition may not be completed, which may result in the failure of the Group to achieve the objectives and benefits of the Proposed Acquisition. Notwithstanding that, the Board and management of TILB shall use their best endeavours to ensure every effort is taken to obtain all necessary approvals to satisfy the Conditions Precedent.

6.2 Acquisition Risk

There is no assurance that the anticipated benefits arising from the Proposed Acquisition will be realised or that the Group will be able to recoup its investment in the Subject Land. Notwithstanding that, the Board will seek to mitigate such risks by adopting appropriate measures in planning and developing the Subject Land such as, amongst others, conducting periodic feasibility assessments and market study, prudent planning and allocation of resources, and engaging the services of professionals/ experts with a proven track record.

6.3 Business Risk

The Board does not foresee any material risks pursuant to the Proposed Acquisition except for the inherent risk factors associated with property development industry such as changes in the demand and supply of residential properties, interest rate fluctuations and changes in the legal and environmental framework governing the property development sector. Nevertheless, with TILB Group's extensive experience in the property development industry, the Board will use its best endeavours to ensure such risks are mitigated.

6.4 Finance Risk

TILB intends to finance the Proposed Acquisition through a mixture of internally generated funds and bank borrowings. Taking up additional bank borrowings would expose the Group to interest rate and debt servicing risks while any utilisation of internal funds is expected to result in a reduction of funds available for working capital purposes, which may have an adverse effect on the Group's cash flow position. The Board will endeavour to manage its cash flow position and funding requirements prudently, to address the above risks.

7. EFFECTS OF THE PROPOSED ACQUISITION

7.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholdings in the Company as the Proposed Acquisition will be fully satisfied in cash.

7.2 Earnings and EPS

Save for the interest cost to be incurred arising from the bank borrowings to partially fund the Proposed Acquisition, the Proposed Acquisition is not expected to have any material effect on the earnings and EPS of TILB Group for the FYE 31 December 2014, as the development on the Subject Land will protract beyond the current financial year. Nevertheless the Proposed Acquisition may contribute positively to the earnings and EPS of TILB Group in the future financial years when the Subject Land is developed.

7.3 NA and gearing

Based on the latest audited consolidated statements of financial position of TILB and subsequent adjustment up to and including the LPD, the proforma effects of the Proposed Acquisition on the consolidated NA and gearing of TILB are based under the following scenarios:-

Minimum Scenario : Assuming none of the outstanding Warrants and ESOS Options are exercised prior to the implementation of the Proposed Acquisition

Maximum Scenario : Assuming all of the outstanding Warrants and ESOS Options are exercised prior to the implementation of the Proposed Acquisition

Minimum Scenario

	Audited as at 31 December 2013 RM'000	I Subsequent adjustments up to and including the LPD RM'000	II After I and the Proposed Acquisition RM'000
Share capital	197,113	205,633	205,633
Share premium	63,921	66,164 ^{*1}	66,164
Share options reserve	215	157 ^{*1,2}	157
Capital reserve	467	467	467
Warrants reserve	704	406 ^{*1}	406
Retained earnings	47,646	47,540 ^{*2}	47,140 ^{*3}
Shareholders' equity/ NA	310,066	320,367	319,967
No. of ordinary shares outstanding ('000)	394,226	411,265	411,265
NA per share (RM)	0.79	0.78	0.78
Borrowings (RM'000)	98,169	98,169	198,169 ^{*4}
Gearing (times)	0.32	0.31	0.62

Notes:-

^{*1} After adjusting for the issuance of new TILB Shares arising from the exercise of the following outstanding convertible securities up to and including the LPD:-

- i. 14,882,388 Warrants at the exercise price of RM0.60 per Warrant
- ii. a) 1,536,000 ESOS Options at the exercise price of RM0.50 per ESOS Option
- b) 9,000 ESOS Options at the exercise price of RM0.65 per ESOS Option

- c) 462,000 ESOS Options at the exercise price of RM0.85 per ESOS Option
- d) 119,000 ESOS Options at the exercise price of RM1.27 per ESOS Option
- e) 31,000 ESOS Options at the exercise price of RM1.75 per ESOS Option

^{*2} After adjusting for the granting of 246,000 ESOS Options at the exercise price of RM1.75 per ESOS Option up to and including the LPD

^{*3} After deducting estimated expenses of RM400,000 relating to the Proposed Acquisition

^{*4} Assuming the Proposed Acquisition is partially funded by bank borrowings of RM100.00 million

Maximum Scenario

		I	II After I and assuming all of the outstanding Warrants and ESOS Options are exercised	III After II and the Proposed Acquisition
	Audited as at 31 December 2013 RM'000	Subsequent adjustments up to and including the LPD RM'000	RM'000	RM'000
Share capital	197,113	205,633	216,574	216,574
Share premium	63,921	66,164 ^{*1}	69,982 ^{*3}	69,982
Share options reserve	215	157 ^{*1, *2}	- ^{*3}	-
Capital reserve	467	467	467	467
Warrants reserve	704	406 ^{*1}	- ^{*3}	-
Retained earnings	47,646	47,540 ^{*2}	47,540	47,140 ^{*4}
Shareholders' equity/ NA	310,066	320,367	334,563	334,163
No. of ordinary shares outstanding ('000)	394,226	411,265	433,148	433,148
NA per share (RM)	0.79	0.78	0.77	0.77
Borrowings (RM'000)	98,169	98,169	98,169	198,169 ^{*5}
Gearing (times)	0.32	0.31	0.29	0.59

Notes:-

^{*1} After adjusting for the issuance of new TILB Shares arising from the exercise of the following outstanding convertible securities up to and including the LPD:-

- i. 14,882,388 Warrants at the exercise price of RM0.60 per Warrant
- ii. a) 1,536,000 ESOS Options at the exercise price of RM0.50 per ESOS Option
- b) 9,000 ESOS Options at the exercise price of RM0.65 per ESOS Option
- c) 462,000 ESOS Options at the exercise price of RM0.85 per ESOS Option
- d) 119,000 ESOS Options at the exercise price of RM1.27 per ESOS Option
- e) 31,000 ESOS Options at the exercise price of RM1.75 per ESOS Option

^{*2} After adjusting for the granting of 246,000 ESOS Options at the exercise price of RM1.75 per ESOS Option up to and including the LPD

- ^{*3} Assuming all of the following outstanding convertible securities are exercised prior to the implementation of the Proposed Acquisition:-
- i. 20,333,831 Warrants at the exercise price of RM0.60 per Warrant
 - ii. a) 69,000 ESOS Options at the exercise price of RM0.50 per ESOS Option
 - b) 6,000 ESOS Options at the exercise price of RM0.65 per ESOS Option
 - c) 40,000 ESOS Options at the exercise price of RM0.85 per ESOS Option
 - d) 1,219,000 ESOS Options at the exercise price of RM1.27 per ESOS Option
 - e) 215,000 ESOS Options at the exercise price of RM1.75 per ESOS Option
- ^{*4} After deducting estimated expenses of RM400,000 relating to the Proposed Acquisition
- ^{*5} Assuming the Proposed Acquisition is partially funded by bank borrowings of RM100.00 million

8. APPROVALS REQUIRED/ OBTAINED

The Proposed Acquisition is subject to the following approvals being obtained:-

- i. The shareholders of TILB at the forthcoming EGM of the Company; and
- ii. Any other relevant authorities and/ or approvals, if necessary.

The Proposed Acquisition is not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and/ or persons connected to them has any interest, whether direct or indirect, in the Proposed Acquisition.

10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to fulfilment of all the Conditions Precedents as set out in the SPA, the Proposed Acquisition is expected to be completed by the fourth quarter of 2014.

The tentative timetable for the implementation of the Proposed Acquisition is set out below:-

Month	Events
1 October 2014	• Convening of EGM to obtain the approval of shareholders of TILB
Early October 2014*	• Fulfillment of all other Conditions Precedent to the SPA

Note:-

- * The timetable is indicative at this juncture and is subject to, amongst others, any changes which may be necessary to facilitate implementation procedures and/ or approvals/ consents from the relevant government, state and regulatory authorities. Any delay in an event will result in a delay of subsequent events.

11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition, the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

12. DIRECTORS' RECOMMENDATION

The Board, after having considered all the relevant aspects, including the market value of the Subject Land as appraised by Henry Butcher, terms of the SPA, the rationale, prospect and future plans for the Proposed Acquisition, is of the opinion that the terms and conditions of the Proposed Acquisition are fair and reasonable and are in the best interest of the Company and none of the Directors have disagreed with this statement.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.

13. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be held at Salon III, Level 2, G Hotel Penang, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 1 October 2014 at 11.00 a.m., for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposed Acquisition.

If you are unable to attend, speak and vote in person at the EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty-eight (48) hours before the time stipulated for holding the EGM. The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

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

LAI FOOK HOY
Independent Non-Executive Chairman

VALUATION CERTIFICATE

**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Our Ref : V/BW/YSDY/14(FOOK/SHA)

Date: 5th June 2014**The Board of Directors****Tambun Indah Land Berhad**

No. 12-01, Penthouse, Wisma Pantai,
Jalan Wisma Pantai,
12200 Butterworth,
Pulau Pinang.

Dear Sirs,

VALUATION CERTIFICATE OF 27 PARCELS OF LAND WITH DEVELOPMENT POTENTIAL IDENTIFIED AS LOT NOS. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3416, 3417, 3418, 3419, 3420, 3421, 3422 AND 3423 HELD UNDER GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD NOS. 27819, 27820, 27821, 27822, 27823, 27824, 27825, 27826, 27827, 27828, 27829, 27830, 27831, 27832, 27833, 27834 AND 27835 RESPECTIVELY, MUKIM 15, DISTRICT OF SEBERANG PERAI SELATAN, PULAU PINANG ("Subject Properties").
(TOTAL LAND AREA: 209.5402 ACRES)

This certificate has been prepared for inclusion in the Circular to shareholders of Tambun Indah Land Berhad to be dated [15 Sept 2014] in relation to the proposed acquisition of the Subject Properties by Tambun Indah Land Berhad.

In accordance with the instructions from Tambun Indah Land Berhad, we have valued the abovementioned properties for Tambun Indah Land Berhad vide our Report and Valuation bearing Reference No. V/BW/YSDY/14(FOOK/SHA) for the purpose of Submission to Bursa Malaysia Securities Berhad in conjunction with the proposed acquisition of the Subject Properties.

We have inspected the Subject Properties on 5th June 2014 and this date is taken as the material date of valuation.

The basis of valuation is the Market Value of the Subject Properties. The Market Value is the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. We valued the properties using the Comparison Method of Valuation in arriving at the Market Value of the Subject Properties.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and Manual of Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

WE HAVE VALUED THE SUBJECT PROPERTIES ON THE BASIS OF VACANT POSSESSION AND FREE FROM ALL ENCUMBRANCES AS WE DID NOT NOTICE OF ANY BUILDING(S) OR STRUCTURE(S) ON THE LAND DURING OUR SITE INSPECTION. IN THE EVENT THERE IS ANY BUILDING OR BUILDINGS FOUND ON THE LAND, WE RESERVE THE RIGHT TO ALTER THE CONTENT OF OUR REPORT INCLUDING THE MARKET VALUE OF THE SUBJECT PROPERTIES TO REFLECTS ITS VALUE WITHOUT VACANT POSSESSION.

We confirm that in our opinion the Market Value of the unencumbered interest in the Subject Properties in their existing physical condition with vacant possession on the basis of **TITLES BEING GOOD, REGISTRABLE, MARKETABLE, FREE FROM ALL STATUTORY NOTICES AND OUTGOINGS** using the valuation method stated above are as follows:-

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9.



V1/0008/6 V0285

Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy

Valuation Certificate of
 Lot Nos. 1058, 1060, 1066, 1295, 1309,
 1373, 1375, 1376, 1378, 1442, 3407, 3408,
 3409, 3410, 3411, 3412, 3413, 3414, 3415,
 3416, 3417, 3418, 3419, 3420, 3421, 3422 and 3423,
 Mukim 15, District of Seberang Perai Selatan,
 Pulau Pinang.

IDENTIFICATION OF PROPERTY

Subject Property : 27 parcels of land with development potential.

Title Particulars :

Nos.	Title Nos.	Lot Nos.	Land Area	Annual Rent	Category of Land Use
1.	GRN 40158	1058	48,181.8675 sq. m.	RM240.00	Nil
2.	GRN 7283	1060	56,605.3144 sq. m.	RM210.00	Nil
3.	GM 275	1066	14,973.345 sq. m.	RM56.00	Nil
4.	GM 197	1295	310.3939 sq. m.	RM20.00	Nil
5.	GM 179	1309	4,016.5046 sq. m.	RM20.00	Nil
6.	GM 206	1373	2.972 hectares	RM111.00	Nil
7.	GRN 19103	1375	61,512.2112 sq. m.	RM304.00	Nil
8.	GM 59	1376	10,572.3956 sq. m.	RM40.00	Nil
9.	GM 61	1378	5,136.9702 sq. m.	RM20.00	Nil
10.	GM 77	1442	3,384.1783 sq. m.	RM15.00	Not stated
11.	HSD 27819	3407	1.719 hectares	RM85.00	Agriculture
12.	HSD 27820	3408	1.719 hectares	RM85.00	Agriculture
13.	HSD 27821	3409	1.718 hectares	RM85.00	Agriculture
14.	HSD 27822	3410	1.718 hectares	RM85.00	Agriculture
15.	HSD 27823	3411	1.757 hectares	RM87.00	Agriculture
16.	HSD 27824	3412	1.8 hectares	RM89.00	Agriculture
17.	HSD 27825	3413	1.882 hectares	RM94.00	Agriculture
18.	HSD 27826	3414	1.718 hectares	RM85.00	Agriculture
19.	HSD 27827	3415	1.882 hectares	RM94.00	Agriculture
20.	HSD 27828	3416	1.841 hectares	RM91.00	Agriculture
21.	HSD 27829	3417	1.922 hectares	RM95.00	Agriculture
22.	HSD 27830	3418	1.72 hectares	RM86.00	Agriculture
23.	HSD 27831	3419	1.76 hectares	RM87.00	Agriculture
24.	HSD 27832	3420	2.265 hectares	RM112.00	Agriculture
25.	HSD 27833	3421	2.265 hectares	RM112.00	Agriculture
26.	HSD 27834	3422	1.277 hectares	RM64.00	Agriculture
27.	HSD 27835	3423	32.39 hectares	RM1,601.00	Agriculture

Mukim : All within Mukim 15
 District : Seberang Perai Selatan
 State : Pulau Pinang
 Tenure : Freehold
 Registered Owner(s) : **TPPT SDN. BHD. – Full share**
 Express Conditions : Lot Nos. 1058, 1060, 1309, 1375 and 1376.

(FIRST GRADE)

The Land comprised in this title :

(a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of Land Administrator's / Collector's right of way;
 and

(b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs;

9.

and the title shall confer the absolute right to all forest produce and all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).

Lot Nos. 1066 and 1295.

Nil

Lot Nos. 1373 and 1378.

1. The land comprised in this title shall not be affected by any provisions of the National Land Code or any other written law prohibiting mining or the removal of specified materials beyond the boundaries of the land except a provision prohibiting the prospecting for and extraction of mineral oil.

2. The provision of law relating to the creation of a private right of way shall apply to this land.

Lot No. 1442.

The land comprised in this title:

(a) Shall not be affected by any provision of the National Land Code or any other written law prohibiting mining or the removal of specified materials beyond the boundaries of the land;

(b) Shall not be affected by any provision of the National Land Code limiting the compensation payable on the creation of Collector's right of way to compensation for damage in respect of trees, crops or buildings.

Lot Nos. 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3416, 3417, 3418, 3419, 3420, 3421, 3422 and 3423.

Tanah ini hanya untuk tujuan pertanian seperti berikut: seluas 156 ekar daripada lot ini ditanam dengan kelapa sawit dan bakinya 73e 0r 37p ditanam dengan getah.

Restriction-In-Interest : Nil

Other Endorsements : Lot 1373 - Subject to Provision of Land Conservation Act 1960

Hak Laluan Talian Elektrik

Part of the subject Lots 1058, 1066, 1309, 1373, 1375, 1378, 1442, 3419, 3420, 3421, 3422 and 3423 are affected by the high voltage TNB rentice vide the provisions under Seksyen 11, Akta Bekalan Elektrik 1990. The total land area affected by the rentice is about 6.339 hectares.

General Description : The Subject Properties comprise 27 parcels of land with development potential located in between the locality of Simpang Ampat and Kampung Baru Valdor, Seberang Perai Selatan, Pulau Pinang and adjoining the southern side of Bandar Tasek Mutiara (marketed as "Pearl City").

They are situated approximately 25 km to the south-east of the Butterworth Ferry Terminal Complex and about 9 km to the south-east of Simpang Ampat small town.

The subject sites comprise of twenty seven (27) lots with a total land area of approximately 84.80 hectares (209.5402 acres). Together the site is irregular in shape. The terrain of the land is generally flat and lies at about the same level of the surrounding lands. The boundaries are not demarcated by any physical fencing.

As at the date of our inspection, we noted that the subject lands are mostly planted with matured oil palm trees. There are no other activities carried out and no building(s) or structure(s) are found on the Subject Properties.

There are two (2) Tenaga Nasional Berhad (TNB) high tension rentices of 275KV cuts through Lot Nos. 1058, 1309, 1373, 1375, 1378, 1442, 3419, 3420, 3421 and 3422 and Lot Nos. 1066 and 3423. The areas affected by this rentice are about 15.665 acres.

We also noted that the major portion of the Lot No. 1060 estimated at approximately 12.5 acres is covered by a pond.

Lot No. 1295 is separated from the other lots to the south-western side by an irrigation canal. This lot is triangular in shape and planted with oil palm trees and the boundaries are not demarcated by any physical fencing.

Planning Provision : The Subject Properties are situated within an area designated for “**agricultural**” purposes as stated in the Rancangan Struktur Negeri Pulau Pinang 2005-2020.

The present land use on the Subject Properties is agricultural use and it is in compliance with the existing zoning.

Our enquiries made with the relevant authorities revealed that there is no proposed development plan submitted for the Subject Properties as yet.

MARKET VALUE

Method of Valuation : We have only adopted the “Comparison Method” of valuation in arriving at our market value as there is no proposed development plan for the subject properties as yet and there are ample sales evidences available which can be used to analyze the Market Value of the Subject Properties.

This approach is the Market Approach of comparing the subject land with other comparable lands that were transacted within the same location or other comparable localities. In comparing these, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

Our findings from Valuation and Property Services Department, Ministry of Finance data revealed that there are few transactions of similar properties within the vicinity. We have identified and analysed the following comparables.



Valuation Certificate of
Lot Nos. 1058, 1060, 1066, 1295, 1309,
1373, 1375, 1376, 1378, 1442, 3407, 3408,
3409, 3410, 3411, 3412, 3413, 3414, 3415,
3416, 3417, 3418, 3419, 3420, 3421, 3422 and 3423,
Mukim 15, District of Seberang Perai Selatan,
Pulau Pinang.

Comparables	1	2	3	4
Lot No(s).	1024	1635, 1636, 1637, 1638, 1641, 1642, 1643, 1644, 1645 and 1646	133, 184, 186, 340, 341, 730, 731, 735, 736, 737, 738, 739, 740, 741, 811, 812, 816, 817, 818, 820 and 821	1368
Title No(s).	GRN 40157	GM 296, GM 297, GM 298, GM 853, GM 854, GM 855, GM 856, GM 857, GM 858 and GM 859 respectively	GM 422, GM 380, GM 381, GM 245, GM 255, GRN 40224, GM 127, GM 130, GM 131, GM 132, GM 133, GM 134, GM 135, GM 136, GM 181, GM 182, GM 184, GM 185, GM 186, GM 188 and GM 189 respectively	GRN 40186
Title	1 st Grade	1 st Grade	1 st Grade & Mukim Grant	1 st Grade
Mukim	15	14	14	15
District	Seberang Perai Selatan	Seberang Perai Tengah	Seberang Perai Selatan	Seberang Perai Selatan
Location	Along Jalan Besar, Simpang Ampat	Off Jalan Rozhan, Permatang Tinggi	Along Jalan Paboi, Simpang Ampat	Off Jalan Tasek – Valdor
Land Area (acres)	19.135	24.130	50.143	24.093
Tenure	Freehold	Freehold	Freehold	Freehold
Zoning	Pembangunan Sedia Ada	Pembangunan Sedia Ada / Pertanian	Pembangunan Baru	Pertanian
Transacted Price (RM)	27,185,776.00	33,636,678.00	87,371,511.00	14,693,483.00
Share Transacted	1.00	1.00	1.00	1.00
Date of Transaction	20/11/2012	04/03/2014	21/06/2013	13/11/2013
Vendor(s)	Chin Hin Land Sdn. Bhd.	Tah Wah Capital Sdn. Bhd.	Campio Land Sdn. Bhd.	BLS Mega Sdn. Bhd.
Purchaser(s)	Pavilion Wagon Sdn. Bhd.	Pertubuhan Buddhist Tzu-Chi Merits Malaysia	Dedikasi Mesra Sdn. Bhd.	Palmington Sdn. Bhd.
Land Value (RM psf)	32.62	32.00	40.00	14.00
Source	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)
Adjustment Made	- Upward adjustmnt for time. - Downward adjustment for size, location, zoning and shape.	- Downward adjustment for size, location and zoning.	- Upward adjustment for time and title. - Downward adjustment for size, location and zoning.	- Upward adjustment for time, location and accessibility. - Downward adjustment for size.
Adjusted Value (RM psf)	19.57	20.80	30.80	18.48

9.

Valuation Certificate of
Lot Nos. 1058, 1060, 1066, 1295, 1309,
1373, 1375, 1376, 1378, 1442, 3407, 3408,
3409, 3410, 3411, 3412, 3413, 3414, 3415,
3416, 3417, 3418, 3419, 3420, 3421, 3422 and 3423,
Mukim 15, District of Seberang Perai Selatan,
Pulau Pinang.

For the portion of the subject properties which are affected by the TNB rentice, a separate comparables of paddy lands have been used. As land under TNB rentice can only be used for crops of not more than 6 ft height, therefore the paddy land evidence should be the most suitable for the portion of land affected by TNB rentice.

Comparables	5	6	7
Lot No(s).	1123	1605	1896 (New Lot No. 2834)
Title No(s).	GM 2	GM 708	GM 710
Title	Mukim Grant	Mukim Grant	Mukim Grant
Mukim	10	9	10
District	Seberang Perai Selatan	Seberang Perai Selatan	Seberang Perai Selatan
Location	Off Sungai Acheh, Nibong Tebal	Off Jalan Tanjung Berembang, Nibong Tebal	Off Jalan Sempadan, Nibong Tebal
Land Area (acres)	3.231	2.231	1.348
Tenure	Freehold	Freehold	Freehold
Zoning	Pertanian	Pertanian	Pertanian
Transacted Price (RM)	300,000.00	250,000.00	200,000.00
Share Transacted	1.00	1.00	1.00
Date of Transaction	01/07/2013	03/05/2013	03/01/2013
Vendor(s)	Lim Kim Soon	Zainal Alam Bin Kamaruddin + 1	Fatimah Binti Mat
Purchaser(s)	Bah Kun Day	Kee Kean Lee	Juara Selera Sdn Bhd
Land Value (RM psf)	2.13	2.57	3.41
Source	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH)
Adjustment Made	- Upward adjustment for time and location.	- Upward adjustment for time and location.	- Upward adjustment for time and location.
Adjusted Value (RM psf)	3.05	3.68	4.87

After considering the comparables above, we are the opinion that the land value of the Subject Properties are as follows:-

Item	Land Area (acre)	Land Value (RM psf)	Land Value (RM)
Land with First Grade title (Lot Nos. 1058, 1060, 1309, 1375 & 1376)	30.4981	18.50	24,577,199.00
*Land with non First Grade title (Lot Nos. 1066, 1295, 1373, 1378, 1442, 3407 to 3423)	150.8771	17.00	111,727,510.00
**Land under pond on Lot 1060	12.50	13.00	7,078,500.00
***Land under TNB rentice (Lot Nos. 1058, 1066, 1309, 1373, 1375, 1378, 1442, 3419, 3420, 3421, 3422 and 3423)	15.665	4.00	2,729,470.00
Total Land Area	209.5402		146,112,679.00
+TOTAL MARKET VALUE say			150,000,000.00
+Rounded to the nearest RM10 million in view of its large parcel of land			

9.

Valuation Certificate of
Lot Nos. 1058, 1060, 1066, 1295, 1309,
1373, 1375, 1376, 1378, 1442, 3407, 3408,
3409, 3410, 3411, 3412, 3413, 3414, 3415,
3416, 3417, 3418, 3419, 3420, 3421, 3422 and 3423,
Mukim 15, District of Seberang Perai Selatan,
Pulau Pinang.

*A downward adjustment has been adopted for the type of title factor when comparing the land value of non First Grade with First Grade titles.

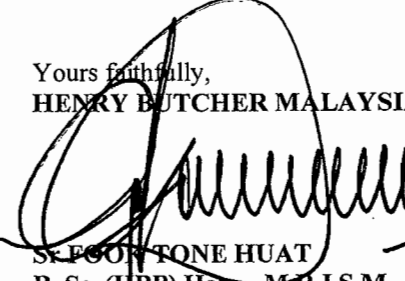
**A downward adjustment has been adopted for the portion of land under pond as it is slightly less uneconomical when compared to those usual lands which can be developed.

***The land value of land under rentice is based on paddy land value as it can only be used for agricultural purposes with crops of not more than 6 ft height. Therefore the paddy land evidence should be the most suitable for this portion of land affected by TNB Rentice. An upward adjustment has been adopted for the time and location factors.

OPINION OF VALUE

The current **Market Value (MV)** of the freehold unencumbered interest in the Subject Properties with vacant possession in their existing physical condition on the basis of **TITLES BEING GOOD, REGISTRABLE, MARKETABLE, FREE FROM ALL STATUTORY NOTICES AND OUTGOINGS** and as at 5th June 2014 is **RM150,000,000/- (Ringgit Malaysia: One Hundred And Fifty Million Only)**.

Yours faithfully,
HENRY BUTCHER MALAYSIA (SEBERANG PERAI) SDN. BHD.


S. FOOK TONE HUAT
B. Sc. (HBP) Hons., M.R.I.S.M.
Registered Valuer (V -556)



NOTE:-

As per the Sale and Purchase Agreement, the Subject Properties was purchased on the basis of without vacant possession. However during our site inspection, we did not notice of any building(s) or structure(s) on the land. We therefore have valued it on the basis of vacant possession and free from all encumbrances. In the event there is any building or buildings found on the land, we reserve the right to alter the content of our report including the market value of the Subject Properties to reflect its value without vacant possession.

LETTER OF CONFIRMATION BY THE LAND SURVEYOR

JURUUKUR BERSAMA

PERUNDING UKUR & KEMAJUAN TANAH

Consultant in Land & housing Development, Survey services in Title, Engineering,
Hydrographic, Mining, Satellite Positioning, Topographical Surveying.JURUUKUR TANAH YANG DILESEN
DIBAWAH AKTA 458 (Pindaan 1991)

Our Ref. : JUB/P1600/2014

Date: 28th August 2014**The Board of Directors****Tambun Indah Land Berhad**12-01, Penthouse,
Wisma Pantai,
12200 Butterworth,
Pulau Pinang.

Dear Sir,

Survey on 27 parcels of freehold land measuring in aggregate of approximately 209.54 acres identified as lot nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423 held under title nos. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD nos. 27819 to 27835, Mukim 15, District of Seberang Perai Selatan, Pulau Pinang. ("Subject Land")

The above matter refers.

We have been instructed by Tambun Indah Land Berhad to conduct a land survey on the Subject Land. Pursuant thereto, we confirm that based on our site inspection during our survey works on the Subject Land from 21st August 2014 to 28th August 2014, there are no existing buildings/structures erected or squatters on the Subject Land.

Your faithfully,

JURUUKUR BERSAMA
CHENG BENG CHEANG, AMP

B. Surv. (Hons), Dip Land Surv.

MIS (M), MAALS, AMIM

Juruukur Tanah Berlesen

dibawah Akta 458 (Pindaan 1991)

PEJABAT:

NO. 1-J, TINGKAT ATAS, LORONG DELIMA LIMA, ISLAND GLADES, 11700 PENANG.

TEL : 04-6560142, 017-4640142 FAX : 04-6582837 E-Mail: jbersama88@yahoo.com / juruukur@yahoo.com

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

The information on the Vendor pursuant to the Proposed Acquisition was extracted from publicly available documents and/ or information obtained from the Vendor and the responsibility of the Board is limited to ensuring that the information thereon are accurately reproduced in this Circular.

2. CONSENT

RHBIB, being the Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Henry Butcher, being the Valuer to TILB in relation to the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and the valuation certificate of its name and all references thereto in the form and context in which they appear in this Circular.

Juruukur Bersama, being the Land Surveyor to TILB in relation to the land survey conducted on the Subject Land, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and the letter of confirmation by the Land Surveyor of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

RHBIB has given their written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to TILB for the Proposed Acquisition.

Henry Butcher has given their written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Valuer to TILB in relation to the Proposed Acquisition.

4. MATERIAL CONTRACTS

Save as disclosed below and for the SPA, neither TILB nor any of its subsidiary companies have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the LPD:-

- i. Pridaman Sdn Bhd ("PSB") and Cenderaman Development Sdn Bhd ("CDSB"), both wholly-owned subsidiary companies of TILB, had on 2 June 2014 entered into a sale and purchase agreement with Celina Foo Geik Hiang, Foo Feng Hai and Lee Kium Giek (as administrator of the Estate of Foo Pang Hua (deceased)) ("Third Vendor") (collectively the "Vendors") wherein the Vendors agreed to sell and PSB and CDSB agreed to purchase all that piece of land held under Geran Mukim No. Hakmilik 325 and known as Lot No. 1708, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang for the sum of RM8,935,300.00 only. The deposit of RM893,530.00 has been paid upon the execution of the sale and purchase agreement and the balance purchase price of RM8,041,770.00 was to be paid within the period of three (3) months from the receipt by the solicitors for PSB and CDSB of the sealed court order in respect of the order of court for sale sanctioning the sale and purchase of the said land by the Third Vendor to PSB and CDSB, and includes any extension or extensions given. The agreement is still valid and subsisting as at the LPD;
- ii. Palmington had on 13 November 2013 entered into a sale and purchase agreement with BLS Mega Sdn Bhd ("BLS") wherein BLS agreed to sell and Palmington agreed to purchase all that piece of land held under Geran No. Hakmilik 40186, Lot No. 1368, Mukim 15, Daerah Seberang Perai Selatan, Negeri Pulau Pinang for the sum of RM14,693,482.86 only. The deposit of RM1,469,348.30 was to be paid upon execution of the sale and purchase agreement and the balance purchase price of RM13,224,134.56 was to be paid within period of three (3) months commencing from the date of the sale and purchase agreement and includes any extension or extensions given. The transaction has been completed on 5 February 2014;
- iii. Novinia Sdn Bhd ("Novinia"), a wholly-owned subsidiary company of TILB, had on 21 October 2013 entered into a sale and purchase agreement with Pesaka Saujana Development Sdn Bhd ("Pesaka") wherein Pesaka agreed to sell and Novinia agreed to purchase all those pieces of land held under No. Hakmilik GRN 74372 and GRN 74373 known as Lots Nos. 4738 and 4741, Mukim 15, Daerah Seberang Perai Selatan, Negeri Pulau Pinang for the sum of RM12,730,692.10 only. The deposit of RM1,273,069.21 was to be paid upon execution of the sale and purchase agreement and the balance purchase price of RM11,457,622.89 was to be paid within period of three (3) months commencing from the date of the sale and purchase agreement and includes any extension or extensions given. The transaction has been completed on 7 January 2014;
- iv. Palmington had on 28 May 2013 entered into a shareholders' agreement with Ripro Sdn Bhd ("Ripro") to regulate their relationship as shareholders via a new company, TNC Capital Sdn Bhd ("TNC"), to develop part of Parcel R3 (being piece of land forming part of Bandar Tasek Mutiara identified as Lot No. 8753, under Master Lot 1629) measuring approximately 15.55 acres into a shopping complex and/ or such development as TNC deems fit in accordance with the approvals obtained or to be obtained from the appropriate authorities. Palmington and Ripro own one (1) ordinary share of RM1.00 each, representing a 50%-equity interest each, in TNC. The agreement is still valid and subsisting as at the LPD;

- v. Palmington had on 28 May 2013 entered into a sale and purchase agreement with TNC wherein Palmington agreed to sell and TNC agreed to purchase part of Parcel R3 (being piece of land forming part of Bandar Tasek Mutiara identified as Lot No. 8753, under Master Lot 1629) measuring in total approximately 15.55 acres ("the Property") for the sum of RM12,870,000 only. The deposit of RM1,287,000 was to be paid upon execution of the sale and purchase agreement and the balance of RM11,583,000 shall be paid by TNC within seven (7) days upon commencement of construction works by TNC on the Property or within 60 days from the date of issuance of the separate issue document of title to the Property, whichever is earlier. The transaction has been completed on 15 August 2014; and
- vi. Palmington had on 7 May 2013 entered into a sale and purchase agreement with Sazali Bin Hussain, Shamsudin Bin Hussain, Hamilah Binti Othman, Mahmud Bin Othman and Patimah Binti Othman (collectively "the Vendor(s)") wherein the Vendor(s) are willing to sell and Palmington is willing to purchase all that piece of land held under GM251, Lot No. 14 in Mukim 15, Daerah Seberang Perai Selatan, Negeri Pulau Pinang containing the area of 17654.3831 square metres (or 190030.1907 square feet) for a total purchase price of RM3,040,483 only. The deposit of RM304,048.30 was to be paid upon execution of the sale and purchase agreement and the balance purchase price of RM2,736,434.70 was to be paid within period of two (2) months commencing from the date of the sale and purchase agreement and includes any extension or extensions given. The transaction has been completed on 7 June 2013.

5. MATERIAL LITIGATION

As at the LPD, TILB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and/ or involving the Subject Land, and the Board is not aware and have no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

6. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group:-

	RM'million
Contractual commitments for purchase of development land	8.04

7. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

	RM'million
Corporate guarantees given to secure credit facilities to subsidiary companies of TILB	147.98

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of the forthcoming EGM of the Company:-

- i. Memorandum and Articles of Association of TILB;
- ii. Audited consolidated financial statements of TILB Group for the past two (2) financial years up to the FYE 31 December 2013 and the latest unaudited quarterly report of TILB for the six (6)-month FPE 30 June 2014;
- iii. The Valuation Report by Henry Butcher dated 5 June 2014 together with the valuation certificate in relation to the Proposed Acquisition;
- iv. The letter of confirmation by the Land Surveyor dated 28 August 2014 in relation to the land survey conducted on the Subject Land;
- v. The letters of consent and declaration of conflict of interests referred to in Sections 2 and 3 above, respectively; and
- vi. The material contracts referred to in Section 4 above.

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TAMBUN INDAH LAND BERHAD

(Company No.: 810446-U)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Tambun Indah Land Berhad ("TILB" or the "Company") will be held at Salon III, Level 2, G Hotel Penang, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 1 October 2014 at 11.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY PALMINGTON SDN BHD ("PALMINGTON" OR THE "PURCHASER"), A WHOLLY-OWNED SUBSIDIARY OF TILB, OF 27 PARCELS OF FREEHOLD LAND MEASURING IN AGGREGATE OF APPROXIMATELY 209.54 ACRES IDENTIFIED AS LOT NOS. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 TO 3423 HELD UNDER TITLE NOS. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD NOS. 27819 TO 27835, MUKIM 15, DISTRICT OF SEBERANG PERAI SELATAN, PULAU PINANG ("SUBJECT LAND"), FROM TPPT SDN BHD ("TPPT" OR THE "VENDOR") FOR A TOTAL PURCHASE CONSIDERATION OF RM150.00 MILLION TO BE SATISFIED ENTIRELY BY CASH ("PROPOSED ACQUISITION")

"THAT, subject to and conditional upon the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given for Palmington, a wholly-owned subsidiary of TILB, to acquire 27 parcels of freehold land measuring in aggregate of approximately 209.54 acres identified as Lot Nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423 held under Title Nos. GRN 40158, GRN 7283, GM 275, GM 197, GM 179, GM 206, GRN 19103, GM 59, GM 61, GM 77, HSD Nos. 27819 to 27835, Mukim 15, District of Seberang Perai Selatan, Pulau Pinang, from TPPT for a total purchase consideration of RM150.00 million to be satisfied entirely by cash, in accordance with the terms and conditions of the conditional sale and purchase agreement dated 11 July 2014 entered into between Palmington and TPPT.

AND THAT the Board of Directors of the Company be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the aforesaid Proposed Acquisition with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition."

By Order of the Board

Lee Peng Loon (MACS 01258)
P'ng Chiew Keem (MAICSA 7026443)
Company Secretaries

Pulau Pinang
15 September 2014

Notes:-

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *For a proxy to be valid, the Proxy Form, duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.*
6. *In the case of a corporate member, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorized.*
7. *In respect of the deposited securities, only members whose names appear in the Record of Depositors on 25 September 2014 (General Meeting Record of Depositors) shall be eligible to attend, vote and speak at the meeting or appoint proxies to attend, vote and speak on their behalf.*



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

PROXY FORM

*I/We.....

(*I/C No. / Passport No. / Company No.) of.....

being a *member/members of the abovenamed Company, hereby appoint.....

..... (*I/C No. / Passport No.) of

.....or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our

behalf at the Extraordinary General Meeting of the Company to be held at Salon III, Level 2, G Hotel Penang,

168A, Persiaran Gurney, 10250 Penang on Wednesday, 1 October 2014 at 11.00 a.m. and at any adjournment

thereof.

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED ACQUISITION		

Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

Signed this day of, 2014.

No. of shares held

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	%
Proxy 1		
Proxy 2		
		100

Signature(s)/Common Seal of member(s)

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. For a proxy to be valid, the Proxy Form, duly completed must be deposited at the Registered Office of the Company, 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
6. In the case of a corporate member, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
7. In respect of the deposited securities, only members whose names appear in the Record of Depositors on 25 September 2014 (General Meeting Record of Depositors) shall be eligible to attend, vote and speak at the meeting or appoint proxies to attend, vote and speak on their behalf.

*strike out whichever is not desired.

Fold this flap for sealing

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AFFIX
STAMP

The Company Secretaries
TAMBUN INDAH LAND BERHAD (810446-U)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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