

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.09.09 RM'000	Previous year corresponding quarter 30.09.08 RM'000	9 months ended 30.09.09 RM'000	9 months ended 30.09.08 RM'000
Revenue	3,422	1,101	19,628	12,670
Cost of Sales	(3,115)	(562)	(15,763)	(7,873)
Gross Profit	307	539	3,865	4,797
Other operating income	12,138	72	12,268	201
Operating expenses	(1,457)	(1,499)	(4,849)	(7,651)
Profit/(Loss) from operations	10,988	(888)	11,284	(2,653)
Finance income /(costs), net	130	169	315	442
Profit/(Loss) before taxation	11,118	(719)	11,599	(2,211)
Taxation (Note 17)	1,212	(118)	1,627	(172)
Profit/(Loss) after taxation	12,330	(837)	13,226	(2,383)
Minority interest	-	-	-	-
Net profit/(loss) for the period	12,330	(837)	13,226	(2,383)

EARNINGS/ (LOSS) PER SHARE

Basic (sen)	1.84	(0.13)	1.98	(0.36)
Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

**CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2009**

	Unaudited as at 30.09.09 RM'000	Audited as at 31.12.08 RM'000
NON-CURRENT ASSETS		
Property, plant and machinery	1,212	1,254
Investment properties	1,075	1,075
Other investments	61	61
Land held for future development	188,916	188,916
	<hr/> 191,264	<hr/> 191,306
CURRENT ASSETS		
Development properties	399,278	396,974
Inventories	2,935	4,186
Trade receivables	21,882	21,700
Other receivables	6,077	5,725
Cash and bank balances	31,606	26,248
	<hr/> 461,778	<hr/> 454,833
TOTAL ASSETS	<hr/> 653,042	<hr/> 646,139
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	334,864	334,864
Reserves	161,044	147,818
Shareholders' equity	<hr/> 495,908	<hr/> 482,682
NON-CURRENT LIABILITIES		
Borrowings	10,221	13,273
Deferred taxation	121,754	123,074
Sinking Fund	0	548
	<hr/> 131,975	<hr/> 136,895
CURRENT LIABILITIES		
Trade payables	12,346	12,877
Other payables	10,091	8,388
Borrowings	2,722	5,297
	<hr/> 25,159	<hr/> 26,562
TOTAL EQUITY AND LIABILITIES	<hr/> 653,042	<hr/> 646,139
Net assets per share (RM)	0.74	0.72

The Condensed Consolidated Balance Sheets should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statement.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	Share capital	Share premium	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	334,864	225,821	(85,871)	474,814
Net loss for the period	-	-	(2,383)	(2,383)
Amount recognised directly in equity relating to changes in tax rate	-	-	14,811	14,811
At 30 September 2008	334,864	225,821	(73,443)	487,242
At 1 January 2009	334,864	225,821	(78,003)	482,682
Net profit for the period	-	-	13,226	13,226
At 30 September 2009	334,864	225,821	(64,777)	495,908

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statement.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	9 months ended 30.09.09 RM'000	9 months ended 30.09.08 RM'000
Net cash generated from/(used in) operating activities	11,737	1,853
Net cash generated from/(used in) investing activities	(204)	(35)
Net cash generated from/(used in) financing activities	(6,175)	1,065
Net increase/(decrease) in cash and cash equivalents	5,358	2,883
Cash and cash equivalents at beginning of year	26,248	25,755
Cash and cash equivalents at the end of quarter	31,606	28,638
Cash and cash equivalents comprise:		
Cash and bank balances	3,833	1,072
Deposit with licensed banks	27,773	27,566
	31,606	28,638

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008.

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment and the following assets and liabilities that are stated at fair values: financial assets at fair value through profit or loss, available-for-sale financial assets, derivative financial instruments and investment properties.

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. 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 year ended 31 December 2008.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008. The adoption of all FRS does not have significant financial impact on the group.

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2008

The Auditors' Report of the financial statements of the Company and of the Group for the year ended 31 December 2008 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in previous quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

7. DEBTS AND EQUITY SECURITIES

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 December 2008.

8. DIVIDENDS

No dividends are recommended, have been declared, or have been paid during the financial quarter ended 31 December 2008.

9. VALUATION OR PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2008.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements.

11. GROUP COMPOSITION

There were no material changes in the composition of the Group during the financial quarter under review.

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Contingent liabilities of the Group comprise the following:

	30.09.09	31.12.08
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	93,350	52,200
- Current Exposure	12,527	18,183
Performance bond issued by subsidiaries involved in construction activities	29,350	4,200

13. SEGMENTAL REPORTING

Analysis by Activities

	Turnover Year To Date		Profit/(Loss) before Taxation Year To Date	
	30.09.09	30.09.08	30.09.09	30.09.08
	RM'000	RM'000	RM'000	RM'000
Property development	11,536	11,777	17,417	3,244
Construction	14,988	4,123	(111)	(496)
Property Management	72	687	37	181
	26,596	16,587	17,343	2,929
Consolidation adjustment	(6,968)	(3,917)	(5,372)	(4,730)
	19,628	12,670	11,971	(1,801)
Unallocated corporate expenses	-	-	(687)	(852)
Finance income/(costs), net	-	-	315	442
	19,628	12,670	11,599	(2,211)

No segmental reporting on geographical location is prepared as the Group's activities are carried out in Malaysia.

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

14. REVIEW OF PERFORMANCE

(i) Comparison with the preceding quarter

The Group recorded lower revenue in the current quarter ended 30 September 2009 as compared to preceding quarter ended 30 June 2009 due to slower property sales. However, the profit before tax is much higher as a result of the compensation received from compulsory land acquisition by government.

(ii) Comparison with the previous corresponding quarter.

The Group has recorded higher revenue in the current quarter ended 30 September 2009 as compared to the previous corresponding quarter ended 30 September 2008 due to the commencement of work of its RM303 million contract from Johor State Secretary Incorporated. The compensation for land acquisition also increase the profit before tax significantly for the current quarter.

15. PROSPECTS

2009 has been a challenging operating environment for the Group's property development and construction sectors in view of the present economic prospects. The stimulus packages announced by the Government may contribute towards mitigating the impact of the global contraction on the domestic economy. The Group is strategising and preparing itself with the aim to seize any opportunities created by the turning of the economic condition for the better, when it happens.

The project in the pipeline is the Puteri Point Commercial Park with a Gross Development Value of over RM38 million. This development consists of 62 units of shop office and will be launched soon. At the moment, Tebrau Teguh is assessing the demand for commercial development before confirming the launch date. At present, second phase of the Oasis@Bayu Puteri, with a Gross Development Value of RM35 million, is under construction and scheduled for completion by mid 2010.

The Group was awarded a RM303 million contract from Johor State Secretary Incorporated on 16 January 2009. The construction period is 36 months and is targeted to complete in early 2012.

16. PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

17. INCOME TAX EXPENSES

	Current year quarter 30.09.2009 RM'000	9 months cumulative to date 30.09.2009 RM'000
Current income tax :		
Malaysian Income Tax	3	3
Under/(Over) provision in prior year	-	(309)
Transfer to/(from) deferred taxation	(1,215)	(1,321)
	<u>(1,212)</u>	<u>(1,627)</u>

18. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter and financial year to date.

19. QUOTED INVESTMENTS

There were no purchases or sale of quoted securities for the current quarter and financial year to date.

There were no investments in quoted securities as at the end of the current quarter.

20. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals involving the company as at the end of the current quarter.

21. BORROWING AND DEBT EQUITIES

Details of the Group's borrowings as at 30 September 2009 are as follows:

	Current RM'000	Non current RM'000	Total RM'000
Bridging loans (secured) – Note 1	2,446	9,950	12,396
Contract Financing (secured) – Note 2	131	-	131
Hire purchase & leasing liabilities	145	271	416
Total	<u>2,722</u>	<u>10,221</u>	<u>12,943</u>

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

Note 1 : As at 30 September 2009, RM28.20 million has been drawn down from the Bridging Loan facilities of RM35 million under the Principle of Bai'bithaman Ajil with Bank Kerjasama Rakyat Malaysia Bhd. Approximately RM15.8 million has been repaid through the redemption from sale of development properties products. The non-current portion of the bridging loan due to be fully repaid by 2012.

Note 2 : As at 30 September 2009, RM349,000 has been drawn down from the Short Term Advance facility of RM16 million. The facility will be repaid through direct deduction from contract proceed and it is expected to be fully repaid by 2012.

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off-balance sheet financial instruments.

23. MATERIAL LITIGATION

Case No./Parties	Remarks and status
Johor Bahru High Court No. 24-2894-2003(4) Tebrau Bay Sdn Bhd ("TBSB") vs United Victoria Sdn Bhd ("UVSB") and Kong Sun Enterprise Sdn Bhd ("KSE")	This legal case is in relation to a claim of RM12.6 million by a wholly owned subsidiary of the Company, against the Defendants in respect of the sale of 51% equity interest in Aset Nusantara Development Sdn Bhd to the Defendants. The matter has been fixed for further mention for parties to report status of negotiation on 28 December 2009.

24. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 September 2009 (30 September 2008 : Nil).

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NOTES TO 3RD QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

25. EARNINGS AND LOSS PER SHARE

The basic earnings/ (loss) per share for the financial period has been calculated based on the Group's earnings/ (loss) after taxation and divided by the 669,727,143 ordinary shares of RM0.50 each in issue during the financial period.

26. STATUS OF JOINT VENTURE PROJECTS

Following is the status of the existing joint venture projects as at 30 September 2009:

	Paradise Realty Sdn Bhd
<u>Development Status</u>	
Total land area	20.324 acres
% land under development	94.63%
<u>Joint Venture Consideration</u>	
Amount invoiced (RM'000)	3,838
Amount collected (RM'000)	(1,433)
Outstanding as at 30 September 2009 (RM'000)	2,405

27. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 November 2009.