

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2011**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---------------------------------------|---|--|--|
| | Current quarter 31.12.11 RM'000 | Previous year corresponding quarter 31.12.10 RM'000 | 12 months ended 31.12.11 RM'000 | 12 months ended 31.12.10 RM'000 |
| Revenue | 19,485 | 38,564 | 113,409 | 108,972 |
| Cost of Sales | (18,155) | (37,705) | (105,975) | (101,323) |
| Gross Profit | 1,330 | 859 | 7,434 | 7,649 |
| Other operating income | 99 | 393 | 1,512 | 2,881 |
| Operating expenses | (1,638) | (1,504) | (5,980) | (7,072) |
| Profit from operations | (209) | (252) | 2,966 | 3,458 |
| Finance costs | (30) | 145 | (304) | (383) |
| Profit before taxation | (239) | (107) | 2,662 | 3,075 |
| Taxation (Note 19) | (892) | (105) | (81) | 555 |
| Profit for the period | (1,131) | (212) | 2,581 | 3,630 |
| Other comprehensive income net of tax | - | - | - | - |
| Total comprehensive income for the period | (1,131) | (212) | 2,581 | 3,630 |
| Profit and total comprehensive income attributable to : | | | | |
| Owners of the Parent | (1,131) | (212) | 2,581 | 3,630 |
| EARNINGS PER SHARE | | | | |
| Basic (sen) | (0.17) | (0.03) | 0.39 | 0.54 |
| Diluted (sen) | (0.17) | (0.03) | 0.39 | 0.54 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

| | Unaudited as at 31.12.11 RM'000 | Audited as at 31.12.10 RM'000 |
|---|--|--|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 1,396 | 1,117 |
| Investment properties | 308 | 884 |
| Available-for-sale investment | 90 | 90 |
| Land held for future development | 188,916 | 188,916 |
| | <u>190,710</u> | <u>191,007</u> |
| CURRENT ASSETS | | |
| Development properties | 397,644 | 403,016 |
| Inventories | 547 | 547 |
| Trade and other receivables | 40,299 | 51,027 |
| Cash and bank balances | 37,825 | 36,175 |
| | <u>476,315</u> | <u>490,765</u> |
| TOTAL ASSETS | 667,025 | 681,772 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | |
| Share capital | 334,864 | 334,864 |
| Reserves | 168,233 | 165,652 |
| Shareholders' equity | <u>503,097</u> | <u>500,516</u> |
| NON-CURRENT LIABILITIES | | |
| Long term borrowings | 488 | 122 |
| Deferred taxation | 119,054 | 120,479 |
| | <u>119,542</u> | <u>120,601</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 40,674 | 48,757 |
| Short term borrowings | 3,712 | 5,100 |
| Financial liabilities at amortised cost | - | 6,798 |
| Tax payable | - | - |
| | <u>44,386</u> | <u>60,655</u> |
| TOTAL LIABILITIES | 163,928 | 181,256 |
| TOTAL EQUITY AND LIABILITIES | 667,025 | 681,772 |
| Net assets per share (RM) | 0.75 | 0.75 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statement.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2011

| | Share capital | Share premium | Accumulated losses | Total equity |
|---|----------------|----------------|--------------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2011 | 334,864 | 225,821 | (60,169) | 500,516 |
| Total comprehensive income for the period | - | - | 2,581 | 2,581 |
| At 31 December 2011 | <u>334,864</u> | <u>225,821</u> | <u>(57,588)</u> | <u>503,097</u> |

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE CORRESPONDING QUARTER ENDED 31 DECEMBER 2010

| | Share capital | Share premium | Accumulated losses | Total equity |
|---|----------------|----------------|--------------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2010 | 334,864 | 225,821 | (64,375) | 496,310 |
| Effect of applying FRS 139 | | | 575 | 575 |
| Restated balance | 334,864 | 225,821 | (63,800) | 496,885 |
| Total comprehensive income for the period | - | - | 3,630 | 3,630 |
| At 31 December 2010 | <u>334,864</u> | <u>225,821</u> | <u>(60,170)</u> | <u>500,515</u> |

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 2010 and the accompanying explanatory notes attached to the interim financial statement.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2011**

| | 12 months ended 31.12.11 RM'000 | 12 months ended 31.12.10 RM'000 |
|--|--|--|
| Profit/(Loss) before tax | 2,662 | 3,075 |
| Adjustment for : | | |
| Depreciation | 363 | 367 |
| Gain on compulsory acquisition | - | (1,801) |
| Loss on assets written off | (48) | 7 |
| Change in fair value of investment properties | (8) | - |
| Gain on disposal of investment | 584 | (2) |
| Operating profit before changes in working capital | <u>3,553</u> | <u>1,646</u> |
| Change in trade and other receivables | 10,673 | (6,939) |
| Change in trade and other payables | (14,881) | 14,693 |
| Change in property development cost | 5,372 | 15,683 |
| Change in inventories | - | 1,251 |
| Cash generated from operations | <u>4,717</u> | <u>26,334</u> |
| Taxes refunded/(paid) | (1,450) | 254 |
| Net cash generated from/(used in) operating activities | <u>3,267</u> | <u>26,588</u> |
| Purchase of property, plant and equipment | (650) | (55) |
| Proceed from disposal of property, plant and equipment | 56 | 180 |
| Net cash generated from/(used in) investing activities | <u>(594)</u> | <u>125</u> |

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2011

| | 12 months ended 31.12.11 RM'000 | 12 months ended 31.12.10 RM'000 |
|--|---------------------------------------|---------------------------------------|
| Repayment of term and bridging loan | (1,140) | (15,739) |
| Drawdown of bridging loan | - | 7,532 |
| Repayment of obligations under finance leases | 206 | (139) |
| Net cash generated from/(used in) financing activities | (934) | (8,346) |
| Net increase/(decrease) in cash and cash equivalents | 1,739 | 18,367 |
| Cash and cash equivalents at beginning of year | 36,086 | 17,719 |
| Cash and cash equivalents at the end of year | 37,825 | 36,086 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 10,862 | 21,946 |
| Deposit with licensed banks | 26,963 | 14,229 |
| | 37,825 | 36,175 |
| Less : Bank Overdraft | - | (89) |
| | 37,825 | 36,086 |

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the annual audited financial statements for the year ended 31 December 2010.

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

1. BASIS OF PREPARATION

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 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

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 2010 except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011.

(i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

In the current period ended 31 December 2011, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs, Improvement to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinue Operations

Amendments to FRS 127: Consolidated and Separate Financial Statements

Amendments to FRS138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1: Limited Exemption for Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 7: Improving Disclosures about Financial Instruments and Additional Exemptions for First-Time Adopters

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

IC Interpretation 4: Determining whether an Arrangement contains a Lease

IC Interpretation 18: Transfers of Assets from Customers

TR 3: Guidance a Disclosure of Transition to IFRSs

TR i - 4: Shariah Compliant Sale Contracts

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Other than for the application of Amendments to FRS 7, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

Amendments to FRS 7 : Financial Instrument

The adoption of amendments to FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, amendments to FRS 7 disclosures are not required in the interim financial statements, and hence no further disclosures have been made in these interim financial statements.

Breakdown of Realised and Unrealised Profit or Loss

The Group's realised and unrealised accumulated losses disclosure is as follows:

| RM'000 | For the year ended 31.12.2011 | For the year ended 31.12.2010 |
|---|-------------------------------------|-------------------------------------|
| Total accumulated losses of the Company and subsidiaries: | | |
| - Realised | (39,442) | (45,734) |
| - Unrealised | | (334) |
| Add: Consolidation adjustments | (18,146) | (14,101) |
| Total Group accumulated losses | (57,588) | (60,169) |

Standards and interpretations issued but not yet effective

At the date of these interim financial statements, the following revised FRSs and Interpretations and amendments to certain Standards and Interpretations were issued but not yet effective and have not applied, which are:

Effective for financial periods beginning on or after 1 July 2011

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14: Prepayment of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012

- IC Interpretation 15: Agreements for the Construction of Real Estate
- FRS 124: Related Party Disclosures

Except for the changes in accounting policies arising from the adoption of IC Interpretation 15, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IC Interpretation 15 are described below:

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IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2010

The Auditors' Report of the financial statements of the Company and of the Group for the year ended 31 December 2010 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.

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 2011.

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and long-term liabilities to be the key components in the group's capital structure. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The Group's strategy is to maintain a gearing ratio of 30% to 50%.

The gearing ratios as at 31 December 2011 and 31 December 2010, which are within the Group's objectives for capital management, are as follows:-

| | 31/12/2011 RM'000 | 31/12/2010 RM'000 |
|-------------------|----------------------|----------------------|
| Total liabilities | 163,928 | 181,256 |
| Total equity | 503,097 | 500,516 |
| Total capital | 667,025 | 681,772 |
| Gearing ratio | 33% | 36% |

There is no significant change in the gearing ratio in the current quarter ended 30 September 2011 as increase in liabilities is equal to the corresponding increase in comprehensive income. The details of the drawdown and the repayment of bank borrowings in the current quarter are as follows:

| | Current year quarter 31/12/2011 RM'000 | 12 months cumulative to date 31/12/2011 RM'000 |
|------------------------------------|---|---|
| a) Drawdown on new bank borrowings | 3,634 | 3,634 |
| b) Repayment of bank borrowings | - | (4,560) |

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

9. DIVIDENDS

No dividends are recommended, have been declared, or have been paid during the financial period ended 31 December 2011.

10. 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 2010.

11. 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.

12. GROUP COMPOSITION

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

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Contingent liabilities of the Group comprise the following:

| | 31.12.11 | 31.12.10 |
|--|-----------------|-----------------|
| | RM'000 | RM'000 |
| Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries | 90,550 | 93,350 |
| - Current Exposure | 3,634 | 4,896 |
| Performance bond issued by subsidiaries involved in construction activities | 29,350 | 29,350 |

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

14. OPERATING SEGMENTS

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

| As at 31 Dec 2011 RM'000 | Property Development | Construction | Property Management | Elimination | Consolidated |
|--------------------------------------|-------------------------|----------------|------------------------|-------------|----------------|
| Revenue | | | | | |
| Revenue | 10,567 | 102,842 | - | - | 113,409 |
| Inter-segment Sales | - | - | - | - | - |
| Total revenue | 10,567 | 102,842 | - | - | 113,409 |
| RESULT | | | | | |
| Segment results | 5,501 | 3,790 | 141 | (5,468) | 3,964 |
| Unallocated corporate expenses | | | | | (998) |
| Finance costs | | | | | (304) |
| Profit before Taxation | | | | | 2,662 |

| As at 31 Dec 2010 RM'000 | Property Development | Construction | Property Management | Elimination | Consolidated |
|--------------------------------------|-------------------------|---------------|------------------------|----------------|----------------|
| Revenue | | | | | |
| Revenue | 22,732 | 86,240 | - | - | 108,972 |
| Inter-segment Sales | - | 2,012 | - | (2,012) | - |
| Total revenue | 22,732 | 88,252 | - | (2,012) | 108,972 |
| RESULT | | | | | |
| Segment results | 4,561 | 3,339 | (9) | (3,708) | 4,183 |
| Unallocated corporate expenses | | | | | (725) |
| Finance costs | | | | | (383) |
| Profit before Tax | | | | | 3,075 |

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

14. OPERATING SEGMENTS (CONT'D)

ASSETS AND LIABILITIES

| As at 31 Dec 2011 RM'000 | Property Development | Construction | Property Management | Elimination | Consolidated |
|---------------------------------------|-------------------------|--------------|------------------------|-------------|------------------|
| <u>ASSETS</u> | | | | | |
| Segment Assets | 604,317 | 58,319 | 36 | (101,125) | 561,547 |
| Investment Properties | | | | | 308 |
| AFS Investments | | | | | 90 |
| Unallocated corporate Assets | | | | | 105,079 |
| Consolidated total assets | | | | | 667,027 |
| <u>LIABILITIES</u> | | | | | |
| Segment Liabilities | (159,741) | (101,219) | (512) | 101,125 | (160,347) |
| Unallocated corporate liabilities | | | | | (3,581) |
| Consolidated Total liabilities | | | | | (163,928) |

| As at 31 December 2010 RM'000 | Property Development | Construction | Property Management | Elimination | Consolidated |
|---------------------------------------|-------------------------|--------------|------------------------|-------------|----------------|
| <u>ASSETS</u> | | | | | |
| Segment Assets | 604,476 | 71,099 | 236 | (100,022) | 575,789 |
| Investment Properties | | | | | 884 |
| AFS Investments | | | | | 90 |
| Unallocated corporate Assets | | | | | 105,009 |
| Consolidated total assets | | | | | 681,772 |
| <u>LIABILITIES</u> | | | | | |
| Segment Liabilities | (160,984) | (116,146) | (849) | 100,022 | (177,957) |
| Unallocated corporate liabilities | | | | | (3,299) |
| Consolidated Total liabilities | | | | | 181,256 |

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

15. REVIEW OF PERFORMANCE

(i) Comparison with the preceding quarter.

a) Property Development

Revenue has decreased from RM6.78 million to RM1.95 million as units were fully sold in the first quarter of 2011. The Group's new product is expected to be launched in the second half of 2012.

As a result the gross profit underwent similar reduction from RM4.69 million to RM1.15 million.

b) Construction

The revenue generated from construction activities declined from RM23.79 million to RM17.53 million due to the works for part of the RM303 million contract awarded by the Johor State Secretary Incorporated, being at its tail end. However, the Group has commenced the works for the last phase of the project, of which the revenue is expected to be recognised in the first quarter of 2012.

Correspondingly, the gross profit reduced from RM1.46 million to RM1.19 million.

(ii) Comparison with the previous corresponding quarter.

a) Property Development

Revenue has increased from RM1.53 million to RM1.95 million due to higher income from joint venture development activities. Correspondingly the gross profit is higher by RM660,000, that is from RM481,000 to RM1.15 million.

b) Construction

The revenue generated from construction activities declined from RM37.14 million to RM17.53 million. Correspondingly, the gross profit reduced from RM2.21 million to RM1.19 million.

16. PROSPECTS

The Group look forward to 2012 with greater optimism.

In respect of the property development activities, an apartment development consisting 544 units with a Gross Development Value of RM165 million will be launched in the second half of the year.

The prospect for the construction activity is also expected to be better. The RM303 million contract awarded by the Johor State Secretary Incorporated in 2009 is expected to be completed in 2013. In January 2012, the Company was appointed by the Johor State Government to develop 413 acres of land known as Lot PTD 4589 and PTD 4590 Mukim Pantai Timur, Pengerang, Kota Tinggi, Johor. The land belongs to the State Government and is to be developed into a 'Comprehensive Mixed Development' complementing the Petronas Refinery and Petrochemicals Integrated Development (Rapid). The project which is to be completed within 2 years will contribute significantly to future profits.

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

17. PROFIT FORECAST

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

18. TAXATION

| | Current year quarter 31.12.2011 RM'000 | 12 months cumulative to date 31.12.2011 RM'000 |
|--------------------------------------|---|---|
| Current income tax : | | |
| Malaysian Income Tax | 1,332 | 1,573 |
| Tax on dividend received (sec. 110) | (250) | (250) |
| Under/(Over) provision in prior year | 121 | 181 |
| Transfer to/(from) deferred taxation | (311) | (1,423) |
| | <hr/> 892 | <hr/> 81 |

19. UNQUOTED INVESTMENTS AND PROPERTIES

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

20. 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.

21. STATUS OF CORPORATE PROPOSALS

On 31 January 2012, TTB received a letter from the major shareholder, Kumpulan Prasarana Rakyat Johor Sdn. Bhd. informing that it had accepted an Offer from Iskandar Waterfront Holdings Sdn. Bhd. to acquire 222,000,000 ordinary shares of RM0.50 each in TTB from KPRJ representing 33.15% of TTB's issued and paid up share capital at RM0.76 per TTB share. On 13 February 2012, the Company's major shareholder, Kumpulan Prasarana Rakyat Johor Sdn Bhd ("KPRJ") informed that it had entered into a Definitive Agreement with Iskandar Waterfront Holdings Sdn. Bhd. ("IWH") whereby IWH will acquire 222,000,000 ordinary shares of RM0.50 each, representing 33.15% equity interest in the Company for the sale of the shares.

Upon the Definitive Agreements becoming unconditional, the Proposed Acquisition will trigger a mandatory take-over offer by IWH and/or parties acting in concert with it for all the remaining TTB ordinary shares not already owned by IWH (together with parties acting in concert with it) at a cash consideration of RM0.76 per shares pursuant to the

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

Malaysian Code on Take-Overs and Mergers, 2010 ("Code") ("Mandatory Offer"). The Mandatory Offer will be conditional upon IWH receiving valid acceptances which would result in IWH and parties acting in concert with it holding in aggregate more than 50% of the voting Shares in TTB.

Upon completion of the Proposed Acquisition, KPRJ's direct shareholding in TTB will be reduced from approximately 41.15 interest to 8.0% whilst IWH will emerge as the single largest shareholder in TTB with approximately 33.15% equity interest in TTB. As KPRJ holds 30% of IWH, indirectly it holds 9.9% of TTB in addition to the direct shareholding.

22. BORROWING AND DEBT EQUITIES

Details of the Group's borrowings as at 31 December 2011 are as follows:

| | Current RM'000 | Non current RM'000 | Total RM'000 |
|---|-------------------|-----------------------|-----------------|
| Contract Financing (secured) – Note 1 | 3,481 | - | 3,481 |
| Bridging loans (secured) – Note 2 | - | 153 | 153 |
| Hire purchase, leasing liabilities & bank overdraft | 231 | 335 | 566 |
| Total | 3,712 | 488 | 4,200 |

Note 1: As at 31 December 2011, RM14.6 million has been drawdown from the Short Term Advance facility of RM16 million. The facility is being repaid through direct deduction from contract proceed and it is expected to be fully repaid by end of 2012.

Note 2 : As at 31 December 2011, RM153,000 has been drawdown from the bridging facilities of RM32.2 million under the Bai 'Al Istisna with Bank Kerjasama Rakyat Malaysia Bhd. The facility will be repaid through the redemption from sale of development properties products.

23. PROFIT FOR THE PERIOD

| | Quarter Ended 31 Dec 2011 RM'000 | Year Ended 31 Dec 2011 RM'000 |
|---|--|-------------------------------------|
| Profit for the period is arrived at after charging: | | |
| Depreciation | 102 | 363 |
| Interest Expenses | 30 | 304 |
| Provision for Doubtful Debt | 137 | 137 |
| and after crediting: | | |
| Interest Income | 326 | 856 |
| Fair Value Adjustment of Investment Properties | 8 | 8 |
| Provision for Development Cost Written Back | - | 700 |
| Other Income | 10 | 37 |
| Gain/(Loss) on Disposal of Properties | 5 | (145) |

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NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off-balance sheet financial instruments.

25. DERIVATIVES

- a. There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 31 December 2011; and
- b. The Group has not entered into a type of derivatives not disclosed in the previous financial year or any of the previous quarters under the current financial year.

26. MATERIAL LITIGATION

| Case No./Parties | Remarks and status |
|---|---|
| Johor Bahru High Court Civil Suit No. MT2-22-470-2009 Zulkifli bin Mohd Khair ("ZMK") (trading as AA Management) vs. Bayou Bay Development Sdn Bhd ("BBDSB"). | This legal case is in relation to a claim of RM4.6 million by ZMK in respect of payment for services rendered by ZMK via Joint Venture Agreement dated 14 May 2003. BBDSB has also counter claimed for a sum of RM575,078.20. The matter has been fixed for trial on 5,6 and 7 March 2012. |

27. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 December 2011 (31 December 2010 : Nil).

28. EARNINGS PER SHARE

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

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

29. STATUS OF JOINT VENTURE PROJECTS

Following is the status of the existing joint venture projects as at 31 December 2011:

| | 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) | 7,393 |
| Amount collected (RM'000) | (5,682) |
| Outstanding as at 31 December 2011 (RM'000) | 1,711 |

30. 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 21 February 2012.