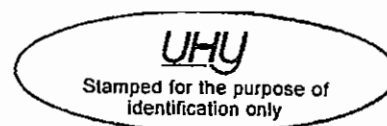


13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****3. Basis of preparation of proforma consolidated financial statements (Continued)****3.2 Summary of Significant Accounting Policies (Continued)****(c) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period/ year in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Air conditioner	10%
Computer	20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 20%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognized in profit or loss.

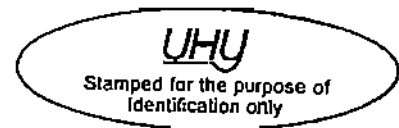
(d) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognized professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

13. FINANCIAL INFORMATION

**Tambnn Indah LAND BERHAD
(GROUP NO.: 810446-U)**



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

(e) Subsidiary

A subsidiary is an entity over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Group's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(f) Property development activities

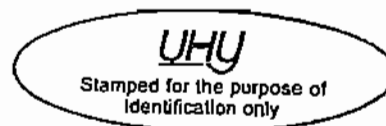
(i) Land held for development

Land held for development consists of land on which no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditure. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses, if any.

Land held for development is transferred to property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

13. FINANCIAL INFORMATION

**Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)**



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.2 Summary of Significant Accounting Policies (Continued)

(f) Property development activities (continued)

(ii) Property development costs

Property development costs comprise of cost of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

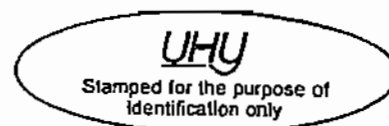
When the financial outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. When the financial outcome of the development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the properties sold are recognised as an expense when incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately. Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is shown as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in the income statement is shown as progress billings within payables.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)**3. Basis of preparation of proforma consolidated financial statements (Continued)****3.2 Summary of Significant Accounting Policies (Continued)****(g) Construction contracts**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract expenditure are recognised over the period of the contract as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimate total costs for the contracts. When it is probable that total construction contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be reliably estimated, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the financial year in which they are incurred.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceeds progress billings, the balance is shown as an amount owing by customers under receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as an amount owing to customers under payables.

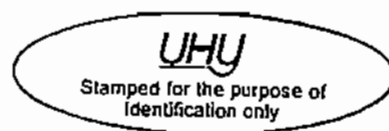
(h) Inventories

Inventories represent completed properties held for sales and are stated at the lower of cost and net realisable value. Cost consist of the cost of land and all direct building costs and other related development costs common to the whole project, including interest expense directly related to finance the development.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.2 Summary of Significant Accounting Policies (Continued)

(i) Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

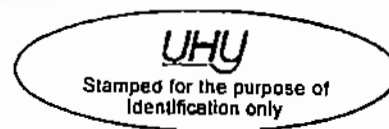
Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognized in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognized separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****3. Basis of preparation of proforma consolidated financial statements (Continued)****3.2 Summary of Significant Accounting Policies (Continued)****(i) Financial assets (Continued)****(ii) Loans and receivables.**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortization process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

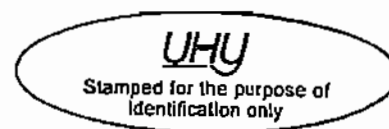
(iv) Available-for-sale financial assets

Available-for sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's right to receive payment is established.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****3. Basis of preparation of proforma consolidated financial statements (Continued)****3.2 Summary of Significant Accounting Policies (Continued)****(i) Financial assets (Continued)****(iv) Available-for-sale financial assets (continued)**

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realized within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognized or derecognized on the trade date i.e., the date that the Group commits to purchase or sell the asset.

(j) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fixed deposits with licensed banks which are pledged as security for banking facilities are not included as cash and cash equivalents.

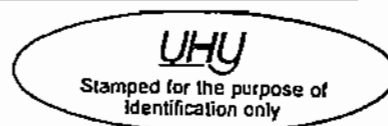
(k) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognized in the statement of financial position when, and only when, the Group becomes a party of the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair values through profit or loss or other financial liabilities.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.2 Summary of Significant Accounting Policies (Continued)

(k) Financial liabilities (continued)

(i) Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognized in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group has not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's other financial liabilities include trade payables, other payables and loans and borrowings

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

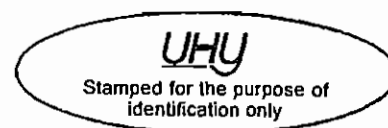
Loans and borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognized in profit or loss when the liabilities are derecognised, and through the amortization process.

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another form the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****3. Basis of preparation of proforma consolidated financial statements (Continued)****3.2 Summary of Significant Accounting Policies (Continued)****(l) Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(m) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares and redeemable preference shares with discretionary dividends which are redeemable at the discretion of the Group are classified as equity.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period/year in which they are declared.

(n) Income Tax

Income tax on the profit or loss for the financial period/year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial period/year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.2 Summary of Significant Accounting Policies (Continued)

(n) Income Tax (Continued)

Deferred tax is measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(o) Revenue recognition

Revenue from sales of properties is accounted for by the stage of completion method as described in Note 3.2(f).

Revenue from construction contract is accounted for by percentage of completion method as described in Note 3.2(g).

Rental income is recognised upon on an accrual basis and parking fee is recognised based on a receipt basis.

Interest income is recognised on a time proportion basis.

Distribution of income from marketable securities is recognised when the right to receive payment is established.

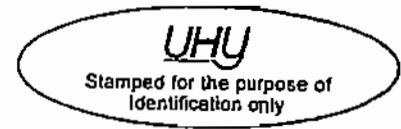
(p) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in used, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in profit or loss immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.2 Summary of Significant Accounting Policies (Continued)

(q) Impairment of assets

The Group assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

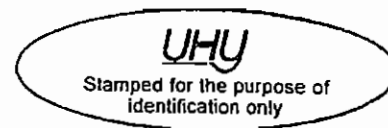
If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****3. Basis of preparation of proforma consolidated financial statements (Continued)****3.2 Summary of Significant Accounting Policies (Continued)****(r) Employee benefits****(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's contributions to the defined contribution plans, known as Employees Provident Fund ("EPF") are charged to profit or loss in the financial period/year to which they relate.

3.3 Significant Accounting Judgements And Estimates

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

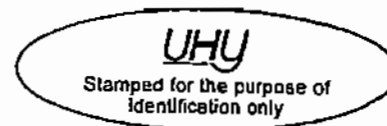
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Income taxes

Significant judgement is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinion. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

3. Basis of preparation of proforma consolidated financial statements (Continued)

3.3 Significant Accounting Judgements And Estimates (Continued)

(ii) Property development

The Group recognises property development profits by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

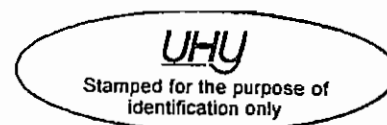
(iii) Allowance for doubtful debts

The Group recognises an allowance for doubtful debts when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables. To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the income statement. Based on management's assessment, management believes that no allowance for doubtful debts is required.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****3. Basis of preparation of proforma consolidated financial statements (Continued)****3.4 The relevant adjustments deemed necessary under the circumstances are set out below:****(a) Non-coterminous year end**

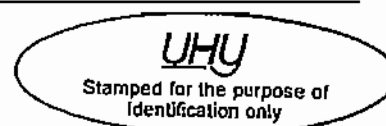
Adjustment have been made to the statement of comprehensive income of Langstone, CBD Land and Zipac on a prorated basis as the financial year ends for these companies are not coterminous with Tambun Indah Group in the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009;

(b) Elimination of inter group transactions

Adjustments have been made to eliminate inter group transactions in all years/period under review. Such transactions include:

- i) Main contractors' fee charged by Tokoh Edaran to Hong Hong, Intanasia, Jasniah, Juru Heights and Perquest for the financial year ended 31 December 2007, 31 December 2008 and 31 December 2009;
 - ii) Rental of office charged by Langstone to Epiland, Hong Hong, Juru Heights, Perquest, Tambun Indah SB and Tokoh Edaran for the financial year ended 31 December 2007, 31 December 2008 and 31 December 2009;
 - iii) Rental of parking lot charged by Langstone to Juru Heights and Tokoh Edaran for the financial year ended 31 December 2007, 31 December 2008 and 31 December 2009;
 - iv) Motor vehicles disposed by Langstone to Tokoh Edaran for the financial year ended 31 December 2008;
 - v) Motor vehicles disposed by Tambun Indah SB to Tokoh Edaran for the financial year ended 31 December 2009; and
 - vi) Development properties sold by Hong Hong to Langstone for the financial year ended 31 December 2009.
- (c) There were no extraordinary or exceptional items for all the years under review.
- (d) The proforma gross earnings per share had been calculated based on the profit before taxation and on the assumption that the issued and paid-up share capital of the Tambun Indah Group of 188,999,996 Shares had been in issue throughout the years under review.
- (e) The proforma net earnings per share has been calculated based on the profit after taxation and on the assumption that the issued and paid-up share capital of the Tambun Indah Group of 188,999,996 Shares had been in issue throughout the years under review.

13. FINANCIAL INFORMATION



Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

Notes to the Proforma Consolidated Financial Information (Continued)

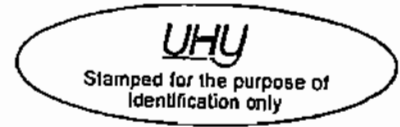
4. Proforma Consolidated Statement of Comprehensive Income of Tambun Indah Group

The proforma consolidated statement of comprehensive income of Tambun Indah Group for the past three (3) financial years ended 31 December 2007, 2008 and 2009 and two (2) financial periods ended 30 June 2009 and 30 June 2010 and are prepared based on the assumption that Tambun Indah Group has been in existence throughout the periods under review. The proforma consolidated income statements are prepared for illustrative purpose only.

	← Audited →				Unaudited
	FYE 2007 RM'000	FYE 2008 RM'000	FYE 2009 RM'000	FPE 2010 RM'000	
Revenue	97,078	126,045	100,873	57,315	54,551
Cost of sales	(70,377)	(88,242)	(68,606)	(37,120)	(37,132)
Gross Profit ("GP")	26,701	37,803	32,267	20,195	17,419
Other operating income	2,048	1,798	2,246	589	1,098
Administrative expenses	(408)	(2,668)	(1,733)	(1,012)	(713)
Selling and marketing expenses	(1,050)	(2,233)	(1,977)	(943)	(965)
Earnings Before Interest, Depreciation, Taxation and Amortisation ("EBIDTA")	27,291	34,700	30,803	18,829	16,839
Depreciation expenses	(172)	(165)	(183)	(65)	(91)
Earnings Before Interest and Taxation ("EBIT")	27,119	34,535	30,620	18,764	16,748
Financial costs	(120)	(74)	(602)	(1)	(387)
Profit Before Taxation ("PBT")	26,999	34,461	30,018	18,763	16,361
Taxation	(7,441)	(10,985)	(6,254)	(4,661)	(5,075)
Profit After Taxation ("PAT")	19,558	23,476	23,764	14,102	11,286
Attributable to:					
Owners of the parent	19,559	23,508	23,866	13,248	11,370
Minority interests	(1)	(32)	(102)	854	(84)
	19,558	23,476	23,764	14,102	11,286
Gross profit margin (%)	27.50	29.99	31.99	35.23	31.93
Profit after tax margin (%)	20.15	18.63	23.56	24.60	20.69
Number of Tambun Indah shares assumed in issue ('000) ⁽¹⁾	189,000	189,000	189,000	189,000	189,000
Net earnings per share ("EPS") (sen)					
- Basic ⁽²⁾	10.35	12.44	12.63	7.01	6.02
- Diluted ⁽³⁾	10.35	12.44	12.63	7.01	6.02
Trade receivables' turnover periods (months)	2.23	1.29	2.07	2.01	1.92
Trade payables' turnover periods (months)	1.56	0.94	1.26	2.67	1.18

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

4. Proforma Consolidated Statement of Comprehensive Income of Tambun Indah Group (Continued)

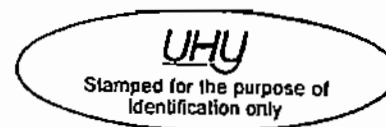
Notes:

- (1) Based on the issued and paid-up share capital of 189,000,000 ordinary shares of RM0.50 each immediately prior to the public issue.
- (2) Basic EPS calculated based on profit attributable to equity holders of Tambun Indah Group for the financial years divided by the number of shares assumed in issue at RM0.50 each had Tambun Indah Group been in existence.
- (3) Diluted EPS calculated based on profit attributable to equity holders of Tambun Indah Group for the financial years divided by the number of shares assumed in issue at RM0.50 each had Tambun Indah Group been in existence. The Group has no potential ordinary shares in issue in each of the respective financial year and therefore, diluted earnings per share is presented as equal to basic earnings per share.

There were no exceptional or extraordinary items in all the financial years/ periods presented.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

4. Proforma Consolidated Statement of Comprehensive Income of Tambun Indah Group (Continued)

4.1.1 The adjustments as stated in Note 3.4 above have been reflected in the respective financial years/ periods on the proforma Tambun Indah Group as follows:

(a) Financial year ended 31 December 2007

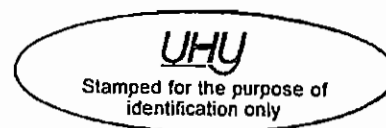
	Aggregate Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Proforma Tambun Indah Group RM'000
Revenue	140,881	(43,803)	97,078
EBIDTA	28,016	(725)	27,291
Depreciation	(190)	18	(172)
Interest expenses	(120)	-	(120)
PBT	27,706	(707)	26,999
Tax expenses	(7,445)	4	(7,441)
PAT	20,261	(703)	19,558

(b) Financial year ended 31 December 2008

	Aggregate Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Proforma Tambun Indah Group RM'000
Revenue	177,089	(51,044)	126,045
EBIDTA	34,598	102	34,700
Depreciation	(181)	16	(165)
Interest expenses	(74)	-	(74)
PBT	34,343	118	34,461
Tax expenses	(10,984)	(1)	(10,985)
PAT	23,359	117	23,476

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

4. Proforma Consolidated Statement of Comprehensive Income of Tambun Indah Group (Continued)

(c) Financial year ended 31 December 2009

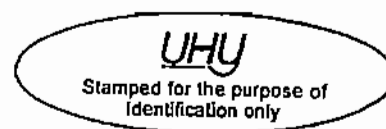
	Aggregate Porforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Proforma Tambun Indah Group RM'000
Revenue	133,657	(32,784)	100,873
EBIDTA	30,555	248	30,803
Depreciation	(205)	22	(183)
Interest expenses	(602)	-	(602)
PBT	29,748	270	30,018
Tax expenses	(6,255)	1	(6,254)
PAT	23,493	271	23,764

(d) Financial period ended 30 June 2010

	Aggregate Porforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Proforma Tambun Indah Group RM'000
Revenue	61,452	(3,941)	57,511
EBIDTA	23,606	(4,777)	18,829
Depreciation	(76)	11	(65)
Interest expenses	(1)	-	(1)
PBT	23,529	(4,766)	18,763
Tax expenses	(4,661)	-	(4,478)
PAT	18,868	(4,766)	14,102

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****4. Proforma Consolidated Statement of Comprehensive Income of Tambun Indah Group (Continued)****(e) Financial period ended 30 June 2009 (Unaudited)**

	Aggregate Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Proforma Tambun Indah Group RM'000
Revenue	<u>72,446</u>	<u>(17,895)</u>	<u>54,551</u>
EBIDTA	16,728	111	16,839
Depreciation	(91)	-	(91)
Interest expenses	<u>(387)</u>	<u>-</u>	<u>(387)</u>
PBT	16,250	111	16,361
Tax expenses	<u>(5,075)</u>	<u>-</u>	<u>(5,075)</u>
PAT	<u>11,175</u>	<u>111</u>	<u>11,286</u>

13. FINANCIAL INFORMATION

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identification onlyTambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

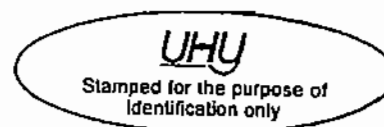
Notes to the Proforma Consolidated Financial Information (Continued)

4. Proforma Consolidated Statement of Comprehensive Income of Tambun Indah Group
(Continued)4.2 Proforma adjustments

		FYE	FYE	FYE	FPE	Unaudited
	Note	2007	2008	2009	2010	FPE
		RM'000	RM'000	RM'000	RM'000	2009
						RM'000
Revenue		140,881	177,089	133,657	61,256	72,446
-Adjustment for non-coterminous year end	3.3(a)	(53)	107	(107)	-	-
-Adjustment for elimination of inter group transactions	3.3(b)	(43,750)	(51,151)	(32,677)	(3,941)	(17,895)
		97,078	126,045	100,873	57,315	54,551
EBIDTA		28,016	34,598	30,555	23,606	16,728
-Adjustment for non-coterminous year end	3.3(a)	(22)	5	(5)	-	-
-Adjustment for elimination of inter group transactions	3.3(b)	(703)	97	253	(4,777)	111
		27,291	34,700	30,803	18,829	16,839
PAT		20,261	23,359	23,493	18,868	11,175
-Adjustment for non-coterminous year end	3.3(a)	-	4	(4)	-	-
-Adjustment for elimination of inter group transactions	3.3(b)	(703)	113	275	(4,766)	111
		19,558	23,476	23,764	14,102	11,286

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

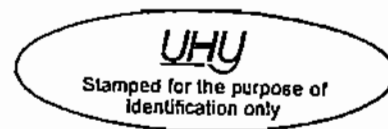
5. Proforma Consolidated Statement of Financial Position of Tambun Indah Group as at 30 June 2010

The proforma consolidated statement of financial position as at 30 June 2010 are for illustrative purposes only, which show the effects of the Acquisitions, Public Issue and the Utilisation of Proceeds with the assumption that these transactions were completed on 30 June 2010.

	Note	As at 30.06.2010 RM'000	Proforma I After Acquisitions RM'000	Proforma II After Public Issue and Utilisation of Proceeds RM'000
Assets				
Non-Current Assets				
Goodwill on consolidation		-	1,193	1,193
Land held for development		-	12,298	12,298
Property, plant and equipment		-	710	710
Investment properties		-	8,510	8,510
		-	22,711	22,711
Current Assets				
Inventory		-	230	230
Property development costs		-	63,811	63,811
Receivables		-	35,410	35,410
Tax recoverable		-	1,560	1,560
Fixed deposits pledged with a licensed bank		-	292	292
Cash and cash equivalents	5.1	5	42,997	59,597
		5	144,300	160,900
Total Assets		5	167,011	183,611

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

5. Proforma Consolidated Statement of Financial Position of Tambun Indah Group as at 30 June 2010 (Continued)

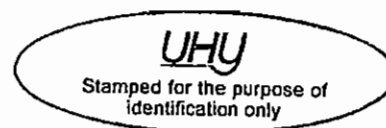
	Note	As at 30.06.2010 RM'000	Proforma I After Acquisitions RM'000	Proforma II After Public Issue and Utilisation of Proceeds RM'000
Equity and Liabilities				
Equity				
Share capital		#	94,500	110,500
Share premium		-	-	3,800
Accumulated loss/ Retained profit		(16)	13,043	13,043
	5.2	(16)	107,543	127,343
Minority interests		-	14,137	14,137
Total equity		(16)	121,680	141,480
Non-Current Liabilities				
Bank borrowings		-	8,227	5,461
Deferred taxation		-	335	335
		-	8,562	5,796
Current Liabilities				
Payables		21	26,277	26,277
Bank borrowings		-	8,115	7,681
Taxation		-	2,377	2,377
		21	36,769	36,335
Total Liabilities		21	45,331	42,131
Total Equity and Liabilities		5	167,011	183,611
Number of ordinary shares in Issue ('000)				
		#	189,000	221,000
Net (Liabilities)/Assets (RM'000)		(16)	107,543	127,343
Net (Liabilities)/Assets per ordinary share (RM)		(4,000)	0.57	0.58

Denotes

- Four (4) subscribers' shares of RM0.50 each before the Acquisitions.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

5. Proforma Consolidated Statement of Financial Position of Tambun Indah Group as at 30 June 2010 (Continued)

5.1 The movement of cash and cash equivalents are as follows:

	RM'000
At 30 June 2010	5
Proforma I	
Add: Cash and cash equivalents in Subsidiary Companies acquired	42,992
Balance after Proforma I	42,997
Proforma II	
Add: Proceeds from Public Issue (RM0.70 X 32,000,000)	22,400
Less: Estimated listing expenses	(2,600)
Repayment of bank borrowings	(3,200)
Balance after Proforma II	<u>59,597</u>

5.2 The movements of equity and reserves are as follows:

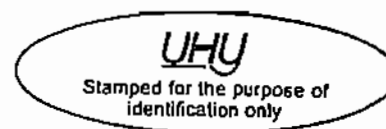
	Share Capital RM'000	Share Premium RM'000	Accumulated Loss/ Retained Profit RM'000	Total Equity RM'000
At 30 June 2010	#	-	(16)	(16)
Add: Issued for Acquisitions	94,500	-	-	94,500
Add: Reserve arise from Acquisitions	-	-	13,059	13,059
After Proforma I	94,500	-	13,043	107,543
Add: Public Issue	16,000	6,400	-	22,400
Less: Estimated listing expenses	-	(2,600)	-	(2,600)
After Proforma II	<u>110,500</u>	<u>3,800</u>	<u>13,043</u>	<u>127,343</u>

Denotes

- Four (4) subscribers' shares of RM0.50 each before the Acquisitions.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****5. Proforma Consolidated Statement of Financial Position of Tambun Indah Group as at 30 June 2010 (Continued)****5.3 Notes to the Proforma Consolidated Statement of Financial Position of Tambun Indah Group as at 30 June 2010**

The proforma consolidated financial position together with the notes thereon have been prepared on accounting principles and bases consistent with those adopted by Tambun Indah Group, and are presented in a form suitable for inclusion in the Prospectus. The proforma consolidated financial positions of Tambun Indah Group has been prepared for illustrative purposes only.

The following transactions are assumed to have been effected as at 30 June 2010:-

Proforma I

Proforma I incorporate Acquisitions as set out in Note 2 above.

Proforma II

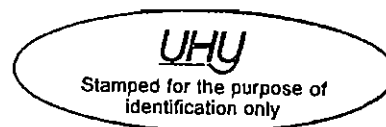
Proforma II incorporates the effects of Proforma I and the following transactions:-

- (a) A public issue of 32,000,000 new ordinary shares of RM0.50 each at an issue price of RM 0.70 per share giving rise to a share premium of RM6,400,000.
- (b) Estimated share issue expenses of RM2,600,000 will be set off against the available share premium account.
- (c) Gross proceeds from Public Issue of RM22,400,000 are to be utilised as follows:

	RM'000
Estimated listing expenses	2,600
Repayment of bank borrowings	7,100
Working capital	12,700
	<u>22,400</u>

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

**Notes to the Proforma Consolidated Financial Information (Continued)****6. Proforma Consolidated Statement of Cash Flows**

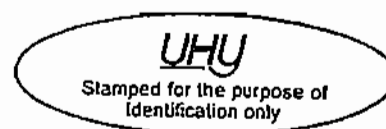
The proforma consolidated statement of cash flows for the financial period ended 30 June 2010 as set out below is prepared on the assumption that the Group structure has been in existence throughout the periods under review. The proforma consolidated statement of cash flow is prepared for illustrative purposes only after taking into consideration the Acquisitions, Public Issue and Offer for Sale and should be read in conjunction with the accompanying notes set out in Note 2.

The proforma consolidated statement of cash flows for the financial period ended 30 June 2010 are prepared based on the audited financial statements of the Subsidiary Companies of Tambun Indah (as stated in Note 3).

	Financial period ended 30.06.2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation for the financial year	18,763
Adjustments for:	
Depreciation	65
Foreseeable losses written back	(10)
Interest expenses	1
Interest income	(555)
Operating profit before working capital changes	18,264
Inventories	180
Land held for development	(9,005)
Property development costs	(5,923)
Receivables	(14,665)
Payables	(13,069)
	(24,218)
Interest received	555
Taxation paid	(2,592)
Net cash flow used in operating activities	(26,255)
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of subsidiary company	(1,382)
Changes in fixed deposits pledged with a licensed bank	57
Proceeds from disposal of investment properties	(7)
Purchase of property, plant and equipment (Note (a))	(425)
Net cash flow used in investing activities	(1,757)

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

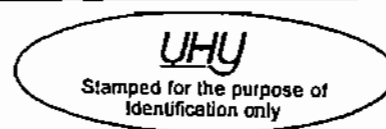


Notes to the Proforma Consolidated Financial Information (Continued)

6. Proforma Consolidated Statement of Cash Flows(Continued)

	Financial period ended 30.06.2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES	
Dividend paid	(26,600)
Proceeds from issuance of shares	25,008
Proceeds from Public Issue	22,400
Listing expenses	(2,600)
Proceeds from term loans	3,200
Repayment of term loans	(10,262)
Net cash flow from financing activities	<u>11,146</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(16,866)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	76,463
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD (Note (b))	<u><u>59,597</u></u>
Represented by:	
Notes:	
(a) Purchase of property, plant and equipment:	
- financed by cash	<u>425</u>
(b) Analysis of cash and cash equivalents:	
Bank overdraft	(3,216)
Cash and bank balances	22,529
Fixed deposits with a licensed bank	40,284
	<u><u>59,597</u></u>

13. FINANCIAL INFORMATION



Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

Notes to the Proforma Consolidated Financial Information (Continued)

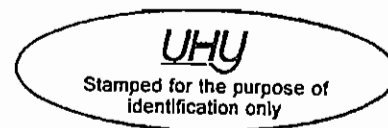
7.0 Statement of assets and liabilities as at 30 June 2010

The statement of assets and liabilities of Tambun Indah Group as at 30 June 2010 is prepared based on the audited financial statements of the Subsidiary Companies of Tambun Indah Group (as stated in Note 3) on the assumption that the listing scheme has been completed on that date.

	Note	As at 30.06.2010 RM'000
Assets		
Non-Current Assets		
Goodwill on consolidation		1,193
Land held for development	7.1	12,298
Property, plant and equipment	7.2	710
Investment properties	7.3	8,510
		<u>22,711</u>
Current Assets		
Inventory	7.4	230
Property development costs	7.5	63,811
Receivables	7.6	35,410
Tax recoverable		1,560
Fixed deposits pledged with a licensed bank		292
Cash and cash equivalents	7.7	59,597
		<u>160,900</u>
Total Assets		<u>183,611</u>
Equity and Liabilities		
Equity		
Share capital	7.8	110,500
Share premium	7.9	3,800
Retained Profit		13,043
		<u>127,343</u>
Minority interests		14,137
Total equity		<u>141,480</u>
Non-Current Liabilities		
Bank borrowings	7.10	5,461
Deferred taxation	7.11	335
		<u>5,796</u>
Current Liabilities		
Payables	7.12	26,277
Bank borrowings	7.10	7,681
Taxation		2,377
		<u>36,335</u>
Total Liabilities		<u>42,131</u>
Total Equity and Liabilities		<u>183,611</u>

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



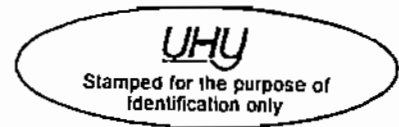
Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

	Tambun Indah Group
Number of ordinary shares in issue ('000)	221,000
Net Assets (RM'000)	127,343
Net Assets per ordinary share (RM)	0.58
7.1 Land held for development	
	RM'000
At 1 January 2010	
- Freehold land, at cost	2,852
- Development expenditure	441
	<u>3,293</u>
Additions during the year	
- Freehold land, at cost	10,625
- Development costs	569
	<u>11,194</u>
Transfer to property development costs (Note 7.5)	
- Freehold land, at cost	(1,785)
- Development costs	(404)
	<u>(2,189)</u>
 At 30 June 2010	 <u><u>12,298</u></u>

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

7.2 Property, plant and equipment

	Computer RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
At cost				
At 1 January 2010	91	221	446	758
Additions	18	431	9	458
30 June 2010	<u>109</u>	<u>652</u>	<u>455</u>	<u>1,216</u>
Accumulated depreciation				
At 1 January 2010	40	141	260	441
Current charge	10	41	14	65
30 June 2010	<u>50</u>	<u>182</u>	<u>274</u>	<u>506</u>
Net book value	<u>59</u>	<u>470</u>	<u>181</u>	<u>710</u>

7.3 Investment properties

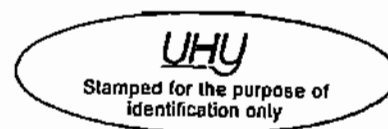
	RM'000
Investment properties	<u>8,510</u>

The Group's investment properties were revalued on 28 February 2010 by an independent professional qualified valuer. Valuations were based on current prices in an active market for all properties.

7.4 Inventory

	RM'000
Completed property held for sale	<u>230</u>

13. FINANCIAL INFORMATION



Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

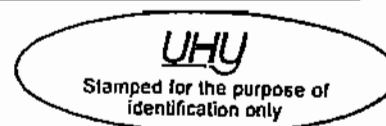
7.5 Property development costs

	Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Adjusted Proforma Tambun Indah Group RM'000
At 1 January 2010			
- Freehold land, at cost	76,274	-	76,274
- Development costs	152,245	-	152,245
	<u>228,519</u>	<u>-</u>	<u>228,519</u>
Add: Costs incurred during the financial year			
- Freehold land, at cost	7,141	-	7,141
- Development costs	26,950	(3,312)	23,638
Allowances for foreseeable losses	(18)	-	(18)
Cost eliminated due to completion of project	(598)	-	(598)
	<u>33,475</u>	<u>(3,312)</u>	<u>30,163</u>
Less: Costs recognised in income statement			
At 1 January 2010	(171,033)	-	(171,033)
Recognised during the financial year	(26,625)	-	(26,625)
Cost eliminated due to completion of project	598	-	598
At 30 June 2010	<u>(197,060)</u>	<u>-</u>	<u>(197,060)</u>
Transfer from land held for development (Note 7.1)			
- Freehold land	1,785	-	1,785
- Development costs	404	-	404
	<u>2,189</u>	<u>-</u>	<u>2,189</u>
At 30 June 2010	<u>67,123</u>	<u>(3,312)</u>	<u>63,811</u>

Included in the development costs incurred during the financial year are as follows:

	RM'000
Interest on bank overdraft	26
Interest on term loans	424
Directors' remuneration	
- other emolument	69
	<u>69</u>

13. FINANCIAL INFORMATION



Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)

Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

7.6 Receivables

	Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Adjusted Proforma Tambun Indah Group RM'000
Trade receivables	14,103	-	14,103
Accrued billings in respect of property development	5,094	-	5,094
Non-trade receivables	647	-	630
Amount owing by customers	10,771	(98)	10,673
Amount due from related parties	8,021	(8,021)	-
Deposits	4,424	(42)	4,383
Prepayment	511		527
	<u>43,571</u>	<u>(8,161)</u>	<u>35,410</u>

The amount owing by/(to) customers are represented by:

	Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Adjusted Proforma Tambun Indah Group RM'000
Construction contract costs	178,801	(125,601)	53,199
Attributable profits	25,850	(6,791)	19,060
	<u>204,651</u>	<u>(132,392)</u>	<u>72,259</u>
Progress billings	(197,637)	135,606	(62,031)
	<u>7,014</u>	<u>3,214</u>	<u>10,228</u>
Amount owing by customers	10,771	(98)	10,673
Amount owing to customers (Note 7.12)	(3,757)	3,312	(445)
	<u>7,014</u>	<u>3,214</u>	<u>10,228</u>

The normal credit terms given by the Group are 14 to 30 days

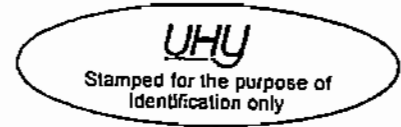
Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

Neither past due nor impaired	RM'000
1 to 30 days past due not impaired	7,750
31 to 60 days past due not impaired	1,741
61 to 90 days past due not impaired	742
More than 91 days past due not impaired	434
	<u>3,436</u>
	<u>14,103</u>

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

7.6 Receivables (Continued)

Receivables that are neither past due nor impaired

Included in trade receivables that are neither past due nor impaired is an amount of RM4.73 million maintained under stakeholders' sum.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM6.35 million that are past due at the reporting date but not impaired.

7.7 Cash and cash equivalents

	Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Adjusted Proforma Tambun Indah Group RM'000
Fixed deposits with financial institutions	-	40,284	40,284
Cash and bank balances	5	22,524	22,529
Bank overdraft	-	(3,216)	(3,216)
	<u>5</u>	<u>59,592</u>	<u>59,597</u>

Included in the cash and bank balances is an amount of RM7,479,000 maintained under the Housing Development Account pursuant to the Housing Development (Housing Development Account) Regulations 1991.

The effective interest rate per annum of the bank overdraft at the reporting date is at 6.80% and the securities are as disclosed in Note 7.10.

7.8 Share capital

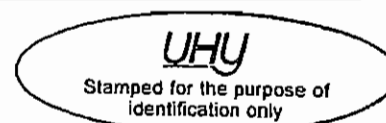
	Number of Shares of RM0.50 each '000	Amount RM'000
Authorised		
[500,000] ordinary shares of RM0.50 each	<u>[500,000]</u>	<u>[250,000]</u>
Issued and fully paid ordinary shares		
Balance as at 30 June 2010 (before acquisition and public issue)	#	#
Issued as consideration for acquisition of Subsidiary Companies	189,000	94,500
Public issue of new shares	<u>32,000</u>	<u>16,000</u>
Balance as at 30 June 2010 (after acquisition and public issue)	<u>221,000</u>	<u>110,500</u>

Denotes

- Four (4) subscribers' shares of RM0.50 each before the Acquisitions.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

7.9 Share premium

The proforma share premium of Tambun Indah is arrived at as follows:-

	RM'000
Public issue of 32,000,000 new ordinary shares of RM 0.50 each at an issue price of RM 0.70 share	6,400
Less: Estimated listing expenses	(2,600)
	<u>3,800</u>

7.10 Bank Borrowings

	RM'000
Secured	
Current	
- Term Loan	<u>7,681</u>
Non-current	
-Term Loan	<u>5,461</u>

The term loans maturity profile is as follows:-

- in one year or less	7,681
- in more than one year but not more than two years	5,461
	<u>13,142</u>

The term loan and bank overdraft (Note 7.7) is covered by the way of:-

- b) legal charge over development land;
- c) corporate guarantee by Mutiara Goodyear Development Sdn. Bhd.;
- d) joint and several guarantee by the Directors.

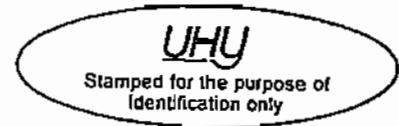
The term loans bear interest ranging from 3.79% to 6.80%

7.11 Deferred taxation

	RM'000
At 1 January 2010	169
Recognised in the profit or loss	
- property development costs	177
- property, plant and equipment	4
- overprovision in respect of prior year	(15)
At 30 June 2010	<u>335</u>
Subject to income tax	
Deferred tax liabilities (before offsetting)	
Property development costs	473
Property, plant and equipment	7
	<u>480</u>
Offsetting	(145)
	<u>335</u>

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

7.0 Statement of assets and liabilities as at 30 June 2010 (Continued)

7.11 Deferred taxation (Continued)

	RM'000
Deferred tax assets (after offsetting)	
Property development costs	404
Property, plant and equipment	92
Unabsorbed tax losses	75
	<u>571</u>
Offsetting	<u>(145)</u>
	<u>426</u>

The estimated amount of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

Property development costs	259
Property, plant and equipment	92
Unabsorbed tax losses	75
	<u>426</u>

7.12 Payables

	Proforma Tambun Indah Group RM'000	Proforma Adjustment RM'000	Adjusted Proforma Tambun Indah Group RM'000
Trade payables	16,511	-	16,511
Progress billings in respect of property development	4,785	-	4,785
Amount owing to customers (Note 7.6)	3,757	(3,312)	445
Non-trade payables	432	-	432
Accruals	76	-	76
Deposit received	1,170	(42)	1,128
Amount owing to a related party	8,021	(8,021)	-
Amount owing to a Director	2,900	-	2,900
	<u>37,652</u>	<u>(11,375)</u>	<u>26,277</u>

The credit terms of trade payables granted to the Group range from 14 to 30 days.

The amount owing to a Director is unsecured, non-interest bearing and repayable on demand.

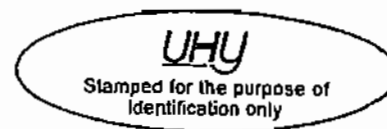
The amounts owing to shareholders are unsecured, non-interest bearing and repayable on demand.

The amount owing to a related party is trade in nature, unsecured and non-interest bearing.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interest.

13. FINANCIAL INFORMATION

Tambun Indah LAND BERHAD
(GROUP NO.: 810446-U)



Notes to the Proforma Consolidated Financial Information (Continued)

8. Capitalisation and Indebtedness

The following table shows the cash and cash equivalents and capitalisation and indebtedness as at 30 June 2010.

	As at 30 June 2010	After Acquisitions	After Public Issue And Utilisation Of Proceeds
	RM'000	RM'000	RM'000
Cash and cash equivalents	5	42,997	59,597
<u>Indebtedness</u>			
<u>Non-current:</u>			
Bank borrowings	-	8,227	5,461
<u>Current:</u>			
Bank borrowings	-	8,115	7,681
Total indebtedness	-	16,342	13,142
<u>Capitalisation</u>			
Total shareholder's equity	(16)	107,543	127,343
Total capitalisation and indebtedness	(16)	123,885	140,485

The bank borrowings are secured and covered by the following:-

- (a) legal charge over development lands;
- (b) corporate guarantee by Mutiara Goodyear Development Berhad (only Lot 8751); and
- (c) joint and several guarantee by the Directors



UHY (AF1411)
Chartered Accountants
51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhyppg@uhy.com.my
Web www.uhy.com.my

13 December 2010

The Board of Directors
Tambun Indah Land Berhad
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

Dear Sirs,

**TAMBUN INDAH LAND BERHAD ("Tambun Indah" or the "Company")
ACCOUNTANTS' REPORT**

(Prepared for inclusion in the Prospectus dated 29 Dec 2010)

1.0 This report has been prepared by UHY, an approved company auditor, for the inclusion in the Prospectus of Tambun Indah Land Berhad (hereinafter referred to as "Tambun Indah" or "the Company") to be dated 29 December 2010 in connection with the listing of Tambun Indah on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

2.0 GENERAL INFORMATION

2.1 Incorporation and background

The Company was incorporated in Malaysia on 19 March 2008 under the Companies Act, 1965 as a private limited company under the name of Tambun Indah Land Sdn. Bhd.. On 10 May 2010, the Company was converted to a public limited company.

The registered office and the principal place of business of the Company are as follows:

Registered office:

- 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

Principal place of business:

- 12-01, Penthouse, Wisma Pantai, Jalan Wisma Pantai, Kampung Gajah, 12200 Butterworth.

2.2 Principal activity

The Company has not commenced its operations as at 31 December 2009.



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

2.0 GENERAL INFORMATION (CONTINUED)

2.3 Listing scheme

In conjunction with the listing of Tambun Indah's shares on the Main Market of the Bursa Securities ("Listing"), Tambun Indah undertakes a listing scheme, which involves the following exercises:-

(i) Acquisitions

The acquisitions by Tambun Indah involved the following companies ("Subsidiary Companies"):

- (a) Cenderaman Development Sdn. Bhd. ("Cenderaman")
- (b) Denmas Sdn. Bhd. ("Denmas")
- (c) Denmas Development Sdn. Bhd. ("Denmas Development")
- (d) Epiland Properties Sdn. Bhd. ("EpiLand")
- (e) Hong Hong Development Sdn. Bhd. ("Hong Hong")
- (f) Intanasia Development Sdn. Bhd. ("Intanasia")
- (g) Jasniah Sdn. Bhd. ("Jasniah")
- (h) Juru Heights Sdn. Bhd. ("Juru Heights")
- (i) Langstone Sdn. Bhd. ("Langstone")
- (j) Perquest Sdn. Bhd. ("Perquest")
- (k) Tokoh Edaran Sdn. Bhd. ("Tokoh Edaran")
- (l) Tambun Indah Land Berhad ("Tambun Indah")
- (m) Tambun Indah Sdn. Bhd. ("Tambun Indah SB")
- (n) Tambun Indah Development Sdn. Bhd. ("Tambun Indah Development")
- (o) TID Development Sdn. Bhd. ("TID Development")
- (p) TKS Land Sdn. Bhd. ("TKS Land")
- (q) Zipac Development Sdn. Bhd. ("Zipac")

The acquisition by Tambun Indah of the equity interest in the Subsidiary Companies for a total purchase consideration of RM94,499,998 was satisfied by the issuance of 188,999,996 Tambun Indah shares of RM0.50 each at an issue price of RM0.50 per Tambun Indah share.

TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

2.0 GENERAL INFORMATION (CONTINUED)

2.3 Listing scheme (Continued)

(i) Acquisitions (Continued)

Brief details of the Subsidiary Companies are as follows:

Name	Date of incorporation	Effective interest	Issued and fully paid-up share capital		Principal activities
			Preference RM	Ordinary RM	
Cenderaman	24 December 2007	100%	0	4,000,000	Property development
Denmas	12 July 2000	100%	0	1,800,000	Project and Construction management
Denmas Development	9 September 2009	100%	0	5,000,000	Property development
Epiland	20 August 2002	100%	0	250,100	Property development
Hong Hong	18 July 2006	100%	0	1,000,000	Property development
Intanasia	13 January 2003	100%	0	1,550,000	Property development
Jasnia	7 January 2005	100%	0	5,770,000	Property development
Juru Heights	14 April 2005	100%	0	1,000,000	Property development
Langstone	12 August 1995	100%	0	2,783,375	Investment holding and operation of car park
Perquest	28 April 1995	100%	0	1,250,000	Property development
Tokoh Edaran	11 January 2006	100%	0	1,000,000	Construction of buildings and project management

TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

2.0 GENERAL INFORMATION (CONTINUED)

2.3 Listing scheme (Continued)

(i) Acquisitions (Continued)

Brief details of the Subsidiary Companies are as follows: (Continued)

Name	Date of incorporation	Effective interest	Issued and fully paid-up share capital		Principal activities
			Preference RM	Ordinary RM	
Tambun Indah SB	6 December 1993	100%	0	1,000,000	Property development
Tambun Indah Development	16 May 2008	70%	500,000(A) 24,357,855(B)	1,000,000	Property development
TID Development	23 December 2009	100%	0	4,000,000	Property development
TKS Land (Note 1)	3 March 2010	100%	0	4,800,000	Investment holding
Zipac	23 July 2004	50%	4,400,000	500,000	Property development

All of the above Subsidiary Companies are incorporated in Malaysia.

Note 1 : TKS Land has a subsidiary company, CBD Land Sdn Bhd (CBD Land), a company incorporated in Malaysia, in which TKS Land holds 50% interest.



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

2.0 GENERAL INFORMATION (CONTINUED)

2.3 Listing scheme (Continued)

(ii) Public issue

In conjunction with the flotation of Tambun Indah, Tambun Indah will undertake a public issue of 32,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per ordinary share payable in full on application in the following manner:

- (a) 11,050,000 new ordinary shares of RM0.50 each made available for application by the Malaysian public;
- (b) 11,050,000 new ordinary shares of RM0.50 each made available for application by the eligible directors, employees and business associates of Tambun Indah Group; and
- (c) 9,900,000 new ordinary shares of RM0.50 each made available to identified investors via private placement.

(iii) Offer for sale

The offer for sale of an aggregate of 22,100,000 new ordinary shares of RM0.50 each representing 10% of the entire issued and paid-up capital of Tambun Indah are allocated to Bumipntera investors approved by the MITI at an offer price of RM0.70 per ordinary share in Tambun Indah.

(iv) Floating and quotation

Upon completion of the public issue and offer for sale, the issued and paid-up share capital of Tambun Indah shall be increased to RM110,500,000 comprising 221,000,000 Tambun Indah shares of RM0.50 each. The listing entails the listing of and quotation for the entire issued and paid-up share capital of Tambun Indah of RM110,500,000 comprising 221,000,000 Tambun Indah shares of RM0.50 each on the Main Market of Bursa Securities.



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

3.0 AUDITORS AND AUDITED FINANCIAL STATEMENTS

We are the auditors for all of the companies mentioned above for the periods/years under review from 31 December 2007 to 31 December 2009 and 30 June 2010, except for CBD Land and Zipac.

The auditors of CBD Land for the financial period from 15 May 2007 to 30 June 2008 and the financial period from 1 July 2008 to 31 December 2009 were Wong Thai Sun & Associates. We were appointed as auditors of CBD Land for the financial period ended 30 June 2010.

The auditors of Zipac for the financial years ended 30 November 2007 and 30 November 2008 was AljeffriDean Chartered Accountants (M). We are the auditors for Zipac for the financial period from 1 December 2008 to 31 December 2009.

TID Development and TKS Land which were incorporated on 23 December 2009 and 3 March 2010 respectively remain unaudited as at 31 December 2009.

All the audited financial statements for the relevant financial periods/years were reported without any audit qualification.

4.0 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this report are set out in Section 5.1 of this report and are consistent with the accounting policies adopted by Tambun Indah and its subsidiary companies ("Tambun Indah Group" or "the Group").

The financial information presented in Section 6 to 23 in this report for the three (3) financial period/years ended 31 December 2009 and two (2) financial periods ended 30 June 2009 & 2010 are prepared based on the audited financial statements of the subsidiary companies.

The financial statements of the subsidiary companies were prepared in accordance with applicable approved accounting standards in Malaysia.

5.0 BASIS OF PREPARATION

The financial statements of the Company are presented in Ringgit Malaysia ("RM") and have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and applicable Financial Reporting Standards in Malaysia

TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

5.0 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective

Prior to 1 January 2010, the Company adopted Private Entity Reporting Standards in Malaysia. On 1 January 2010, the Company adopted the following Financial Reporting Standards ("FRSs"), amended FRSs and Issues Committee Interpretations ("IC Interpretations") mandatory for financial periods beginning on or after 1 January 2010.

FRSs, amendments to FRSs and IC Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 1 and FRS 127	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 2	Share-based Payment
Amendments to FRS 2	Share-based Payment Vesting Conditions and Cancellations
FRS 3	Business Combinations
FRS 5 and Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments : Disclosures
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
FRS 8 and Amendment to FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 107	Statement of Cash Flows (formerly known as Cash Flow Statements)
FRS 108 and Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Reporting Period (formerly known as Events after the Balance Sheet Date)

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

5.0 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

FRSs, amendments to FRSs and IC Interpretations (continued)

FRS 112	Income Taxes
FRS 116	Property, Plant and Equipment
FRS 117 and Amendment to FRS 117	Leases
FRS 118	Revenue
FRS 119 and Amendment to FRS 119	Employee Benefits
FRS 120 and Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 123 and Amendment to FRS 123	Borrowing Costs
FRS 124	Related Party Disclosures
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 127 and Amendment to FRS 127	Consolidated and Separate Financial Statements
FRS 128 and Amendment to FRS 128	Investments in Associates
FRS 131 and Amendment to FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation (formerly known as Financial Instruments: Disclosure and Presentation)
Amendments to FRS 132	Financial Instruments: Presentation
FRS 133	Earnings Per Share
FRS 134 and Amendment to FRS 134	Interim Financial Reporting
FRS 136	Impairment of Assets
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 138 and Amendment to FRS 138	Intangible Assets



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

5.0 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

FRSs, amendments to FRSs and IC Interpretations (continued)

FRS 139	Financial Instruments: Recognition and Measurement
FRS 140 and Amendment to FRS140	Investment Property
IC Interpretation 9 and Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Company's financial statements for the financial period from 1 January 2010 to 30 June 2010.



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

5.0 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Company to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Company has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. There is no effect arising from the adoption of this Standard.



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

5.0 BASIS OF PREPARATION (CONTINUED)

(b) Standards and Interpretations issued but not yet effective

At the date of authorisation for issue of these financial statements, the following FRSs, amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Company:

FRSs, amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
FRS 3	Business Combinations	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010/ 1 March 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

5.0 BASIS OF PREPARATION (CONTINUED)

(b) Standards and Interpretations issued but not yet effective (continued)

IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15 and the new disclosures required under the Amendments to FRS 7, 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 the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15 are disclosed below.

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

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



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently with those applied in previous financial period/years.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognized in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of the business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognized as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(b) Intangible asset

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period/ year in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Air conditioner	10%
Computer	20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 20%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognized in profit or loss.

(d) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognized professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Company holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

(e) Subsidiary

A subsidiary is an entity over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(f) Property development activities

(i) Land held for development

Land held for development consists of land on which no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditure. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses, if any.

Land held for development is transferred to property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property development activities (continued)

(ii) Property development costs

Property development costs comprise of cost of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the financial outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. When the financial outcome of the development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the properties sold are recognised as an expense when incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately. Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is shown as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in the income statement is shown as progress billings within payables.

(g) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract expenditure are recognised over the period of the contract as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimate total costs for the contracts. When it is probable that total construction contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be reliably estimated, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the financial year in which they are incurred.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceeds progress billings, the balance is shown as an amount owing by customers under receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as an amount owing to customers under payables.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories

Inventories represent completed properties held for sales and are stated at the lower of cost and net realisable value. Cost consist of the cost of land and all direct building costs and other related development costs common to the whole project, including interest expense directly related to finance the development.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognized in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognized separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (Continued)

(ii) Loans and receivables.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognized or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortization process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-sale financial assets

Available-for sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Financial assets (Continued)****(iv) Available-for-sale financial assets (continued)**

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realized within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognized or derecognized on the trade date i.e., the date that the Company commits to purchase or sell the asset.

(j) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fixed deposits with licensed banks which are pledged as security for banking facilities are not included as cash and cash equivalents.

(k) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognized in the statement of financial position when, and only when, the Company becomes a party of the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair values through profit or loss or other financial liabilities.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial liabilities (continued)

(i) Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognized in profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Company's other financial liabilities include trade payables, other payables and loans and borrowings

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Payables are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognized in profit or loss when the liabilities are derecognised, and through the amortization process.

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another form of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds.

(m) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares and redeemable preference shares with discretionary dividends which are redeemable at the discretion of the Company are classified as equity.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period/year in which they are declared.

(n) Income Tax

Income tax on the profit or loss for the financial period/year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial period/year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition

Revenue from sales of properties is accounted for by the stage of completion method as described in Note 5.1(f).

Revenue from construction contract is accounted for by percentage of completion method as described in Note 5.1(g).

Rental income is recognised upon on an accrual basis and parking fee is recognised based on a receipt basis.

Interest income is recognised on a time proportion basis.

Distribution of income from marketable securities is recognised when the right to receive payment is established.

(p) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in used, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in profit or loss immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(r) Impairment of assets

The Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.



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5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Impairment of assets (continued)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(r) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Company's contributions to the defined contribution plans, known as Employees Provident Fund ("EPF") are charged to profit or loss in the financial period/year to which they relate.



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5.2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Income taxes

Significant judgement is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinion. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Property development

The Company recognises property development profits by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

(iii) Allowance for doubtful debts

The Company recognises an allowance for doubtful debts when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables. To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the income statement. Based on management's assessment, management believes that no allowance for doubtful debts is required.



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6.0 AUDITED FINANCIAL STATEMENTS

There are no audited consolidated financial statements for the financial years ended 31 December 2007 to 31 December 2009 and six months financial period ended 30 June 2010 being prepared for Tambun Indah Group as Tambun Indah Group will exist only upon the completion of the Acquisitions as mentioned in section 2.3. For the purpose of this report, the summarised audited financial statements of the individual companies in the Group are shown in section 7 to section 23.

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7.0 FINANCIAL STATEMENTS OF CENDERAMAN

7.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2008, 31 December 2009 and 30 June 2010 are as follows:

	NOTE	← 31 December →		30 June
		2008 RM'000	2009 RM'000	2010 RM'000
CURRENT ASSETS				
Property development costs	7.5.1	0	2,713	3,555
Non-trade receivable		0	#	0
Fixed deposit with a licensed bank	7.5.2	1,006	206	0
Bank balances		184	75	377
		<u>1,190</u>	<u>2,994</u>	<u>3,932</u>
CURRENT LIABILITIES				
Payables	7.5.3	1	1,801	2,800
Income tax payable		0	1	0
		<u>1</u>	<u>1,802</u>	<u>2,800</u>
NET CURRENT ASSETS				
		<u>1,189</u>	<u>1,192</u>	<u>1,132</u>
		<u>1,189</u>	<u>1,192</u>	<u>1,132</u>
SHARE CAPITAL				
	7.5.4	1,200	1,200	1,200
ACCUMULATED LOSSES				
		(11)	(8)	(68)
		<u>1,189</u>	<u>1,192</u>	<u>1,132</u>

Denotes

- represent amount less than RM1,000

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7.0 FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial period from 24 December 2007 (Date of Incorporation) to 31 December 2008, for the financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	FPE/FYE		← FPE 30 June →	
		← 31 December → 2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue		0	0	0	0
Cost of sales		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gross profit		0	0	0	0
Other operating income		6	10	8	0
Administrative expenses		<u>(17)</u>	<u>(5)</u>	<u>(3)</u>	<u>(60)</u>
(LOSS)/PROFIT BEFORE TAX	7.5.5	(11)	5	5	(60)
Tax expense	7.5.6	<u>0</u>	<u>(2)</u>	<u>(2)</u>	<u>#</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD/YEAR		<u>(11)</u>	<u>3</u>	<u>3</u>	<u>(60)</u>
(Loss)/Earnings per share:					
Gross (sen)		(0.92)	0.42	0.42	(5.00)
Net (sen)		(0.92)	0.25	0.25	(5.00)
Gross profit margin (%)		0.00	0.00	0.00	0.00
Pre-tax profit margin (%)		0.00	0.00	0.00	0.00
(LBIDTA)/(EBIDTA)		(11)	5	5	(60)
Effective tax rate (%)		0.00	240.00	20.00	0.00
Trade receivables' turnover periods (months)		0.00	0.00	0.00	0.00

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7.0 FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FPE/FYE →		← FPE 30 June →	
	31 December 2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Trade payables' turnover periods (months)	0.00	0.00	0.00	0.00

7.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements of for the financial period from 24 December 2007 (Date of incorporation) to 31 December 2008, for the financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 24 December 2007		*	0	*
Issuance of shares	7.5.4	1,200	0	1,200
Loss for the financial period		0	(11)	(11)
At 31 December 2008		1,200	(11)	1,189
Profit for the financial year		0	3	3
At 31 December 2009		1,200	(8)	1,192
At 1 January 2009		1,200	(11)	1,189
Profit for the financial period		0	3	3
At 30 June 2009 (Unaudited)		1,200	(8)	1,192
At 1 January 2010		1,200	(8)	1,192
Loss for the financial period		0	(60)	(60)
At 30 June 2010		1,200	(68)	1,132

Denotes

* - represent RM2

14. ACCOUNTANTS' REPORT



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7.0 FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial period from 24 December 2007 (Date of incorporation) to 31 December 2008, financial year ended 31 December 2009 and six months financial periods ended 30 June 2009 and 30 June 2010 are as follows:

	FPE/FYE		FPE 30 June	
	← 31 December → 2008 RM'000	2009 RM'000	← 2009 → RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(11)	5	5	(60)
Adjustment for:				
Interest income	(6)	(10)	(8)	0
Operating loss before working capital changes	(17)	(5)	(3)	(60)
Receivable and deposit	0	0	(233)	#
Payables	1	1,800	#	999
Property development costs	0	(2,713)	(3)	(841)
Cash generated from operations	(16)	(918)	(239)	98
Interest received	6	10	8	0
Tax paid	0	(1)	0	(1)
Net cash flow from operating activities	(10)	(909)	(231)	97
CASH FLOW FROM FINANCING ACTIVITY				
Proceeds from issuance of shares	1,200	0	1,189	0
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,190	(909)	(232)	97
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE DATE OF INCORPORATION/ FINANCIAL YEAR/PERIOD				
	*	1,190	1,189	280
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD				
	1,190	281	958	377
Represented by:				
Fixed deposit with a licensed bank (Note 7.5.2)	1,006	206	204	0
Bank balances	184	75	754	377
	1,190	281	958	377

Denotes

* - represent RM2

- represent amount less than RM1,000

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7.5 NOTES TO THE FINANCIAL STATEMENTS OF CENDERAMAN

7.5.1 PROPERTY DEVELOPMENT COSTS

	31 December 2009 RM'000	30 June 2010 RM'000
At 1 January		
- Freehold land	0	2,329
- Development costs	0	384
	<u>0</u>	<u>2,713</u>
Add: Costs incurred during the financial year/period		
- Freehold land	2,329	0
- Development costs	384	842
	<u>2,713</u>	<u>842</u>
At 31 December/30 June	<u>2,713</u>	<u>3,555</u>

7.5.2 FIXED DEPOSIT WITH A LICENSED BANK (31.12.2009 ONLY)

The effective interest rate for the fixed deposit with a licensed bank was at the rate of 2.00% per annum. The short-term deposit is maturing in July 2010.

7.5.3 PAYABLES

	← 31 December →	
	2008	2009
	RM'000	RM'000
		30 June 2010 RM'000
Amount owing to shareholders	0	1,800
Accrual	1	1
	<u>1</u>	<u>1,801</u>
		<u>2,800</u>

The amount owing to shareholders is unsecured, non-interest bearing and repayable on demand.

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7.5 NOTES TO THE FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.5.4 SHARE CAPITAL

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Authorised			
Ordinary shares of RM1 each			
At 24 December 2007/1 January	100	5,000	5,000
Created during the financial period	4,900	0	0
At 31 December/30 June	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Issued and fully paid			
Ordinary shares of RM1 each			
At 24 December 2007/1 January	*	1,200	1,200
Issued during the financial period, at par	1,200	0	0
At 31 December/30 June	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>

Denotes

* - represent RM2

7.5.5 (LOSS)/PROFIT BEFORE TAX

	FPE/FYE		← FPE 30 June →	
	← 31 December →	← 31 December →	2009	2010
	2008	2009	RM'000	RM'000
	RM'000	RM'000	(Unaudited)	RM'000
(Loss)/Profit before tax is arrived at after charging:				
Audit fee	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
and crediting:				
Interest income	<u>6</u>	<u>10</u>	<u>8</u>	<u>0</u>

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7.5 NOTES TO THE FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.5.6 TAX EXPENSE

	FPE/FYE		← FPE 30 June →	
	← 31 December → 2008 RM'000	2009 RM'000	2009 RM'000	2010 RM'000
The major components of the tax expense are:			(Unaudited)	
Current tax expense based on profit for the year	0	1	2	0
Underprovision of taxation in respect of prior period	0	1	0	#
	<u>0</u>	<u>2</u>	<u>2</u>	<u>#</u>
Reconciliation of tax expense and accounting (loss)/profit:				
Accounting (loss)/profit before taxation	<u>(11)</u>	<u>5</u>	<u>5</u>	<u>(60)</u>
Tax at the applicable tax rate of (2008: 26%, 2009: 25%, 2010: 25%)	(3)	1	1	(15)
Tax effect of expenses not deductible for tax purpose	3	#	1	#
Different tax rate for first RM500,000 of chargeable income	0	(#)	(#)	0
Deferred tax assets not recognised during the financial period	0	0	0	15
Underprovision of taxation in respect of prior period	0	1	0	#
Tax expense for the year/period	<u>0</u>	<u>2</u>	<u>2</u>	<u>#</u>

Denotes

- represent amount less than RM1,000

7.5.7 DEFERRED TAX ASSET (30.6.2010 ONLY)

The estimated amount of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

	RM'000
Unabsorbed tax losses	<u>15</u>

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7.5 NOTES TO THE FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.5.8 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For financial assets such as cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instrument by remaining contractual maturity

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	RM'000
	<u>On demand or within one year</u>
Financial liability	
Payables	2,800
Total undiscounted financial liability	<u>2,800</u>



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7.5 NOTES TO THE FINANCIAL STATEMENTS OF CENDERAMAN (CONTINUED)

7.5.9 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are bank balances, fixed deposits with a licensed bank and non-trade receivable.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to shareholders and accrual.

Fair values

The following financial instrument is not carried at fair value and the carrying amount is reasonable approximation of fair value:

Payables	<u>Note</u> 7.5.3
----------	----------------------

The carrying amount of the financial liability is reasonable approximation of fair value due to its short-term nature.

7.5.10 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting dates, the Company did not have any debt. As such, no gearing ratio was presented.

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8.0 FINANCIAL STATEMENTS OF DENMAS

8.1 STATEMENTS ON FINANCIAL POSITION

The statement of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 are as follows:

		←	31 December	→	
	NOTE	2007	2008	2009	30 June
		RM'000	RM'000	RM'000	2010
					RM'000
NON CURRENT ASSET					
Property, plant and equipment	8.5.1	0	0	0	394
CURRENT ASSETS					
Receivable	8.5.2	0	0	0	2,716
Marketable securities	8.5.3	635	0	0	0
Tax recoverable		91	91	#	0
Fixed deposits with licensed banks	8.5.4	0	644	658	664
Bank balances		128	47	131	351
		<u>854</u>	<u>782</u>	<u>789</u>	<u>3,731</u>
CURRENT LIABILITIES					
Payable	8.5.5	1	1	#	3,348
Income tax payable		0	0	0	#
		<u>1</u>	<u>1</u>	<u>#</u>	<u>3,348</u>
NET CURRENT ASSETS					
		853	781	789	383
		<u>853</u>	<u>781</u>	<u>789</u>	<u>777</u>
SHARE CAPITAL	8.5.6	800	800	800	800
RETAINED PROFITS/ (ACCUMULATED LOSSES)					
		53	(19)	(11)	(23)
		<u>853</u>	<u>781</u>	<u>789</u>	<u>777</u>

Denotes

-represent amount less than RM1,000

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8.0 FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	8.5.7	0	0	0	0	407
Cost of sales		0	0	0	0	(392)
Gross profit		0	0	0	0	15
Other operating income		17	19	15	8	6
Administrative expenses		(8)	(91)	(4)	(3)	(32)
PROFIT/(LOSS) BEFORE TAX	8.5.8	9	(72)	11	5	(11)
Tax expense	8.5.9	0	0	(3)	(2)	(1)
PROFIT/(LOSS) AFTER TAX		9	(72)	8	3	(12)
Earnings/(Loss) per share :						
Gross (sen)		1.13	(9.00)	1.38	0.63	(1.38)
Net (sen)		1.13	(9.00)	1.00	0.38	(1.50)
Gross profit margin (%)		0.00	0.00	0.00	0.00	3.69
Pre-tax profit/(loss) margin (%)		0.00	0.00	0.00	0.00	(2.70)

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8.0 FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
EBIDTA/(LBIDTA)	9	(72)	11	5	10
Effective tax rate (%)	0.00	0.00	27.27	40.00	(9.09)
Trade receivables' turnover periods (months)	0.00	0.00	0.00	0.00	40.04
Trade payables' turnover periods (months)	0.00	0.00	0.00	0.00	35.92



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8.0 FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	Share capital RM'000	<u>Distributable</u> Retained Profits/ (Accumulated loss) RM'000	Total RM'000
At 1 January 2007	800	44	844
Profit for the financial year	0	9	9
At 31 December 2007	800	53	853
Loss for the financial year	0	(72)	(72)
At 31 December 2008	800	(19)	781
Profit for the financial year	0	8	8
At 31 December 2009	800	(11)	789
At 1 January 2009	800	(19)	781
Profit for the financial period	0	3	3
At 30 June 2009 (Unaudited)	800	(16)	784
At 1 January 2010	800	(11)	789
Loss for the financial period	0	(12)	(12)
At 30 June 2010	800	(23)	777

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8.0 FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
	(Unaudited)				
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax	9	(72)	11	5	(11)
Adjustments for:					
Depreciation	0	0	0	0	21
Property, plant and equipment written off	2	0	0	0	0
Distribution of income from marketable securities	(15)	(15)	0	0	0
Interest income	(2)	(4)	(15)	(8)	(6)
Operating (loss)/profit before working capital changes	(6)	(91)	(4)	(3)	4
Receivable	0	0	0	#	(2,716)
Payables	(18)	#	0	0	3,347
	(24)	(91)	(4)	(3)	635
Interest received	2	4	15	8	6
Tax refund	0	0	90	89	0
Tax paid	0	0	(3)	0	#
Net cash flow from operating activities	(22)	(87)	98	94	641
CASH FLOW FROM INVESTING ACTIVITIES					
Distribution of income from marketable securities	15	15	0	0	0
Proceeds from disposal of marketable securities	350	635	0	0	0
Purchase of marketable securities	(415)	0	0	0	0
Purchase of property, plant and equipment	0	0	0	0	(415)
Net cash flow from investing activities	(50)	650	0	0	(415)



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8.0 FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(72)	563	98	94	226
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/ PERIOD	<u>200</u>	<u>128</u>	<u>691</u>	<u>691</u>	<u>789</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ PERIOD	<u>128</u>	<u>691</u>	<u>789</u>	<u>785</u>	<u>1,015</u>
Represented by:					
Bank balances	128	47	131	133	351
Fixed deposits with a licensed bank (Note 8.5.4)	<u>0</u>	<u>644</u>	<u>658</u>	<u>652</u>	<u>664</u>
	<u>128</u>	<u>691</u>	<u>789</u>	<u>785</u>	<u>1,015</u>

Denotes

-represent amount less than RM1,000

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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS

8.5.1 PROPERTY, PLANT AND EQUIPMENT

	Computers RM'000	Office Equipment RM'000	Motor Vehicle RM'000	Total RM'000
At cost				
At 1 January 2010	0	0	0	0
Addition	11	3	401	415
At 30 June 2010	11	3	401	415
Accumulated depreciation				
At 1 January 2010	0	0	0	0
Current charge	1	#	20	21
At 30 June 2010	1	#	20	21
Net book value				
At 30 June 2010	10	3	381	394

8.5.2 RECEIVABLE (30.6.2010 ONLY)

	RM'000
Amount owing by a related party	
- trade	2,444
- retention sum	272
	<u>2,716</u>

The amount owing by a related party is unsecured, non-interest bearing and repayable on demand.

The related party is company incorporated in Malaysia in which the Directors have significant and controlling financial interests.

8.5.3 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>635</u>
At market value	
Units trust quoted in Malaysia	<u>635</u>

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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.4 FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates for the fixed deposits with a licensed bank at the rate of 2.25% (31.12.2009: 2.00%) per annum. The fixed deposits are maturing in July 2010.

8.5.5 PAYABLES

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000 →	30 June 2010 RM'000
Trade payables	0	0	0	38
Amount owing to customers	0	0	0	2,309
Amount owing to shareholders	0	0	0	1,000
Accruals	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>3,348</u>

The amount owing to customers
are represented by:

Construction contract costs	392
Attributable profits	14
	<u>406</u>
Progress billings	<u>(2,715)</u>
	<u>(2,309)</u>
Represented by:	
Amount owing to customers	<u>2,309</u>

Trade payables are retention sum on contracts.

The amount owing to shareholders is unsecured, non-interest bearing and repayable on demand.

8.5.6 SHARE CAPITAL

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000 →	30 June 2010 RM'000
Authorised 1,000,000 ordinary shares of RM1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid 800,000 ordinary shares of RM1 each	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>

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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.7 REVENUE

Revenue represents contract revenue recognised to date based on percentage of completion methods.

8.5.8 PROFIT/(LOSS) BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging:					
Audit fee					
- current year	#	#	#	0	1
- underprovision in respect of prior years	#	0	0	0	0
Depreciation	0	0	0	0	21
Property, plant and equipment written off	2	0	0	0	0
and crediting:					
Distribution of income from marketable securities	15	15	0	0	0
Interest income	2	4	15	8	6

Denotes

-represent amount less than RM1,000



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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.9 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
The major components of tax expense are:					
Current tax expense based on profit for the year/period	0	0	3	2	1
Overprovision of tax expense in respect of prior period	0	0	0	0	(#)
	<u>0</u>	<u>0</u>	<u>3</u>	<u>2</u>	<u>1</u>
Reconciliation of tax expense and accounting profit/(loss):					
Accounting profit/(loss) before taxation	9	(72)	11	5	(11)
	<u>9</u>	<u>(72)</u>	<u>11</u>	<u>5</u>	<u>(11)</u>
Tax at the applicable tax rate of (2007:27%, 2008: 26%, 2009: 25%, 2010: 25%)	3	(19)	3	2	(3)
Tax effect of:					
- expenses not deductible for tax purposes	#	2	#	1	5
- income not subject to tax	(4)	(4)	0	0	0
- different tax rate for the first RM500,000 of chargeable income	0	0	#	(1)	#
Overprovision of tax expense in respect of prior financial period	0	0	0	0	#

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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.9 TAX EXPENSE (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Utilisation of previously unrecognised deferred tax assets	0	0	0	0	(1)
Deferred tax assets not recognised during the year	0	21	0	0	0
Permanent loss not recognised during the year	#	0	0	0	0
Tax expense for the year/period	<u>0</u>	<u>0</u>	<u>3</u>	<u>2</u>	<u>1</u>

Denotes

-represent amount less than RM1,000

8.5.10 DEFERRED TAX ASSETS

The estimated amounts of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Subject to income tax:					
Property, plant and equipment	2	1	1	1	1
Unabsorbed tax losses	<u>62</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>
	<u>64</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>



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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.11 SIGNIFICANT RELATED PARTY TRANSACTION

	← FPE 30 June →	
	2009	2010
	RM'000	RM'000
	(Unaudited)	
Progress claims charged to Zipac Development Sdn. Bhd.	0	2,715

8.5.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from amount owing by a related party. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.



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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010 RM'000
	<u>On demand or within one year</u>
Financial liability	
Payables	3,348
Total undiscounted financial liability	<u>3,348</u>

8.5.13 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are bank balances, fixed deposits with a licensed bank and amount owing by a related party.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade payables, amount owing to shareholders and accruals.



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8.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS (CONTINUED)

8.5.13 FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables	8.5.2
Payables	8.5.5

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

8.5.14 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

14. ACCOUNTANTS' REPORT



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9.0 FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT

9.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2009 and 30 June 2010 are as follows:

	NOTE	31 December 2009 RM'000	30 June 2010 RM'000
NON-CURRENT ASSET			
Land held for property development	9.5.1	0	5,286
CURRENT ASSETS			
Receivables		500	0
Bank balance		4,494	106
		4,994	106
CURRENT LIABILITY			
Payables	9.5.2	4,750	5,151
NET CURRENT ASSETS			
		244	(5,045)
		244	241
SHARE CAPITAL			
	9.5.3	250	250
ACCUMULATED LOSSES			
		(6)	(9)
		244	241



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9.0 FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT (CONTINUED)

9.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial period 9 September 2009 (Date of Incorporation) to 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	FPE 31 December 2009 RM'000	FPE 30 June 2010 RM'000
Revenue		0	0
Administrative expenses		(6)	(3)
LOSS BEFORE TAX	9.5.4	(6)	(3)
Tax expense	9.5.5	0	0
LOSS FOR THE FINANCIAL PERIOD		(6)	(3)
Loss per share:			
Gross (sen)		(2.40)	(1.20)
Net (sen)		(2.40)	(1.20)
Gross profit margin (%)		0.00	0.00
Pre-tax profit margin (%)		0.00	0.00
LBIDTA		(6)	(3)
Effective tax rate (%)		0.00	0.00
Trade receivables' turnover periods (months)		0.00	0.00
Trade payables' turnover periods (months)		0.00	0.00

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9.0 FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT (CONTINUED)

9.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial period 9 September 2009 (Date of Incorporation) to 31 December 2009 and six months financial period ended 30 June 2010 are as follows:

	NOTE	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 9 September 2009		*	0	*
Issuance of shares	9.5.3	250	0	250
Loss for the financial period		0	(6)	(6)
At 31 December 2009/ At 1 January 2010		250	(6)	244
Loss for the financial period		0	(3)	(3)
At 30 June 2010		250	(9)	241

Denotes

* - represent RM2

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9.0 FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT (CONTINUED)

9.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial period 9 September 2009 (Date of Incorporation) to 31 December 2009 and six months financial period ended 30 June 2010 are as follows:

	FPE 31 December 2009 RM'000	FPE 30 June 2010 RM'000
CASH FLOW FROM NON-OPERATING ACTIVITIES		
Loss before tax	(6)	(3)
Working capital change:		
Deposits	(500)	500
Payables	4,750	401
Land held for property development	0	(5,286)
Net cash flow from non-operating activities	<u>4,244</u>	<u>(4,388)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from issuance of shares	250	0
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,494	(4,388)
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION/BEGINNING OF THE FINANCIAL PERIOD	<u>*</u>	<u>4,494</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>4,494</u>	<u>106</u>
Represented by:		
Bank balance	<u>4,494</u>	<u>106</u>

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9.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT

9.5.1 LAND HELD FOR PROPERTY DEVELOPMENT (30.6.2010 ONLY)

RM'000

At cost

At 1 January

- freehold land

5,001

- development costs

285

5,286

9.5.2 PAYABLES

31 December
200930 June
2010

RM'000

RM'000

Accrual

0

1

Amount owing to a Director

0

400

Amount owing to shareholders

4,750

4,750

4,750

5,151

The amount owing to a Director and shareholders are non-trade in nature, unsecured, interest free and repayable on demand.

9.5.3 SHARE CAPITAL

31 December
200930 June
2010

RM'000

RM'000

Authorised

500,000 ordinary shares of RM1 each

500

500

Issued and fully paid

Ordinary shares of RM1 each

At 9 September/1 January

*

250

Issuance during the financial period, at par

250

0

At 31 December/30 June

250

250

Denotes

* - represent RM2



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9.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT
(CONTINUED)

9.5.4 LOSS BEFORE TAX

	FPE 31 December 2010 RM'000	FPE 30 June 2010 RM'000
Loss before tax is arrived at after charging:		
Audit fee	#	#

Denotes

- Less than RM1,000

9.5.5 TAX EXPENSE

	FPE 31 December 2010 RM'000	FPE 30 June 2010 RM'000
Reconciliation of tax expense and accounting loss:		
Accounting loss before tax	(6)	(3)
Tax at the applicable tax rate of 25%	(2)	(#)
Permanent loss not recognised during the financial period	2	#
	0	0

Denotes

- Less than RM1,000

9.5.6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.



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9.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT (CONTINUED)

9.5.6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	RM'000
	<u>On demand or</u>
	<u>within one year</u>
Financial liability	
Payables	5,151
Total undiscounted financial liability	<u>5,151</u>



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9.5 NOTES TO THE FINANCIAL STATEMENTS OF DENMAS DEVELOPMENT (CONTINUED)

9.5.7 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial asset is bank balance.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to a Director, amount owing to shareholders and accrual.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following financial instrument is not carried at fair value and the carrying amount is reasonable approximation of fair value:

Payables	<u>Note</u> 9.5.2
----------	----------------------

The carrying amount of the financial liability is reasonable approximation of fair values due to their short-term nature.

9.5.8 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial periods ended 30 June 2010 and 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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10.0 FINANCIAL STATEMENTS OF EPILAND

10.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position are based on its audited financial statement as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

	NOTE	← 31 December →			30 June
		2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
NON-CURRENT ASSET					
Property, plant and equipment	10.5.1	11	8	6	5
CURRENT ASSETS					
Inventories	10.5.2	429	230	230	230
Receivables and deposits	10.5.3	1,093	2	1	1
Marketable securities	10.5.4	620	0	0	0
Tax recoverable		0	69	0	0
Fixed deposit with a licensed bank	10.5.5	214	350	864	155
Bank balances	10.5.6	829	556	106	113
		<u>3,185</u>	<u>1,207</u>	<u>1,201</u>	<u>499</u>
CURRENT LIABILITIES					
Payables	10.5.7	507	18	1	1
Income tax payable		157	0	2	0
		<u>664</u>	<u>18</u>	<u>3</u>	<u>1</u>
NET CURRENT ASSETS					
		<u>2,521</u>	<u>1,189</u>	<u>1,198</u>	<u>498</u>
		<u>2,532</u>	<u>1,197</u>	<u>1,204</u>	<u>503</u>

14. ACCOUNTANTS' REPORT



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10.0 FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.1 STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	NOTE	← 31 December →			30 June
		2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
SHARE CAPITAL	10.5.8	250	250	250	250
RETAINED PROFITS		<u>2,280</u>	<u>946</u>	<u>954</u>	<u>252</u>
		<u>2,530</u>	<u>1,196</u>	<u>1,204</u>	<u>502</u>
NON-CURRENT LIABILITY					
Deferred tax liability	10.5.9	<u>2</u>	<u>1</u>	<u>#</u>	<u>1</u>
		<u>2,532</u>	<u>1,197</u>	<u>1,204</u>	<u>503</u>

Denotes

- represent amount less than RM1,000

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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10.0 FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial year ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial periods ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	10.5.10	1,603	265	0	0	0
Costs of sales		(230)	(199)	0	0	0
Gross profit		<u>1,373</u>	<u>66</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other operating income		123	111	17	7	4
Sales and marketing cost		(1)	0	0	0	0
Administrative expenses		(32)	(100)	(10)	(5)	(6)
PROFIT/(LOSS) BEFORE TAX	10.5.11	<u>1,463</u>	<u>77</u>	<u>7</u>	<u>2</u>	<u>(2)</u>
Tax (expense) /income	10.5.12	(428)	189	1	(1)	(#)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR/ PERIOD		<u>1,035</u>	<u>266</u>	<u>8</u>	<u>1</u>	<u>(2)</u>

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TAMBUN INDAH LAND BERHAD
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10.0 FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Earnings/(Loss) per share:					
Gross (sen)	585.20	30.80	2.80	0.80	(0.80)
Net (sen)	414.00	106.40	3.20	0.40	(0.80)
Gross profit margin (%)	85.65	24.91	0.00	0.00	0.00
Pre-tax profit margin (%)	91.27	29.06	0.00	0.00	0.00
EBIDTA / (LBIDTA)	1,465	80	9	3	(1)
Effective tax rate (%)	23.10	16.88	42.86	0.50	1.00
Trade receivables' turnover periods (months)	7.97	0.00	0.00	0.00	0.00
Trade payables' turnover periods (months)	26.30	0.96	0.00	0.00	0.00

Denotes

-represent amount less than RM1,000

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TAMBUN INDAH LAND BERHAD
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10.0 FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Distributable		Total RM'000
		Share capital RM'000	Retained profits RM'000	
At 1 January 2007		250	6,545	6,795
Profit for the financial year		0	1,035	1,035
Interim dividends	10.5.13	0	(5,300)	(5,300)
At 31 December 2007		250	2,280	2,530
Profit for the financial year		0	266	266
Interim dividends	10.5.13	0	(1,600)	(1,600)
At 31 December 2008		250	946	1,196
Profit after tax for the financial year		0	8	8
At 31 December 2009		250	954	1,204
At 1 January 2009		250	946	1,196
Profit for the financial period		0	1	1
At 30 June 2009 (Unaudited)		250	947	1,197
At 1 January 2010		250	954	1,204
Loss for the financial period		0	(2)	(2)
Interim dividend	10.5.13	0	(700)	(700)
At 30 June 2010		250	252	502

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TAMBUN INDAH LAND BERHAD
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10.0 FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial year ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	1,463	77	7	2	(2)
Adjustments for :					
Depreciation	2	3	2	1	1
Distribution of income from marketable securities	(84)	(30)	0	0	0
Interest income	(38)	(67)	(16)	(7)	(4)
Operating profit/(loss) before working capital changes	1,343	(17)	(7)	(4)	(5)
Property development costs	615	0	0	0	0
Inventories	0	199	0	0	0
Receivables and deposits	2,085	1,091	1	0	0
Payables	(718)	(489)	(17)	(11)	(#)
	3,325	784	(23)	(15)	(5)
Interest received	38	67	16	7	4
Tax refunded	0	0	75	0	0
Tax paid	(589)	(37)	(4)	(2)	(1)
Net cash flow from operating activities	2,774	814	64	(10)	(2)
CASH FLOW FROM INVESTING ACTIVITIES					
Changes in fixed deposits pledged with a licensed bank	0	214	0	0	0
Distribution of income from marketable securities	84	30	0	0	0
Proceeds from disposal of marketable securities	5,716	1,619	0	0	0
Purchases of marketable securities	(4,600)	(1,000)	0	0	0
Net cash flow from investing activities	1,200	863	0	0	0

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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10.0 FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES					
Changes in fixed deposits pledged with a licensed bank	(6)	0	0	0	0
Dividend paid	(5,300)	(1,600)	0	0	(700)
Net cash flow from financing activities	(5,306)	(1,600)	0	0	(700)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,332)	77	64	(10)	(702)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	2,161	829	906	906	970
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	829	906	970	896	268
Represented by:					
Bank balances	829	556	106	855	113
Fixed deposit with a licensed bank (Note 10.5.5)	0	350	864	41	155
	829	906	970	896	268

Denotes

-represent amount less than RM1,000

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND

10.5.1 PROPERTY, PLANT AND EQUIPMENT

	Computer RM'000	Furniture and fittings RM'000	Total RM'000
At cost			
At 1 January 2007/31 December 2007/ 31 December 2008/31 December 2009/ 30 June 2010	9	6	15
Accumulated depreciation			
At 1 January 2007	1	1	2
Current charge	2	#	2
At 31 December 2007/ 1 January 2008	3	1	4
Current charge	2	1	3
At 31 December 2008/ 1 January 2009	5	2	7
Current charge	2	#	2
At 31 December 2009/ 1 January 2010	7	2	9
Current charge	1	#	1
At 30 June 2010	8	2	10
Net book value			
At 31 December 2007	6	5	11
At 31 December 2008	4	4	8
At 31 December 2009	2	4	6
At 30 June 2010	1	4	5

Denotes

#-represent amount less than RM1,000

10.5.2 INVENTORIES

	← 2007 RM'000	31 December 2008 RM'000	→ 2009 RM'000	30 June 2010 RM'000
At cost				
Properties held for sale	429	230	230	230

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TAMBUN INDAH LAND BERHAD
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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.3 RECEIVABLES AND DEPOSITS

	← 31 December	→	30 June
	2007	2008	2010
	RM'000	RM'000	RM'000
Trade receivables	1,065	0	0
Non-trade receivables	12	0	0
Deposits	16	2	1
	<u>1,093</u>	<u>2</u>	<u>1</u>

10.5.4 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>620</u>
At market value	
Units trust quoted in Malaysia	<u>620</u>

10.5.5 FIXED DEPOSIT WITH A LICENSED BANK

The effective interest rate for the fixed deposits with a licensed bank is at the rate of 2.50% (31.12.2009: 2.00%) per annum. The short-term deposits are maturing by July 2010.

10.5.6 BANK BALANCES

Included in the bank balances is an amount of RM511,353 and RM440,565 as at 31 December 2007 and 31 December 2008 maintained under the Housing Development Account pursuant to the Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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Accountants' Report

10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.7 PAYABLES

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000 →	30 June 2010 RM'000
Trade payables	504	16	0	0
Accruals	3	2	1	1
	<u>507</u>	<u>18</u>	<u>1</u>	<u>1</u>

Included in trade payables are retention sums on contracts amounting to 2007: RMNil, 2008: RM16,500, 2009: RMNil and 30.6.2010: RMNil.

10.5.8 SHARE CAPITAL

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000 →	30 June 2010 RM'000
Authorised 500,000 ordinary shares of RM1 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Issued and fully paid 250,100 ordinary shares of RM1 each	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

10.5.9 DEFERRED TAXATION

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000 →	30 June 2010 RM'000
At 1 January	1	2	1	1
Recognised in profit or loss (Note 10.5.12)				
- Property, plant and equipment	3	(#)	(#)	(#)
Overprovision in respect of prior year	<u>(2)</u>	<u>0</u>	<u>(#)</u>	<u>#</u>
At 31 December/30 June	<u>2</u>	<u>1</u>	<u>#</u>	<u>1</u>
Subject to income tax: Deferred tax liability Property, plant and equipment	<u>2</u>	<u>1</u>	<u>#</u>	<u>1</u>

Denote:

- represent amount less than RM1,000

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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.10 REVENUE

Revenue represents sales of completed properties and development revenue recognised to date based on percentage of completion method and from sales of completed properties.

10.5.11 PROFIT/(LOSS) BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging:				(Unaudited)	
Audit fee	3	2	1	0	1
Depreciation	2	3	2	1	1
Office rental	0	8	0	0	0
and crediting:					
Distribution of income from marketable securities	84	30	0	0	0
Interest income	38	67	16	7	4

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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.12 TAX EXPENSE/(INCOME)

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
The major components of the tax expense/(income) are:					
Current tax expense:					
- based on profit for the year/period	335	13	3	1	#
- under/ (over)provision in of tax expense in respect of prior years	92	(202)	(2)	0	#
	427	(189)	1	1	#
Deferred tax expense (Note 10.5.9)					
- relating to origination and reversal of temporary differences	3	0	(#)	0	(#)
- overprovision in respect of prior year	(2)	0	(#)	0	#
	428	(189)	(1)	1	#

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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.12 TAX EXPENSE/(INCOME) (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Reconciliation of tax expense/(income) and accounting profit/(loss):					
Accounting profit before taxation	<u>1,463</u>	<u>77</u>	<u>7</u>	<u>2</u>	<u>(2)</u>
Tax at the applicable tax rate of (2007:27%; (2008: 26%; 2009: 25%; 2010: 25%)	395	20	2	#	(#)
Tax effect of:					
- income not subject to tax	(22)	(8)	0	1	#
- expenses not deductible for tax purposes	1	5	1	0	0
- different tax rate for the first RM500,000 of chargeable income	(35)	(4)	(1)	0	0
- utilisation of previously unrecognised deferred tax assets	(1)	0	0	0	0
Underprovision of taxation in respect of prior years	92	(202)	(2)	0	#
Overprovision of deferred tax expense in respect of prior year	<u>(2)</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>#</u>
Tax expense/(income) for the year/period	<u>428</u>	<u>(189)</u>	<u>(1)</u>	<u>1</u>	<u>#</u>

Denote:

- represent amount less than RM1,000

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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.13 DIVIDENDS

	← FYE 31 December			← FPE 30 June →	
	2007	2008	2009	2009	2010
				(Unaudited)	
Dividends declared and paid are as follows:					
First interim dividend, less tax					
- Gross dividend per share (sen)	<u>548</u>	<u>865</u>	<u>0</u>	<u>0</u>	<u>373</u>
- Amount of dividend (RM'000)	<u>1,000</u>	<u>1,600</u>	<u>0</u>	<u>0</u>	<u>700</u>
Second interim dividend, less tax					
- Gross dividend per share (sen)	<u>1,917</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
- Amount of dividend (RM'000)	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second interim dividend, less tax					
- Gross dividend per share (sen)	<u>438</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
- Amount of dividend (RM'000)	<u>800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Liquidity risks

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010 RM'000
	<u>On demand or within one year</u>
Financial liability	
Accruals	1
Total undiscounted financial liability	<u>1</u>



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10.5 NOTES TO THE FINANCIAL STATEMENTS OF EPILAND (CONTINUED)

10.5.15 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are bank balance, fixed deposits with a licensed bank and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liability is accrual.

Fair values

The carrying amounts of the Company's cash and cash equivalents, deposits and accrual are assumed to approximate their fair values because of the short maturity of these instruments.

10.5.16 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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11.0 FINANCIAL STATEMENTS OF HONG HONG

11.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

		←	31 December		→	
	NOTE	2007	2008	2009	2010	
		RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS						
Property, plant and equipment	11.5.1	3	2	9	8	8
Land held for development	11.5.2	1,043	1,181	1,103	1,108	1,108
		<u>1,046</u>	<u>1,183</u>	<u>1,112</u>	<u>1,116</u>	<u>1,116</u>
CURRENT ASSETS						
Property development costs	11.5.3	10,960	8,436	1,437	1,170	1,170
Receivables and deposits	11.5.4	3,594	2,819	2,457	1,321	1,321
Marketable securities	11.5.5	774	0	0	0	0
Tax recoverable		90	1,070	854	591	591
Fixed deposits with a licensed bank	11.5.6	0	3,047	6,592	5,704	5,704
Cash and bank balances	11.5.7	888	4,810	3,330	1,772	1,772
		<u>16,306</u>	<u>20,182</u>	<u>14,670</u>	<u>10,558</u>	<u>10,558</u>
CURRENT LIABILITY						
Payables	11.5.8	14,560	13,558	4,832	2,225	2,225
NET CURRENT ASSETS						
		<u>1,746</u>	<u>6,624</u>	<u>9,838</u>	<u>8,333</u>	<u>8,333</u>
		<u>2,792</u>	<u>7,807</u>	<u>10,950</u>	<u>9,449</u>	<u>9,449</u>
SHARE CAPITAL						
RETAINED PROFIT	11.5.9	300	1,000	1,000	1,000	1,000
		<u>2,492</u>	<u>6,750</u>	<u>9,950</u>	<u>8,449</u>	<u>8,449</u>
		2,792	7,750	10,950	9,449	9,449
NON-CURRENT LIABILITY						
Deferred taxation	11.5.10	0	57	0	0	0
		<u>2,792</u>	<u>7,807</u>	<u>10,950</u>	<u>9,449</u>	<u>9,449</u>

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11.0 FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	11.5.11	12,773	25,994	18,458	11,707	2,937
Cost of sales		<u>(9,688)</u>	<u>(19,806)</u>	<u>(13,788)</u>	<u>(8,959)</u>	<u>(2,183)</u>
Gross profit		3,085	6,188	4,670	2,748	754
Other operating income		530	203	305	233	62
Sales and marketing costs		(228)	(413)	(189)	(124)	(5)
Administrative expenses		<u>(25)</u>	<u>(256)</u>	<u>(191)</u>	<u>(76)</u>	<u>(49)</u>
PROFIT BEFORE TAX	11.5.12	3,362	5,722	4,595	2,781	762
Tax expense	11.5.13	<u>(866)</u>	<u>(1,464)</u>	<u>(1,395)</u>	<u>(1,374)</u>	<u>(263)</u>
PROFIT FOR THE FINANCIAL YEAR/PERIOD		<u>2,496</u>	<u>4,258</u>	<u>3,200</u>	<u>1,407</u>	<u>499</u>
Earnings per share:						
Gross (sen)		1,121.67	572.20	459.50	278.10	762.00
Net (sen)		832.00	425.80	320.00	140.70	499.00
Gross profit margin (%)		24.15	23.81	25.30	23.47	25.67
Pre-tax profit margin (%)		26.32	22.01	24.89	23.76	25.94
EBIDTA		3,362	5,723	4,597	2,782	763

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11.0 FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Effective tax rate (%)	25.76	23.70	29.31	1.47	15.88
Trade receivables' turnover periods (months)	3.37	1.28	1.28	2.27	2.63
Trade payables' turnover periods (months)	1.05	0.93	1.22	0.00	2.36

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11.0 FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on the audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	<u>Distributable</u> Retained profit RM'000	Total RM'000
At 1 January 2007		300	(4)	296
Profit for the financial year		0	2,496	2,496
At 31 December 2007		300	2,492	2,792
Issuance of shares during the financial year	11.5.9	700	0	700
Profit for the financial year		0	4,258	4,258
At 31 December 2008		1,000	6,750	7,750
Profit for the financial year		0	3,200	3,200
At 31 December 2009		1,000	9,950	10,950
At 1 January 2009		1,000	6,750	7,750
Profit for the financial period		0	1,407	1,407
At 30 June 2009 (Unaudited)		1,000	8,157	9,157
At 1 January 2010		1,000	9,950	10,950
Profit for the financial period		0	499	499
Dividend	11.5.14	0	(2,000)	(2,000)
At 30 June 2010		1,000	8,449	9,449

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11.0 FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	3,362	5,722	4,595	2,781	762
Adjustments for:					
Depreciation	#	1	2	1	1
Distribution of income from marketable securities	(27)	(11)	0	0	0
Interest income	(25)	(74)	(181)	(104)	(62)
Operating profit before working capital changes	3,310	5,638	4,416	2,678	701
Land held for development	(1,042)	(138)	78	1,181	(5)
Property development costs	1,010	2,524	6,999	4,396	267
Receivables and deposits	(3,589)	775	362	(1,623)	1,135
Payables	1,839	(1,002)	(8,726)	6,508	(2,607)
Cash generated from operations	1,528	7,797	3,129	13,140	(509)
Interest received	25	74	181	104	62
Taxation paid	(957)	(2,387)	(1,236)	(456)	0
Net cash flow from operating activities	596	5,484	2,074	12,788	(447)
CASH FLOW FROM INVESTING ACTIVITIES					
Changes in fixed deposits with a licensed bank	0	(41)	(24)	(23)	(1)
Distribution of income from marketable securities	27	11	0	0	0
Proceeds from disposal of marketable securities	800	2,084	0	0	0
Purchase of marketable securities	(1,027)	(1,310)	0	0	0

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11.0 FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000 (Unaudited)	RM'000
Purchase of property, plant and equipment	(3)	0	(9)	(9)	0
Net cash flow from investing activities	(203)	744	(33)	(32)	(1)
CASH FLOW FROM FINANCING ACTIVITY					
Dividend paid	0	0	0	0	(2,000)
Proceeds from issuance of shares	0	700	0	0	0
Net cash flow from financing activities	0	700	0	0	(2,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	393	6,928	2,041	12,756	(2,448)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	495	888	7,816	7,816	9,857
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	888	7,816	9,857	20,572	7,409
Represented by:					
Cash and bank balances	888	4,810	3,330	5,256	5,637
Fixed deposits with a licensed bank (Note 11.5.6)	0	3,006	6,527	15,316	1,772
	888	7,816	9,857	20,572	7,409

Denotes

- represent amount less than RM1,000

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG

11.5.1 PROPERTY, PLANT AND EQUIPMENT

	Computers RM'000
At cost	
At 1 January 2007	0
Additions	3
At 31 December 2007/1 January 2008	<u>3</u>
Additions	0
At 31 December 2008/1 January 2009	<u>3</u>
Additions	9
At 31 December 2009/1 January 2010	<u>12</u>
Additions	0
As at 30 June 2010	<u>12</u>
Accumulated depreciation	
At 1 January 2007	0
Current charge	#
At 31 December 2007/1 January 2008	<u>#</u>
Current charge	1
At 31 December 2008/1 January 2009	<u>1</u>
Current charge	2
At 31 December 2009/1 January 2010	<u>3</u>
Current charge	1
At 30 June 2010	<u>4</u>
Net book value	
At 31 December 2007	<u>3</u>
At 31 December 2008	<u>2</u>
At 31 December 2009	<u>9</u>
At 30 June 2010	<u>8</u>

Denotes

- represent amount less than RM1,000

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.2 LAND HELD FOR DEVELOPMENT

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
At 1 January				
- Freehold land, at cost	860	956	956	1,067
- Development expenditure	54	87	225	36
	<u>914</u>	<u>1,043</u>	<u>1,181</u>	<u>1,103</u>
Additions during the year				
- Freehold land, at cost	0	0	1,067	0
- Development costs	0	138	36	5
	<u>0</u>	<u>138</u>	<u>1,103</u>	<u>5</u>
Transfer from/(to) property development costs (Note 11.5.3)				
- Freehold land, at cost	96	0	(955)	0
- Development costs	33	0	(226)	0
	<u>129</u>	<u>0</u>	<u>(1,181)</u>	<u>0</u>
At 31 December/30 June	<u>1,043</u>	<u>1,181</u>	<u>1,103</u>	<u>1,108</u>

11.5.3 PROPERTY DEVELOPMENT COSTS

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
At 1 January				
- Freehold land, at cost	9,371	9,275	9,275	10,231
- Development costs	2,599	11,373	28,655	34,488
	<u>11,970</u>	<u>20,648</u>	<u>37,930</u>	<u>44,719</u>
Transfer (to)/from land held for development (Note 11.5.2)				
- Freehold land, at cost	(96)	0	955	0
- Development costs	(33)	0	226	0
	<u>(129)</u>	<u>0</u>	<u>1,181</u>	<u>0</u>
Costs incurred during the financial year				
- Development costs	8,807	17,282	5,608	1,915
Less: Costs recognised in income statement				
At 1 January	0	(9,688)	(29,494)	(43,282)
Recognised during the financial year	(9,688)	(19,806)	(13,788)	(2,182)
At 31 December/30 June	<u>(9,688)</u>	<u>(29,494)</u>	<u>(43,282)</u>	<u>(45,464)</u>
At 31 December/30 June	<u>10,960</u>	<u>8,436</u>	<u>1,437</u>	<u>1,170</u>

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.4 RECEIVABLES AND DEPOSITS

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Trade receivables	3,587	0	2,450	1,287
Progress billings in respect of property development	0	2,766	0	0
Other receivables	0	0	2	0
Deposits	7	28	5	34
Prepayment	0	25	0	0
	3,594	2,819	2,457	1,321

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the trade receivables is as follows:

	RM'000
Neither past due nor impaired	1,231
1 to 30 days past due not impaired	56
	1,287

Receivables that are neither past due nor impaired

Include in trade receivables that are neither past due nor impaired is an amount of RM 1,381,380 (31.12.2009: RM2,188,980) maintained under stakeholders' sum.

11.5.5 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	774
	774
At market value	
Units trust quoted in Malaysia	774
	774

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.6 FIXED DEPOSITS WITH A LICENSED BANK

Included in the fixed deposits is an amount of RM20,000, RM41,000, RM65,017 and RM66,427 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 pledged as security for bank guarantee granted to the Company.

The effective interest rates for the fixed deposits with a licensed bank range from 2.00% to 2.50% (31.12.2009: 1.95% to 3.00%) per annum. The short-term deposits are maturing in July 2010.

11.5.7 CASH AND BANK BALANCES

Included in the cash and bank balances is an amount of RM518,112, RM2,520,438, RM277,344 and RM279,024 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

11.5.8 PAYABLES

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	36	30	30	30
Other payables	0	19	0	0
Amount owing to a related party	811	1,500	1,367	830
Amount owing to shareholders	12,700	12,000	0	0
Progress billing in respect of property development costs	1,006	0	3,427	1,361
Accruals	7	9	8	3
	<u>14,560</u>	<u>13,558</u>	<u>4,832</u>	<u>2,224</u>

Trade payables are retention sum on contracts.

The amount owing to a related party is retention sum on contracts.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

The amount owing to shareholders is unsecured, interest free and has no fixed terms of repayment.

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.9 SHARE CAPITAL

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Authorised				
Ordinary shares of RM1 each				
1 January	500	500	1,000	1,000
Created during the financial year	0	500	0	0
At 31 December/30 June	<u>500</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
Ordinary shares of RM1 each				
1 January	300	300	1,000	1,000
Issued during the financial year	0	700	0	0
At 31 December/30 June	<u>300</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

11.5.10 DEFERRED TAXATION

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
At 1 January	0	0	57	0
Recognised in the profit or loss:				
- development expenditure	0	56	(56)	0
- property, plant and equipment	0	#	#	0
At 31 December/30 June	<u>0</u>	<u>57</u>	<u>0</u>	<u>0</u>
Subject to income tax:				
Deferred tax liabilities				
(before offsetting)				
Property development cost	802	2,318	3,486	0
Property, plant and equipment	#	#	1	0
	<u>803</u>	<u>2,319</u>	<u>3,487</u>	<u>0</u>
Offsetting	(803)	(2,262)	(3,487)	0
	<u>0</u>	<u>57</u>	<u>0</u>	<u>0</u>
Deferred tax assets				
(before offsetting)				
Property development cost	903	2,262	3,709	88
Property, plant and equipment	#	0	0	0
	<u>903</u>	<u>2,262</u>	<u>3,709</u>	<u>88</u>
Offsetting	(803)	(2,262)	(3,487)	0
	<u>100</u>	<u>0</u>	<u>222</u>	<u>88</u>

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.10 DEFERRED TAXATION (CONTINUED)

The estimated amount of deferred tax asset calculated at the applicable tax rate which has not been recognised in the financial statements is as follows:

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Property development cost	100	0	222	88
Property, plant and equipment	#	0	0	0
	<u>100</u>	<u>0</u>	<u>222</u>	<u>88</u>

Denotes

- represent amount less than RM1,000

11.5.11 REVENUE

Revenue represents income from sales of completed properties and development revenue recognised to date based on percentage of completion method.

11.5.12 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Profit before tax is arrived at after charging:					
Audit fee	7	9	8	0	3
Depreciation	#	1	2	1	1
Rental of store room	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
and crediting:					
Distribution of income from marketable securities	27	11	0	0	0
Interest income	<u>25</u>	<u>74</u>	<u>181</u>	<u>104</u>	<u>62</u>

Denotes

- represent amount less than RM1,000

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11.5.13 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
The major components of the tax expense are:					
Current tax expense:					
- based on profit for the year	866	1,299	1,404	1,374	121
- underprovision of taxation in respect of prior years	0	108	48	0	142
	<u>866</u>	<u>1,407</u>	<u>1,452</u>	<u>1,374</u>	<u>263</u>
Deferred tax expense (Note 11.5.10)					
- relating to origination and reversal of temporary differences	0	57	(57)	0	0
	<u>0</u>	<u>57</u>	<u>(57)</u>	<u>0</u>	<u>0</u>
Reconciliation of tax expense and accounting profit:					
Accounting profit before tax	<u>3,362</u>	<u>5,722</u>	<u>4,595</u>	<u>2,781</u>	<u>762</u>
Tax at the applicable tax rate of (2007:27%, 2008: 26%, 2009: 25% , 2010: 25%)	907	1,488	1,149	695	191
Tax effect of:					
- income not subject to tax	(7)	(3)	0	50	0
- expenses not deductible for tax purposes	1	2	1	#	1
- different tax rate for the first RM500,000 of chargeable income	(35)	(30)	(25)	(25)	(25)
- utilisation of previously unrecognised deferred tax assets	0	(101)	0	654	(134)
Deferred tax assets not recognised during the year	0	0	222	0	88
Underprovision of taxation in respect of prior year	0	108	48		142
Tax expense for the year/period	<u>866</u>	<u>1,464</u>	<u>1,395</u>	<u>1,374</u>	<u>263</u>

Denotes

- represent amount less than RM1,000

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.14 DIVIDEND (30.6.2010 ONLY)

Dividends declared and paid are as follows:

Single tier interim dividend

- Gross dividend per share (sen)	<u>200</u>
- Amount of dividend (RM'000)	<u>2,000</u>

11.5.15 SIGNIFICANT RELATED PARTY TRANSACTION

	← FPE 30 June →	
	2009	2010
	RM'000	RM'000
	(Unaudited)	
Progress claims charged by Tokoh Edaran Sdn. Bhd.	<u>3,226</u>	<u>1,826</u>

11.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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11.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 11.5.4.

Liquidity risks

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010 RM'000
	<u>On demand or within one year</u>
Financial liability	
Payables	2,225
Total undiscounted financial liability	<u>2,225</u>

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11.5 NOTES TO THE FINANCIAL STATEMENTS OF HONG HONG (CONTINUED)

11.5.17 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are bank balances, fixed deposits with a licensed bank, trade and non-trade receivables and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade payables, amount owing to a related company, progress billing in respect of property development costs and accrual.

Fair values**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

Receivables	<u>Note</u>
Payables	11.5.4
	11.5.8

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

11.5.18 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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12.0 FINANCIAL STATEMENTS OF INTANASIA

12.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

		← 31 December →		→ 30 June	
	NOTE	2007	2008	2009	2010
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	12.5.1	2	1	1	1
CURRENT ASSETS					
Inventories	12.5.2	0	457	0	0
Property development costs	12.5.3	3,436	0	0	5,160
Receivables and deposits	12.5.4	4,163	976	1,434	0
Marketable securities	12.5.5	1,524	85	0	0
Tax recoverable		39	0	0	0
Fixed deposits with licensed banks	12.5.6	20	5,458	1,273	0
Bank balances	12.5.7	552	480	623	2,285
		<u>9,734</u>	<u>7,456</u>	<u>3,330</u>	<u>7,445</u>
CURRENT LIABILITIES					
Payables	12.5.8	5,175	403	400	1,301
Term loan	12.5.9	0	0	0	436
Income tax payable		0	294	8	5
		<u>5,175</u>	<u>697</u>	<u>408</u>	<u>1,742</u>
NET CURRENT ASSETS					
		<u>4,559</u>	<u>6,759</u>	<u>2,922</u>	<u>5,703</u>
		<u>4,561</u>	<u>6,760</u>	<u>2,923</u>	<u>5,704</u>
SHARE CAPITAL	12.5.10	250	250	250	250
RETAINED PROFITS		4,311	6,510	2,673	2,689
		<u>4,561</u>	<u>6,760</u>	<u>2,923</u>	<u>2,939</u>
NON-CURRENT LIABILITY					
Term loan	12.5.9	0	0	0	2,765
		<u>4,561</u>	<u>6,760</u>	<u>2,923</u>	<u>5,704</u>

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12.0 FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	12.5.12	24,458	10,543	633	338	0
Cost of sales		<u>(18,672)</u>	<u>(5,539)</u>	<u>(457)</u>	<u>(238)</u>	<u>0</u>
Gross profit		5,786	5,004	176	100	0
Other operating income		152	171	71	56	38
Sales and marketing costs		(187)	(149)	0	0	0
Finance cost		0	0	0	0	(1)
Administrative expenses		<u>(86)</u>	<u>(123)</u>	<u>(30)</u>	<u>(14)</u>	<u>(16)</u>
PROFIT BEFORE TAX	12.5.13	5,665	4,903	217	142	21
Tax expense	12.5.14	<u>(1,581)</u>	<u>(1,204)</u>	<u>(54)</u>	<u>(28)</u>	<u>(5)</u>
PROFIT FOR THE FINANCIAL YEAR/ PERIOD		<u>4,084</u>	<u>3,699</u>	<u>163</u>	<u>114</u>	<u>16</u>

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12.0 FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	30.6.2010 RM'000 (Unaudited)	30.6.2009 RM'000
Earnings per share:					
Gross (sen)	2,266.00	1,961.20	86.80	56.80	8.40
Net (sen)	1,633.60	1,479.60	65.20	45.60	6.40
Gross profit margin (%)	23.66	47.46	27.80	29.59	0.00
Pre-tax profit margin (%)	23.16	46.50	34.28	42.01	0.00
EBIDTA	5,666	4,904	218	142	22
Effective tax rate (%)	26.34	25.39	20.27	19.72	23.81
Trade receivables' turnover periods (months)	2.03	1.09	18.12	16.95	0.00
Trade payables' turnover periods (months)	0.68	0.86	10.42	10.03	0.00

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12.0 FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

		Share capital	<u>Distributable</u> Retained profits	Total
	NOTE	RM'000	RM'000	RM'000
At 1 January 2007		250	227	477
Profit after tax for the financial year		0	4,084	4,084
At 31 December 2007		250	4,311	4,561
Profit after tax for the financial year		0	3,699	3,699
Interim dividend	12.5.15	0	(1,500)	(1,500)
At 31 December 2008		250	6,510	6,760
Profit after tax for the financial year		0	163	163
Interim dividend	12.5.15	0	(4,000)	(4,000)
At 31 December 2009		250	2,673	2,923
At 1 January 2009		250	6,510	6,760
Profit after tax for the financial period		0	114	114
Dividend		0	(4,000)	(4,000)
At 30 June 2009 (Unaudited)		250	2,624	2,874
At 1 January 2010		250	2,673	2,923
Profit after tax for the financial period		0	16	16
At 30 June 2010		250	2,689	2,939

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12.0 FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	5,665	4,903	217	142	21
Depreciation	1	1	#	#	#
Distribution of income from marketable securities	(21)	(61)	#	(#)	0
Interest expense	0	0	0	0	1
Interest income/(loss)	(32)	(110)	(68)	(54)	(37)
Operating profit before working capital changes	5,613	4,733	149	88	(15)
Inventories	0	(457)	457	238	0
Property development costs	4,982	3,436	0	0	(5,160)
Receivables	(2,187)	3,187	(458)	17	1,434
Payables	(3,098)	(4,772)	(3)	(5)	901
Cash generated from operations	5,310	6,127	145	338	(2,840)
Interest received	32	110	68	54	37
Taxation paid	(1,668)	(871)	(340)	(218)	(9)
Net cash flow from operating activities	3,674	5,366	(127)	174	(2,812)
CASH FLOW FROM INVESTING ACTIVITIES					
Additional placement in fixed deposit pledged to a licensed bank	0	0	0	(1)	#
Changes in fixed deposits with a licensed bank	(20)	(20)	(1)	0	42
Distribution of income from marketable securities	21	61	#	#	0
Purchase of marketable securities	(5,521)	(9,061)	0	0	0
Proceeds from disposal of marketable securities	4,450	10,500	85	85	0
Net cash flow from investing activities	(1,070)	1,480	84	84	42

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12.0 FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000	2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from term loan	0	0	0	0	3,200
Repayment of term loan	(3,442)	0	0	0	0
Dividends paid	0	(1,500)	(4,000)	(4,000)	0
Net cash flow from/(used in) financing activities	(3,442)	(1,500)	(4,000)	(4,000)	3,200
NET CHANGE IN CASH AND CASH EQUIVALENTS	(838)	5,346	(4,043)	(3,742)	430
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	1,390	552	5,898	5,898	1,855
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR / PERIOD	552	5,898	1,855	2,156	2,285
Represented by:					
Fixed deposits with licensed banks (Note 12.5.6)	0	5,418	1,232	1,218	0
Cash and bank balances	552	480	623	938	2,285
	552	5,898	1,855	2,156	2,285

Denotes

- represent amount less than RM1,000

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA

12.5.1 PROPERTY PLANT AND EQUIPMENT

	Computers RM'000
At cost	
At 1 January 2007/31 December 2009/30 June 2010	3
Accumulated depreciation	
At 1 January 2007	#
Current charge	1
At 31 December 2007/1 January 2008	1
Current charge	1
At 31 December 2008/1 January 2009	2
Current charge	#
At 31 December 2009	2
Current charge	#
At 30 June 2010	2
Net book value	
At 31 December 2007	2
At 31 December 2008	1
At 31 December 2009	1
At 30 June 2010	1
Denotes	
# - represent amount less than RM1,000	

12.5.2 INVENTORIES (31.12.2008 ONLY)

	RM'000
At cost	
Properties held for sale (Note 12.5.3)	457

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.3 PROPERTY DEVELOPMENT COSTS (31.12.2007, 31.12.2008 & 30.6.2010 ONLY)

	← 31 December →		30 June
	2007	2008	2010
	RM'000	RM'000	RM'000
At 1 January			
Freehold land, at cost	7,211	7,211	0
Development costs	4,327	18,016	0
	<u>11,538</u>	<u>25,227</u>	<u>0</u>
Costs incurred during the financial year:			
- Freehold land, at cost			
- Development costs	13,689	2,561	4,760
Transfer to inventories (Note 12.5.2)	0	(457)	400
Cost eliminated due to completion of project	0	(27,331)	0
At 31 December/30 June	<u>25,227</u>	<u>0</u>	<u>5,160</u>
Costs recognised in the income statement:			
At 1 January	(3,119)	(21,792)	0
Recognised during the year	(18,672)	(5,539)	0
Eliminated due to completion of project	0	27,331	0
At 31 December/30 June	<u>(21,791)</u>	<u>0</u>	<u>0</u>
At 31 December/30 June	<u>3,436</u>	<u>0</u>	<u>5,160</u>

Included in the development costs during the financial years are as follows:

	← 31 December →		30 June
	2007	2008	2010
	RM'000	RM'000	RM'000
Staff costs	17	7	0
Interest on term loan	72	0	0
Rental of using access road	21	11	0

The freehold land has been pledged as security for a bank loan (Note 12.5.9).

12.5.4 RECEIVABLES AND DEPOSITS

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	815	956	956	0
Acerued billings in respect of property development	3,332	0	0	0
Deposits	16	20	478	0
	<u>4,163</u>	<u>976</u>	<u>1,434</u>	<u>0</u>

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.4 RECEIVABLES AND DEPOSITS (CONTINUED)

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

Neither past due nor impaired	RM'000
	<u>956</u>

The trade receivables that were neither past due nor impaired were stakeholder sum.

12.5.5 MARKETABLE SECURITIES (31.12.2007 & 31.12.2008 ONLY)

	← 31 December →	
	2007	2008
	RM'000	RM'000
At cost		
Unit trust quoted in Malaysia	<u>1,524</u>	<u>85</u>
At market value		
Unit trust quoted in Malaysia	<u>1,524</u>	<u>85</u>

12.5.6 FIXED DEPOSITS WITH LICENSED BANKS

Include in the fixed deposits is an amount of RM41,852 (2008: RM40,401, 2007: RM20,000) pledged as security for bank guarantee granted to the Company.

The effective interest rates for the fixed deposits with a licensed bank range from 2.00% to 2.50% per annum. The short-term deposits are maturing by July 2010.

12.5.7 BANK BALANCES

Included in the bank balances is an amount of RM390,403, RM286,227, RM289,403, RM291,106 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.8 PAYABLES

	← 2007	31 December 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	1,055	397	0	0
Amount owing to shareholders	4,111	0	0	1,300
Amount owing to a related party	0	0	397	0
Acerual	9	6	3	1
	<u>5,175</u>	<u>403</u>	<u>400</u>	<u>1,301</u>

The amount owing to a related party was retention sum on contracts.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

The amount owing to shareholders is unsecured, non-interest bearing and are repayable upon demand.

12.5.9 TERM LOAN (30.6.2010 ONLY)

	RM'000
Secured	
Representing term loans :	
- current	436
- non-current	<u>2,765</u>
	<u>3,201</u>
Maturity of term loans:	
- not later than 1 year	436
- later than 1 year and not later 5 years	<u>2,765</u>
	<u>3,201</u>

The term loans bear interest at the rate of 4.55% per annum.

The term loan is secured and covered by the following:-

- (a) A legal charge over a piece of the Company's development land as disclosed in Note 12.5.3 to the financial statements; and
- (b) Joint and several guarantee by the Directors.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.10 SHARE CAPITAL

	← 31 December 2007 RM'000	31 December 2008 RM'000	→ 2009 RM'000	30 June 2010 RM'000
Authorised 500,000 ordinary shares of RM1 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Issued and fully paid 250,000 ordinary shares of RM1 each	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

12.5.11 DEFERRED TAX LIABILITY (31.12.2007 & 31.12.2008 ONLY)

	← 31 December 2007 RM'000	→ 2008 RM'000
At 1 January	#	0
Recognised in the income statement (Note 12.5.13)		
- development expenditure	0	(28)
- property, plant and equipment	1	0
- utilisation of previously unrecognised deferred tax assets	(1)	0
(Over)/Underprovision in respect of prior year	(#)	28
At 31 December	<u>0</u>	<u>0</u>

Denotes

- represent amount less than RM1,000

12.5.12 REVENUE

Revenue represents sales of completed properties and development revenue recognised to date based on percentage of completion method.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.13 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				(Unaudited)	
Audit fee	9	6	3	0	1
Depreciation	<u>1</u>	<u>1</u>	<u>1</u>	<u>#</u>	<u>#</u>
and crediting:					
Distribution of income from marketable securities	21	61	#	0	0
Interest income	<u>32</u>	<u>110</u>	<u>68</u>	<u>54</u>	<u>37</u>

Denotes

- represent amount less than RM1,000

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.14 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
The major components of the tax expense are:					
Current tax expense based on profit for the year	1,492	1,273	44	28	5
Under/(Over)provision of tax expense in respect of prior years	90	(69)	10	0	#
	<u>1,582</u>	<u>1,204</u>	<u>54</u>	<u>28</u>	<u>5</u>
Deferred tax expense (Note 12.5.10):					
- relating to origination and reversal of temporary differences	1	(28)	0	0	0
- utilisation of previously unrecognised deferred tax assets	(1)	0	0	0	0
(Over)/Underprovision in respect of prior year	(1)	28	0	0	0
	<u>1,581</u>	<u>1,204</u>	<u>54</u>	<u>28</u>	<u>5</u>

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.14 TAX EXPENSE (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Reconciliation of tax expense and accounting profit:				(Unaudited)	
Accounting profit before tax	5,665	4,903	217	142	21
Tax at the applicable tax rate of (2007:27%, 2008: 26%, 2009: 25%, 2010: 25%)	1,530	1,275	54	35	5
Tax effect of:					
- expenses not deductible for tax purpose	4	16	1	0	1
- income not subject to tax	(6)	(16)	(#)	(7)	0
- different tax rate for first RM500,000 of chargeable income	(35)	(30)	(11)	0	(1)
- utilisation of previously unrecognised deferred tax assets	(1)	0	0	0	0
Under/(Over)provision of taxation in respect of prior years	90	(69)	10	0	#
(Over)/Underprovision of deferred taxation in respect of prior year	(1)	28	0	0	0
Tax expense for the year/period	1,581	1,204	54	28	5

Denotes

- represent amount less than RM1,000

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.15 DIVIDENDS (31.12.2008 & 31.12.2009 ONLY)

	2008	2009
Dividends declared and paid are as follows:		
First interim dividend, less tax		
- Gross dividend per share (sen)	<u>811</u>	<u>1,600</u>
- Amount of dividend (RM'000)	<u>1,500</u>	<u>3,000</u>
Single tier second interim dividend		
- Gross dividend per share (sen)	<u>0</u>	<u>400</u>
- Amount of dividend (RM'000)	<u>0</u>	<u>1,000</u>

12.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from variable interest rate term loan.

As at the reporting date, the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM1,333 higher/lower, arising mainly as a result of lower/higher interest expense on term loan. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12.5.4.

Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 14% of the Company's term loan (Note 12.5.9) will mature in less than one year based on the carrying amount reflected in the financial statements.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010		
	RM'000		
	On demand or within one year	One to five years	Total
Financial liabilities			
Payables	1,301	0	1,301
Term loan	436	2,765	3,201
Total undiscounted financial liabilities	<u>1,737</u>	<u>2,765</u>	<u>4,502</u>

12.5.17 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are bank balances and fixed deposits with licensed banks.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to shareholders and accrual.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.17 FINANCIAL INSTRUMENTS

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables and deposits (current)	12.5.4
Payables (current)	12.5.8
Term loan (current)	12.5.9
Term loan (non-current)	12.5.9

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of term loan is reasonable approximation of fair value due to the insignificant impact of discounting.

The fair value of current term loan is estimated by discounting expected future cash flows at market incremental lending rate for similar type of lending arrangement at the reporting date.

12.5.18 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and year ended 31 December 2009.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at 50%. The Company includes within net debt, term loan less cash and cash equivalents.

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12.5 NOTES TO THE FINANCIAL STATEMENTS OF INTANASIA (CONTINUED)

12.5.18 CAPITAL MANAGEMENT (CONTINUED)

	FYE 31 December 2009 RM'000	FPE 30 June 2010 RM'000
Term loan	0	3,201
Less: Cash and cash equivalents	<u>(1,854)</u>	<u>(2,284)</u>
Net debt	<u>(1,854)</u>	<u>917</u>
Total capital	<u>2,923</u>	<u>2,938</u>
Capital and debt	<u>1,069</u>	<u>3,855</u>
Gearing ratio	N/A	24%

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13.0 FINANCIAL STATEMENTS OF JASNIA

13.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on the audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

		←	31 December	→	
		2007	2008	2009	30 June
	NOTE	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13.5.1	0	0	14	12
Land held for development	13.5.2	3,197	0	0	0
		<u>3,197</u>	<u>0</u>	<u>14</u>	<u>12</u>
CURRENT ASSETS					
Property development costs	13.5.3	0	2,799	233	100
Receivables, deposits and prepayment	13.5.4	7	907	1,254	1,478
Marketable securities	13.5.5	2,839	0	0	0
Tax recoverable		0	20	0	0
Fixed deposits with a licensed bank	13.5.6	0	401	3,648	3,834
Cash and bank balances	13.5.7	313	2,185	7,119	5,795
		<u>3,159</u>	<u>6,312</u>	<u>12,254</u>	<u>11,207</u>
CURRENT LIABILITIES					
Payables	13.5.8	6,091	5,820	8,927	7,687
Income tax payable		0	0	362	155
		<u>6,091</u>	<u>5,820</u>	<u>9,289</u>	<u>7,842</u>
NET CURRENT (LIABILITIES)/ASSETS					
		<u>(2,932)</u>	<u>492</u>	<u>2,965</u>	<u>3,365</u>
		<u>265</u>	<u>492</u>	<u>2,979</u>	<u>3,377</u>
SHARE CAPITAL					
	13.5.9	250	250	250	250
RETAINED PROFITS					
		<u>15</u>	<u>242</u>	<u>2,729</u>	<u>3,127</u>
		<u>265</u>	<u>492</u>	<u>2,979</u>	<u>3,377</u>

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13.0 FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	13.5.10	0	2,937	13,369	5,132	1,049
Cost of goods sold		0	(2,553)	(9,879)	(3,900)	(221)
Gross profit		0	384	3,490	1,232	828
Other operating income		39	95	73	28	61
Selling and distribution expenses		0	(109)	(67)	(38)	(2)
Administrative expenses		(17)	(28)	(130)	(8)	(36)
PROFIT BEFORE TAX	13.5.11	22	342	3,366	1,214	851
Tax expense	13.5.12	0	(115)	(879)	(582)	(453)
PROFIT FOR THE FINANCIAL YEAR/PERIOD		22	227	2,487	632	398
Earnings per share:						
Gross (sen)		8.80	136.80	1,346.40	485.60	340.40
Net (sen)		8.80	90.80	994.80	252.80	159.20
Gross profit margin (%)		0.00	13.07	26.11	24.01	78.93
Pre-tax profit margin (%)		0.00	11.64	25.18	23.66	81.12
(LBIDTA)/EBIDTA		22	342	3,369	1,214	853
Effective tax rate (%)		0.00	33.63	26.05	47.94	68.39

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13.0 FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Trade receivables' turnover periods (months)	0.00	3.66	1.11	0.56	5.37
Trade payables' turnover periods (months)	0.00	0.61	0.47	0.58	5.62

13.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	<u>Distributable</u> (Accumulated losses)/ Retained profits RM'000	Total RM'000
At 1 January 2007		*	(7)	(7)
Issuance of shares	13.5.9	250	0	250
Profit for the financial year		0	22	22
At 31 December 2007		250	15	265
Profit for the financial year		0	227	227
At 31 December 2008		250	242	492
Profit for the financial year		0	2,487	2,487
At 31 December 2009		250	2,729	2,979
At 1 January 2009		250	242	492
Profit for the financial period		0	632	632
At 30 June 2009 (Unaudited)		250	874	1,124

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13.0 FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.3 STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share capital RM'000	<u>Distributable</u> (Accumulated losses)/ Retained profit RM'000	Total RM'000
At 1 January 2010	250	2,729	2,979
Profit for the financial period	0	398	398
At 30 June 2010	<u>250</u>	<u>3,127</u>	<u>3,377</u>

Denotes

* - represent RM2

13.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	22	342	3,366	1,214	851
Adjustments for:					
Depreciation	0	0	3	0	2
Distribution of income from marketable securities	(39)	(50)	0	0	0
Interest income	#	(11)	(68)	(25)	(61)
Operating (loss)/profit before working capital changes	(17)	281	3,301	1,189	792
Land held for development	(717)	3,197	0	0	0
Property development costs	0	(2,799)	2,566	1,824	133
Receivables	(7)	(900)	(347)	418	(224)
Payables	3,603	(271)	3,107	1,258	(1,240)
Cash generated from operations	2,862	(492)	8,627	4,689	(539)
Interest received	#	11	68	25	61
Tax paid	0	(135)	(497)	(155)	(660)
Net cash flow from operating activities	<u>2,862</u>	<u>(616)</u>	<u>8,198</u>	<u>4,559</u>	<u>1,138</u>

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13.0 FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM INVESTING ACTIVITIES					
Changes in fixed deposits with a licensed bank	0	0	(11)	0	0
Distribution of income from marketable securities	39	50	0	0	0
Proceeds from disposal of marketable securities	200	2,889	0	0	0
Purchase of property, plant and equipment	0	0	(17)	0	0
Purchase of marketable securities	(3,039)	(50)	0	0	0
Net cash flow from investing activities	(2,800)	2,889	(28)	0	0
CASH FLOW FROM FINANCING ACTIVITY					
Proceeds from issuance of shares	250	0	0	0	0
NET CHANGE IN CASH AND CASH EQUIVALENTS	312	2,273	8,170	4,559	(1,138)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	1	313	2,586	2,586	10,756
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	313	2,586	10,756	7,145	9,618

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13.0 FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000	2010 RM'000
				(Unaudited)	
Represented by:					
Fixed deposits with a licensed bank (Note 13.5.6)	0	401	3,637	2,014	3,823
Cash and bank balances	313	2,185	7,119	5,131	5,795
	<u>313</u>	<u>2,586</u>	<u>10,756</u>	<u>7,145</u>	<u>9,618</u>

Denotes

- represent amount less than RM1,000

13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA

13.5.1 PROPERTY, PLANT AND EQUIPMENT (31.12.2009 & 30.6.2010 ONLY)

	Computer RM'000	Office equipment and fittings RM'000	Total RM'000
At cost			
At 1 January 2009	0	0	0
Additions	5	12	17
At 31 December 2009/1 January 2010/ 30 June 2010	<u>5</u>	<u>12</u>	<u>17</u>
Accumulated depreciation			
At 1 January	0	0	0
Current charge	1	2	3
At 31 December 2009/1 January 2010	<u>1</u>	<u>2</u>	<u>3</u>
Current charge	#	2	2
At 30 June 2010	<u>1</u>	<u>4</u>	<u>5</u>
Net book value			
At 31 December 2009	<u>4</u>	<u>10</u>	<u>14</u>
At 30 June 2010	<u>4</u>	<u>8</u>	<u>12</u>

Denotes

- represent amount less than RM1,000

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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.2 LAND HELD FOR DEVELOPMENT (31.12.2007 & 31.12.2008 ONLY)

	← 31 December →	
	2007 RM'000	2008 RM'000
At cost		
At 1 January		
- freehold land	2,377	2,377
- development costs	103	820
	<u>2,480</u>	<u>3,197</u>
Additions during the year:		
- development costs	<u>717</u>	<u>0</u>
Transfer to property development costs (Note 13.5.3):		
- freehold land	0	(2,377)
- development costs	0	(820)
	<u>0</u>	<u>(3,197)</u>
At 31 December	<u>3,197</u>	<u>0</u>

13.5.3 PROPERTY DEVELOPMENT COSTS

	← 31 December →		30 June
	2008 RM'000	2009 RM'000	2010 RM'000
At cost			
At 1 January			
- freehold land	0	2,377	2,377
- development costs	0	2,975	10,288
	<u>0</u>	<u>5,352</u>	<u>12,665</u>
Transfer from land held for development (Note 13.5.2):			
- freehold land	2,377	0	0
- development costs	820	0	0
	<u>3,197</u>	<u>0</u>	<u>0</u>
Cost incurred during the financial year/period:			
- development costs	<u>2,155</u>	<u>7,313</u>	<u>88</u>
	<u>5,352</u>	<u>12,665</u>	<u>12,753</u>
Cost recognised in the profit or loss:			
At 1 January	0	(2,553)	(12,432)
Recognised during the financial year/period	<u>(2,553)</u>	<u>(9,879)</u>	<u>(221)</u>
At 31 December/30 June	<u>(2,553)</u>	<u>(12,432)</u>	<u>(12,653)</u>
At 31 December/30 June	<u>2,799</u>	<u>233</u>	<u>100</u>

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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.4 RECEIVABLES, DEPOSITS AND PREPAYMENT

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Trade receivables	0	635	1,241	938
Non-trade receivables	0	0	3	0
Accrued billing in respect of property development costs	0	262	0	0
Deposits	7	8	10	31
Prepayment	0	2	0	509
	<u>7</u>	<u>907</u>	<u>1,254</u>	<u>1,478</u>

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the trade receivables is as follows:

	RM'000
Neither past due nor impaired	<u>938</u>

Receivables that are neither past due nor impaired

Included in trade receivables that are neither past due nor impaired is an amount of RM938,603 maintained under stakeholders' sum.

13.5.5 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>2,839</u>
At market value	
Units trust quoted in Malaysia	<u>2,839</u>

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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.6 FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits amounting to RM10,600 (31.12.2009: RM10,600) placed with a licensed bank has been pledged as security for bank guarantee granted to the Company.

The effective interest rates for the fixed deposits with a licensed bank at the rate of 2.50% (31.12.2009: 2.00% to 2.17%) pcr annum. The short-term deposits are maturing in July 2010.

13.5.7 CASH AND BANK BALANCES

Included in the bank balances is an amount of RM204,024, RM1,953,252 and RM6,681,721 and RM225,502 as at FYE 31 December 2007, 31 December 2008, FYE 31 December 2009 and FPE 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

13.5.8 PAYABLES

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	0	3	3	3
Amount owing to a related party	0	126	388	204
Amount owing to shareholders	6,088	5,688	6,688	6,688
Progress billing in respect of property development costs	0	0	1,840	790
Deposit received	3	0	0	0
Accrual	0	3	8	2
	<u>6,091</u>	<u>5,820</u>	<u>8,927</u>	<u>7,687</u>

Trade payables are retention sum on contracts.

The amount owing to shareholders is unsecured, non-interest bearing and repayable on demand.

The amount owing to a related party is retention sum on contracts.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.9 SHARE CAPITAL

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Authorised				
Ordinary shares of RM1 each				
At 1 January	100	500	500	500
Created during the financial year	400	0	0	0
At 31 December/30 June	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Issued and fully paid				
Ordinary shares of RM1 each				
At 1 January	*	250	250	250
Issued during the financial year, at par	250	0	0	0
At 31 December/30 June	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

Denotes

* - represent RM2

13.5.10 REVENUE

Revenue represents development revenue recognised to date based on percentage of completion method.

13.5.11 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000	2010 RM'000
Profit before tax is arrived at after charging:					
Audit fee	1	4	8	0	2
Depreciation	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>2</u>
and crediting:					
Distribution of income from marketable securities	39	50	0	0	0
Interest income	#	11	68	25	61
Rental income	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>

Denotes

- represent amount less than RM1,000

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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.12 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
The major components of the tax expense are:					
Current tax expense:					
- based on profit for the financial year	0	115	877	582	189
- underprovision of tax expense in respect of prior years	0	0	2	0	264
	<u>0</u>	<u>115</u>	<u>879</u>	<u>582</u>	<u>453</u>
Reconciliation of tax expense and accounting profit:					
Accounting profit before taxation	<u>22</u>	<u>342</u>	<u>3,366</u>	<u>1,214</u>	<u>851</u>
Tax at the applicable tax rate of (2007: 27%, 2008: 26%, 2009:25%, 2010:25%)	6	89	842	304	213
Tax effects of:					
- expenses not deductible for tax purposes	1	3	2	0	6
- income not subject to tax	(10)	(12)	0	0	0
- different tax rate for the first RM500,000 of chargeable income	0	(30)	(25)	(25)	(25)
Permanent loss not recognised during the year	3	0	0	0	0
Utilisation of previously unrecognised deferred tax assets	0	0	0	0	(5)
Deferred tax expenses resulting from reduction in tax rate	0	2	0	0	0
Deferred tax assets not recognised during the year	0	63	58	303	0
Underprovision of tax expense in respect of prior years	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>264</u>
Tax expense for the year/period	<u>0</u>	<u>115</u>	<u>879</u>	<u>582</u>	<u>453</u>

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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.13 DEFERRED TAX ASSETS

The estimated amount of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Property, plant and equipment	0	0	#
Property development costs	63	121	58
	<u>63</u>	<u>121</u>	<u>58</u>
Subject to income tax:			
Deferred tax assets (before offsetting)			
Property, plant and equipment	0	0	#
Property development costs	159	121	58
Offsetting	(96)	(#)	0
Deferred tax asset (after offsetting)	<u>63</u>	<u>121</u>	<u>58</u>
Deferred tax liability (before offsetting)			
Property, plant and equipment	0	#	0
Property development costs	96	0	0
Offsetting	(96)	(#)	0
Deferred tax liability (after offsetting)	<u>0</u>	<u>0</u>	<u>0</u>

Denotes

- represent amount less than RM1,000

13.5.14 SIGNIFICANT RELATED PARTY TRANSACTIONS

	← FPE 30 June →	
	2009	2010
	RM'000	RM'000
	(Unaudited)	
Progress claims charged by Tokoh Edaran Sdn. Bhd.	<u>6,706</u>	<u>71</u>



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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 13.5.4

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TAMBUN INDAH LAND BERHAD
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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)**13.5.15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Liquidity risks**

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	RM'000
	On demand or within one year
	<hr/>
Financial liability	
Payables	7,687
Total undiscounted financial liability	<hr/> 7,687 <hr/>

13.5.16 FINANCIAL INSTRUMENTS**Financial assets**

The Company's principal financial assets are bank balances, fixed deposits with a licensed bank, trade and non-trade receivables and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade payables, amount owing to a related party, amount owing to shareholders, progress billing in respect of property development costs and accrual.



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13.5 NOTES TO THE FINANCIAL STATEMENTS OF JASNIA (CONTINUED)

13.5.16 FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables, deposits and prepayment	13.5.4
Payables	13.5.8

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

13.5.17 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting dates, the Company did not have any debt. As such, no gearing ratio was presented.

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14.0 FINANCIAL STATEMENTS OF JURU HEIGHTS

14.1 STATEMENTS OF FINANCIAL POSITION

The statement of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

	NOTE	← 31 December →			30 June
		2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	14.5.1	8	82	61	54
CURRENT ASSETS					
Property development costs	14.5.2	25,863	22,555	12,417	8,008
Receivables, deposits and prepayment	14.5.3	6,064	5,599	4,289	2,760
Marketable securities	14.5.4	8,776	0	0	0
Tax recoverable		376	0	420	869
Fixed deposits with licensed banks	14.5.5	0	8,857	15,090	14,708
Cash and bank balances	14.5.6	3,878	13,662	6,014	4,498
		<u>44,957</u>	<u>50,673</u>	<u>38,230</u>	<u>30,843</u>
CURRENT LIABILITIES					
Payables	14.5.7	38,493	36,089	12,665	6,595
Income tax payable		0	791	0	0
		<u>38,493</u>	<u>36,880</u>	<u>12,665</u>	<u>6,595</u>
NET CURRENT ASSETS					
		<u>6,464</u>	<u>13,793</u>	<u>25,565</u>	<u>24,248</u>
		<u>6,472</u>	<u>13,875</u>	<u>25,626</u>	<u>24,302</u>
SHARE CAPITAL					
	14.5.8	1,000	1,000	1,000	1,000
RETAINED PROFITS					
		<u>5,472</u>	<u>12,875</u>	<u>24,626</u>	<u>23,302</u>
		<u>6,472</u>	<u>13,875</u>	<u>25,626</u>	<u>24,302</u>

14. ACCOUNTANTS' REPORT



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14.0 FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements of JHSB for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	14.5.9	34,452	53,512	40,760	25,481	11,126
Cost of sales		<u>(26,189)</u>	<u>(39,525)</u>	<u>(25,618)</u>	<u>(15,852)</u>	<u>(7,684)</u>
Gross profit		8,263	13,987	15,142	9,629	3,442
Other operating income		592	426	454	244	184
Sales and distribution expenses		(528)	(1,374)	(1,160)	(652)	(519)
Administrative expenses		<u>(34)</u>	<u>(862)</u>	<u>(496)</u>	<u>(248)</u>	<u>(170)</u>
PROFIT BEFORE TAX	14.5.10	8,293	12,177	13,940	8,973	2,937
Tax expense	14.5.11	<u>(2,568)</u>	<u>(4,774)</u>	<u>(2,189)</u>	<u>(2,210)</u>	<u>(261)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>5,725</u>	<u>7,403</u>	<u>11,751</u>	<u>6,763</u>	<u>2,676</u>
Earnings per share:						
Gross (sen)		829.30	1,217.70	1,394.00	897.30	293.70
Net (sen)		572.50	740.30	1,175.10	676.30	267.60
Gross profit margin (%)		23.98	26.14	37.15	37.79	30.94
Pre-tax profit margin (%)		24.07	22.76	34.20	35.21	26.40
EBIDTA		8,295	12,198	13,961	8,983	2,948
Effective tax rate (%)		30.38	29.51	15.21	24.63	4.73

14. ACCOUNTANTS' REPORT



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14.0 FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Trade receivables' turnover periods (months)	2.10	1.24	1.25	1.85	1.47
Trade payables' turnover periods (months)	1.99	0.94	1.10	1.04	2.89

14.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2007	1,000	(253)	747
Profit for the financial year	0	5,725	5,725
At 31 December 2007	1,000	5,472	6,472
Profit for the financial year	0	7,403	7,403
At 31 December 2008	1,000	12,875	13,875
Profit the financial year	0	11,751	11,751
At 31 December 2009	1,000	24,626	25,626
At 1 January 2009	1,000	12,875	13,875
Profit for the financial period	0	6,763	6,763
At 30 June 2009 (Unaudited)	1,000	19,638	20,638

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14.0 FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.3 STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	NOTE	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2010		1,000	24,626	25,626
Profit for the financial period		0	2,676	2,676
Dividend	14.5.13	0	(4,000)	(4,000)
At 30 June 2010		1,000	23,302	24,302

14.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	8,293	12,177	13,940	8,973	2,936
Adjustments for:					
Allowance for foreseeable losses	1,378	0	0	0	0
Depreciation	2	21	21	10	11
Property, plant and equipment written off	5	0	0	0	0
Distribution of income from marketable securities	(212)	(227)	0	0	0
Foreseeable losses written back	0	(801)	(548)	(493)	(10)
Interest income	(32)	(95)	(419)	229	175
Operating profit before working capital changes	9,434	11,075	12,994	8,719	3,112
Property development costs	(30)	4,109	10,686	20,877	4,420
Receivables, deposits and prepayment	(5,688)	465	1,310	(2,425)	1,529
Payables	16,835	(2,404)	(23,424)	(27,199)	(6,069)
Cash generated from operations	20,551	13,245	1,566	(28)	2,992
Interest received	32	95	419	(229)	(175)
Tax paid	(2,944)	(3,607)	(3,400)	(978)	(710)

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14.0 FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Net cash flow from operating activities	17,639	9,733	(1,415)	(1,235)	2,106
CASH FLOW FROM INVESTING ACTIVITIES					
Changes in fixed deposits with licensed banks	0	(20)	(40)	(40)	(1)
Distribution of income from marketable securities	212	227	0	0	0
Proceeds from disposal of marketable securities	5,288	13,002	0	0	0
Purchase of marketable securities	(8,900)	(4,226)	0	0	0
Purchase of property, plant and equipment	(10)	(95)	0	0	(4)
Withdrawal of fixed deposit pledged to a licensed bank	0	0	0	0	28
Net cash flow from investing activities	(3,410)	8,888	(40)	(40)	23
CASH FLOW FROM FINANCING ACTIVITY					
Repayment of term loan	(13,765)	0	0	0	0
Dividend paid	0	0	0	0	(4,000)
Net cash flow from financing activities	(13,765)	0	0	0	(4,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	464	18,621	(1,455)	(1,275)	(1,871)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	3,414	3,878	22,499	22,499	21,044
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	3,878	22,499	21,044	21,224	19,173

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14.0 FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000	2010 RM'000
				(Unaudited)	
Represented by:					
Fixed deposits with licensed banks (Note 14.5.5)	0	8,837	15,030	14,134	14,675
Cash and bank balances	3,878	13,662	6,014	7,090	4,498
	<u>3,878</u>	<u>22,499</u>	<u>21,044</u>	<u>21,224</u>	<u>19,173</u>

14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS

14.5.1 PROPERTY, PLANT AND EQUIPMENT

	Computers RM'000	Motor vehicle RM'000	Total RM'000
At cost			
At 1 January 2007	6	0	6
Additions	10	0	10
Written off	(5)	0	(5)
At 31 December 2007/At 1 January 2008	11	0	11
Additions	25	70	95
At 31 December 2008/At 1 January 2009	36	70	106
Additions	0	0	0
At 31 December 2009/1 January 2010	36	70	106
Additions	4	0	4
At 30 June 2010	<u>40</u>	<u>70</u>	<u>110</u>
Accumulated depreciation			
At 1 January 2007	#	0	#
Current charge	2	0	2
Written off	#	0	#
At 31 December 2007/At 1 January 2008	3	0	3
Current charge	7	14	21
At 31 December 2008/At 1 January 2009	10	14	24
Current charge	7	14	21
At 31 December 2009/At 1 January 2010	17	28	45
Current charge	4	7	11
At 30 June 2010	<u>21</u>	<u>35</u>	<u>56</u>

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.1 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computers RM'000	Motor vehicle RM'000	Total RM'000
Net book value			
At 31 December 2007	8	0	8
At 31 December 2008	26	56	82
At 31 December 2009	19	42	61
At 30 June 2010	19	35	54

14.5.2 PROPERTY DEVELOPMENT COSTS

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
At 1 January				
- Freehold land, at cost	23,900	23,900	23,900	23,900
- Development costs	3,771	28,613	64,831	80,311
	27,671	52,513	88,731	104,211
Costs incurred during the financial year/period				
- Development costs	24,841	36,218	15,480	3,275
	52,512	88,731	104,211	107,486
Less: Allowance for foreseeable losses	(1,378)	(577)	(28)	(18)
At 31 December/30 June	51,134	88,154	104,183	107,468
Less: Costs recognised in profit or loss				
At 1 January	(460)	(25,272)	(65,599)	(91,765)
Recognised during the financial year/period	(24,811)	(40,327)	(26,167)	(7,695)
At 31 December/30 June	(25,271)	(65,599)	(91,766)	(99,460)
At 31 December/30 June	25,863	22,555	12,417	8,008

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.2 PROPERTY DEVELOPMENT COSTS (CONTINUED)

Included in the development costs incurred during the financial years/period are as follows:

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Staff costs	435	11	0	0
Directors' remuneration - other emoluments	0	104	138	69
Contribution to a defined contribution plan	57	14	18	9
Interest on term loan	506	0	0	0
Rental of office	29	0	0	0
	<u>606</u>	<u>125</u>	<u>156</u>	<u>78</u>

14.5.3 RECEIVABLES, DEPOSITS AND PREPAYMENT

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	6,020	5,529	4,251	2,719
Other receivables	0	0	0	#
Deposits	44	67	33	39
Prepayment	0	3	5	2
	<u>6,064</u>	<u>5,599</u>	<u>4,289</u>	<u>2,760</u>

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

	RM'000
Neither past due nor impaired	1,351
1 to 30 days past due not impaired	221
31 to 60 days past due not impaired	10
61 to 90 days past due not impaired	24
More than 91 days past due not impaired	1,113
	<u>2,719</u>

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.3 RECEIVABLES, DEPOSITS AND PREPAYMENT (CONTINUED)

Receivables that are neither past due nor impaired

Included in trade receivables that are neither past due nor impaired is an amount of RM1,307,363 (31.12.2009: RM2,562,748) maintained under stakeholders' sum.

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM1,367,617 (31.12.2009: RM1,230,592) that are past due at the reporting date but not impaired.

14.5.4 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>8,776</u>
At market value	
Units trust quoted in Malaysia	<u>8,776</u>

14.5.5 FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits is an amount of RMNil, RM20,000, RM59,900 and RM33,410 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 pledged as security for bank guarantee granted to the Company.

The effective interest rates for the fixed deposits with a licensed bank range from 2.25% to 2.60% (31.12.2009: 2.00% to 2.17%) per annum. The short-term deposits are maturing in July 2010.

14.5.6 CASH AND BANK BALANCES

Included in the cash and bank balances is an amount of RM1,489,640, RM8,760,108, RM312,305 and RM314,121 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.7 PAYABLES

	← 2007	31 December 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	4,118	86	126	126
Other payables	0	13	0	432
Amount owing to related party	53	3,059	2,281	3,584
Amount owing to shareholders	23,125	15,135	0	0
Progress billing in respect of property development costs	11,184	17,544	9,915	2,327
Deposits received	0	237	328	120
Accruals	13	15	15	6
	<u>38,493</u>	<u>36,089</u>	<u>12,665</u>	<u>6,595</u>

Trade payables are retention sum on contracts.

The amount owing to a related party is retention sum on contracts.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

14.5.8 SHARE CAPITAL

	← 2007	31 December 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Authorised				
1,000,000 ordinary shares of RM1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
1,000,000 ordinary shares of RM1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

14.5.9 REVENUE

Revenue represents development revenue recognised to date based on percentage of completion method.

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.10 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Profit before tax is arrived at after charging:					
Audit fee					
- current year	13	15	15	0	7
- overprovision in respect of prior year	0	0	(1)	0	(2)
Depreciation	2	21	21	10	11
Rental of premises	0	73	26	14	14
Property, plant and equipment written off	5	0	0	0	0
Directors' remuneration - other emoluments	0	168	164	82	65
Staff costs	0	537	399	144	243
and crediting:					
Distribution of income from marketable securities	212	227	0	0	0
Interest income	32	95	419	229	175
Reversal of foreseeable loss no longer required	0	0	0	493	11

Included in staff costs and Directors' remuneration are contribution to a defined contribution plan amounting to 2007: RMNil, 2008: RM62,254, 2009: RM65,540, 30.6.2009: RM32,770, 30.6.2010: RM29,713.

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.11 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
The major components of the tax expense are:					
Current tax expense:					
- based on profit for the year/period	2,519	3,593	2,120	2,210	139
- underprovision in of taxation respect of prior years	49	1,181	69	0	122
	<u>2,568</u>	<u>4,774</u>	<u>2,189</u>	<u>2,210</u>	<u>261</u>
Reconciliation of tax expense and accounting profit:					
Accounting profit before tax	<u>8,293</u>	<u>12,177</u>	<u>13,940</u>	<u>8,973</u>	<u>2,937</u>
Tax at the applicable tax rate of (2007:27%, 2008: 26%, 2009: 25%, 2010:25%)	2,239	3,166	3,485	2,246	734
Tax effect of:					
- income not subject to tax	(57)	(59)	0	0	0
- expenses not deductible for tax purposes	2	52	3	0	58
- different tax rate for the first RM500,000 of chargeable income	(35)	(30)	(25)	(25)	(21)
Underprovision of taxation in respect of prior years	49	1,181	69	0	122
Deferred tax assets not recognised during the year	370	464	0	0	0
Utilisation of deferred tax assets	0	0	(1,343)	(11)	(632)
Tax expense for the year	<u>2,568</u>	<u>4,774</u>	<u>2,189</u>	<u>2,210</u>	<u>261</u>

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.12 DEFERRED TAX ASSETS

The estimated amount of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Property, plant and equipment	#	(4)	#	3
Property development cost	358	2,012	673	153
	<u>358</u>	<u>2,008</u>	<u>673</u>	<u>156</u>
Subject to income tax:				
Deferred tax assets (before offsetting)				
Property, plant and equipment	0	12	13	3
Property development cost	358	7,743	10,051	153
	<u>358</u>	<u>7,755</u>	<u>10,064</u>	<u>156</u>
Offsetting	#	(5,747)	(9,391)	0
Deferred tax assets (after offsetting)	<u>358</u>	<u>2,008</u>	<u>673</u>	<u>156</u>
Deferred tax liability (before offsetting)				
Property, plant and equipment	#	17	12	0
Property development cost	0	5,730	9,379	0
	<u>0</u>	<u>5,747</u>	<u>9,391</u>	<u>0</u>
Offsetting	#	(5,747)	(9,391)	0
Deferred tax liability (after offsetting)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Denotes

- represent amount less than RM1,000

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.13 DIVIDEND (30.6.2010 ONLY)

Dividend declared for the financial period is as follows:

	Financial period ended 30 June 2010	
	Gross dividend per share %	Amount of dividend RM
An interim dividend less 25% of income tax on 1,000,000 ordinary shares, paid on 21 January 2010	533.33	4,000,000

14.5.14 SIGNIFICANT RELATED PARTY TRANSACTIONS

	← FPE 30 June →	
	2009	2010
	RM'000	RM'000
	(Unaudited)	
Progress claim charged by Tokoh Edaran Sdn. Bhd.	9,694	742

14.5.15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.



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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)

14.5.15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as tiles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14.5.3.

Financial assets that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 14.5.3.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	<u>RM'000</u>
	<u>On demand or within one year</u>
Financial liability	
Payables	6,596
Total undiscounted financial liability	<u>6,596</u>

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14.5 NOTES TO THE FINANCIAL STATEMENTS OF JURU HEIGHTS (CONTINUED)**14.5.16 FINANCIAL INSTRUMENTS****Financial assets**

The Company's principal financial assets are cash and bank balances, fixed deposits with licensed banks, trade and non-trade receivables, deposits and prepayment.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade and non-trade payables, amount owing to a related company, progress billings in respect of property development costs, deposits received and accrual.

Fair values**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables, deposits and prepayment	14.5.3
Payables	14.5.7

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

14.5.17 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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15.0 FINANCIAL STATEMENTS OF LANGSTONE

15.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

	NOTE	← As at 31 December →			30 June
		2007	2008	2009	2010
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	15.5.1	4	3	3	7
Investment properties	15.5.2	3,492	3,409	3,582	8,510
		<u>3,496</u>	<u>3,412</u>	<u>3,585</u>	<u>8,517</u>
CURRENT ASSETS					
Receivables and deposits	15.5.3	68	25	116	16
Fixed deposits with a licensed bank	15.5.4	0	0	0	290
Tax recoverable		10	1	0	0
Cash and bank balances		28	65	67	48
		<u>106</u>	<u>91</u>	<u>183</u>	<u>354</u>
CURRENT LIABILITIES					
Payables	15.5.5	3,291	3,103	3,015	3,000
Income tax payable		0	0	3	6
		<u>3,291</u>	<u>3,103</u>	<u>3,018</u>	<u>3,006</u>
NET CURRENT LIABILITIES					
		<u>(3,185)</u>	<u>(3,012)</u>	<u>(2,835)</u>	<u>(2,652)</u>
		<u>311</u>	<u>400</u>	<u>750</u>	<u>5,865</u>
SHARE CAPITAL	15.5.6	75	75	75	75
RETAINED PROFITS		<u>234</u>	<u>325</u>	<u>675</u>	<u>5,789</u>
		<u>309</u>	<u>400</u>	<u>750</u>	<u>5,864</u>
NON-CURRENT LIABILITY					
Deferred tax liability	15.5.7	2	#	#	1
		<u>311</u>	<u>400</u>	<u>750</u>	<u>5,865</u>

Denotes

- represent amount less than RM1,000

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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15.0 FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial period from 1 November 2006 to 31 December 2007 and the financial years ended 31 December 2008 to 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FPE/FYE 31 December →			← FPE 30 June →	
		2007	2008	2009	2009	2010
		RM'000	RM'000	RM'000	RM'000 (Unaudited)	RM'000
Revenue	15.5.8	372	364	422	177	362
Other operating income		0	80	273	0	4,922
Administrative expenses		(345)	(312)	(308)	(130)	(120)
PROFIT BEFORE TAX	15.5.9	27	132	387	47	5,164
Tax expense	15.5.10	(31)	(41)	(37)	0	(50)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD/YEAR		(4)	91	350	47	5,114
Earnings/(Loss) per share:						
Gross (sen)		36.00	176.00	516.00	62.67	6,885.33
Net (sen)		(5.33)	121.33	466.67	62.67	6,818.67
Gross profit margin (%)		100.00	100.00	100.00	100.00	100.00
Pre-tax profit margin (%)		7.26	36.26	91.71	26.55	1,426.52
EBIDTA		155	216	483	89	5,164
Effective tax rate (%)		92.59	28.79	10.85	0.00	0.93

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15.0 FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FPE/FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Trade receivables' turnover periods (months)	1.58	0.30	0.20	0.92	0.07
Trade payables' turnover periods (months)	0.00	0.00	0.00	0.00	0.00

15.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial period from 1 November 2006 to 31 December 2007 and the financial year ended from 31 December 2008 to 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

Company	NOTE	Share capital RM'000	Distributable		Total RM'000
			Retained profits RM'000		
At 1 November 2006		75	238		313
Loss for the financial period		0	(4)		(4)
At 31 December 2007		75	234		309
At 1 January 2008					
- as previously reported		75	562		637
- prior year adjustment	15.5.11	0	(328)		(328)
Profit for the financial year		0	91		91
At 31 December 2008		75	325		400
Profit for the financial year		0	350		350
At 31 December 2009		75	675		750

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15.0 FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.3 STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Company	Share capital RM'000	Distributable	Total RM'000
		Retained profits RM'000	
At 1 January 2009	75	325	400
Profit for the financial period	0	47	47
At 30 June 2009 (Unaudited)	75	372	447
At 1 January 2010	75	675	750
Profit for the financial period	0	5,114	5,114
At 30 June 2010	75	5,789	5,864

15.4 STATEMENT OF CASH FLOWS

The following statements of cash flows based on the audited financial statements for the financial period from 1 November 2006 to 31 December 2007 and financial years ended 31 December 2008 and 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before taxation for the financial period/year	27	132	387	47	5,164
Adjustments for :					
Depreciation	128	84	96	42	#
Gain on disposal of property, plant and equipment	0	(80)	0	0	0
Gain on disposal of investment property	0	0	(273)	0	0
Interest on fixed deposits	0	0	0	0	#
Net gains from fair value adjustments of investment properties	0	0	0	0	(4,921)
Operating profit before working capital changes	155	136	210	89	243

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15.0 FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Receivables	(11)	43	(91)	(18)	100
Payables	(189)	(188)	(88)	437	(14)
	(45)	(9)	31	508	329
Interest received	0	0	0	0	#
Taxation paid	(29)	(34)	(33)	(17)	(47)
Net cash flow from operating activities	(74)	(43)	(2)	491	282
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from disposal of investment property	0	0	822	0	0
Proceeds from disposal of property, plant and equipment	0	80	0	0	0
Purchase of investment property	0	0	(817)	(492)	(7)
Purchase of property, plant and equipment	0	0	(1)	0	(4)
Net cash flow from investing activities	0	80	4	(492)	(11)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(74)	37	2	(1)	271
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	102	28	65	65	67
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	28	65	67	64	338
Represented by:					
Fixed deposits with a licensed bank (Note 15.5.4)	0	0	0	0	290
Cash and bank balances	28	65	67	64	48
	28	65	67	64	338

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE

15.5.1 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
At cost				
At 1 November 2006/ 31 December 2007	150	7	1	158
Disposal	(150)	0	0	(150)
At 31 December 2008/1 January 2009	0	7	1	8
Addition	0	1	0	1
At 31 December 2009/1 January 2010	0	8	1	9
Additions	0	4	0	4
At 30 June 2010	0	12	1	13
Accumulated depreciation				
At 1 November 2006	120	3	#	123
Current charge	30	1	#	31
At 31 December 2007	150	4	#	154
Current charge	0	1	#	1
Disposal	(150)	0	0	(150)
At 31 December 2008/1 January 2009	0	5	#	5
Current charge	0	1	#	1
At 31 December 2009/1 January 2010	0	6	#	6
Current charge	0	#	#	#
At 30 June 2010	0	6	#	7
Net book value				
At 31 December 2007	0	3	1	4
At 31 December 2008	0	2	1	3
At 31 December 2009	0	2	1	3
At 30 June 2010	0	6	1	7

Denotes

- represent amount less than RM1,000.

The motor vehicle is held in the name of a Director.

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.2 INVESTMENT PROPERTIES

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000	→ 30 June 2010 RM'000
At cost				
At 1 November 2006/1 January				
-as previously reported	4,148	3,666	4,148	4,395
-prior year adjustment (Note 15.5.11)	0	482	0	0
As restated	4,148	4,148	4,148	4,395
Additional	0	0	817	7
Disposal	0	0	(570)	0
Fair value adjustment	0	0	0	4,108
At 31 December/30 June	4,148	4,148	4,395	8,510
Accumulated depreciation				
At 1 November 2006/1 January				
-as previously reported	559	625	739	813
-prior year adjustment (Note 15.5.11)	0	31	0	0
As restated	559	656	739	813
Current charges	97	83	95	0
Disposal	0	0	(21)	0
Fair value adjustment	0	0	0	(813)
At 31 December/30 June	656	739	813	0
Net book value/Fair value	3,492	3,409	3,582	8,510
			31 December 2009 RM'000	30 June 2010 RM'000
Rental income from investment properties			26	316
Direct operating expenses arising from investment properties				
- Rental generating properties			86	43
- Non-rental generating properties			9	4
Depreciation arising from investment properties				
- Rental generating properties			56	22
- Non-rental generating properties			5	6

The investment properties were revalued on 28 February 2010 by an independent professional qualified valuer. Valuations were based on current prices in an active market for all properties.

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.3 RECEIVABLES AND DEPOSITS

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	49	9	7	4
Non-trade receivable	3	0	92	#
Deposits	16	16	17	12
	<u>68</u>	<u>25</u>	<u>116</u>	<u>16</u>

Denotes

- represent amount less than RM1,000.

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

	RM'000
Neither past due nor impaired	<u>4</u>

15.5.4 FIXED DEPOSITS WITH A LICENSED BANK [30.06.2010 ONLY]

The effective interest rates for the fixed deposits with a licensed bank range from 2.35% to 2.55% (31.12.2009: Nil). The short-term deposits are maturing by July 2010.

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.5 PAYABLES

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Non-trade payable	15	0	0	2,886
Amount owing to a Director	3,217	3,012	2,892	0
Accruals	34	21	42	32
Deposit	0	0	4	0
Rental deposits received	21	70	77	82
Rental received in advance	4	0	0	0
	<u>3,291</u>	<u>3,103</u>	<u>3,015</u>	<u>3,000</u>

The amount owing to a Director was unsecured, non-interest bearing and repayable on demand.

Non-trade payable is unsecured, non-interest bearing and repayable on demand.

15.5.6 SHARE CAPITAL

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Authorised				
100,000 ordinary shares of RM1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Issued and fully paid				
75,000 ordinary shares of RM1 each	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.7 DEFERRED TAX LIABILITY

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
At 1 November 2006 / 1 January	8	2	#	#
Recognised in the income statement (Note 15.5.10):				
- property, plant and equipment	(6)	#	#	#
- (over)/underprovision in respect of prior year	0	(2)	0	#
- resulting from reduction in tax rate	0	#	0	0
At 31 December/30 June	<u>2</u>	<u>#</u>	<u>#</u>	<u>1</u>
Subject to income tax:				
Deferred tax liability				
Property, plant and equipment	<u>2</u>	<u>#</u>	<u>#</u>	<u>1</u>

Denotes

- represent amount less than RM1,000

15.5.8 REVENUE

	← FPE/FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Rental	327	319	365	26	316
Parking fee	45	45	57	151	46
	<u>372</u>	<u>364</u>	<u>422</u>	<u>177</u>	<u>362</u>

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.9 PROFIT BEFORE TAX

	← FPE/FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Profit before tax is arrived at after charging:					
Audit fee	1	2	1	0	1
Depreciation	128	84	96	42	#
Director's remuneration					
- fee	20	20	20	0	0
- other emoluments	46	41	41	21	16
Rental of automatic parking machine	0	0	0	0	6
Staff cost (excluding Directors' remuneration)	<u>143</u>	<u>146</u>	<u>135</u>	<u>33</u>	<u>36</u>
and crediting:					
Gain on disposal of investment properties	0	0	273	0	0
Gain on disposal of property, plant and equipment	0	80	0	0	0
Interest on fixed deposits	0	0	0	0	#
Net gain from fair value adjustments of investment properties	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,921</u>

Denotes

- represent amount less than RM1,000

Included in staff costs and Directors' remuneration are contribution to a defined contribution plan amounting to 2007: RM8,381, 2008: RM8,483, 2009: RM8,589, 30.6.2009: RM4,294, 30.6.2010: RM6,834.

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.10 TAX EXPENSE

	← FPE/FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
The major components of the tax expense are:					
Current tax expense:					
- based on profit for the year	31	38	42	0	48
- under/(over)provision in of tax expense respect of prior years	6	5	(5)	0	1
	<u>37</u>	<u>43</u>	<u>37</u>	<u>0</u>	<u>49</u>
Deferred tax expense (Note 15.5.7):					
- relating to origination and reversal of temporary differences	(6)	#	#	0	#
- overprovision of deferred tax liability in respect of prior year	0	(2)	0	0	0
- resulting from reduction in tax rate	0	#	0	0	#
	<u>31</u>	<u>41</u>	<u>37</u>	<u>0</u>	<u>50</u>

Denotes

- represent amount less than RM1,000

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.10 TAX EXPENSE (CONTINUED)

	← FPE/FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Reconciliation of tax expense and accounting profit:					
Accounting profit before tax	27	132	387	47	5,164
Tax at the applicable tax rate of (2007:27%, 2008: 26%, 2009: 25%, 2010: 25%)	7	34	97	12	1,291
Tax effect of:					
- expenses not deductible for tax purposes	29	22	24	0	#
- income not subject to tax	0	(7)	(68)	(12)	(1,230)
- different tax rate for the first RM500,000 of chargeable income	(11)	(11)	(11)	0	(12)
Under/(Over)provision of deferred tax liability in respect of prior years	6	5	(5)	0	#
(Over)/Underprovision of tax expense in respect of prior years	0	(2)	0	0	1
Tax expense for the year/period	31	41	37	0	50

Denotes

- represent amount less than RM1,000

15.5.11 PRIOR YEAR ADJUSTMENTS (31.12.2008 ONLY)

The prior year adjustment is due to the disposal of an investment property in the previous financial period which was subsequently aborted. The effects of the changes on the financial statements of the Company were as follows:

	As previously reported RM'000	Effect of changes RM'000	As restated RM'000
2008			
Investment properties			
- At cost	3,666	482	4,148
- Accumulated depreciation	625	31	656
Retained profits	562	(328)	234
Amount owing to a Director	2,437	780	3,217



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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.12 SIGNIFICANT RELATED PARTY TRANSACTIONS

	← FPE 30 June →	
	2009	2010
	RM'000	RM'000
	(Unaudited)	
Rental received from related companies:		
Tokoh Edaran Sdn. Bhd.	57	57
Perquest Sdn. Bhd.	12	12
Juru Heights Sdn. Bhd.	14	14
	83	83

In the opinion of the Directors, the above transactions were entered into under terms and conditions which were not materially different from those obtainable in transactions with unrelated companies.

15.5.13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit arises primarily from trade and other receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.



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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish on trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 15.5.3.

Liquidity risks

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	RM'000
	<u>On demand or</u>
	<u>within one year</u>
Financial Liability	
Payables	3,000
Total undiscounted financial liability	<u>3,000</u>

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15.5 NOTES TO THE FINANCIAL STATEMENTS OF LANGSTONE (CONTINUED)

15.5.14 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are cash and bank balances, trade and non-trade receivables, deposits and fixed deposits with a licensed bank.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are non-trade payables, amount owing to a Director, accruals and deposits received.

Fair valuesFinancial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables and deposits	15.5.3
Payables	15.5.5

15.5.15 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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16.0 FINANCIAL STATEMENTS OF PERQUEST

16.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

	NOTE	← 31 December →			30 June
		2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	16.5.1	0	0	2	2
Land held for development	16.5.2	3,555	0	0	0
		<u>3,555</u>	<u>0</u>	<u>2</u>	<u>2</u>
CURRENT ASSETS					
Property development costs	16.5.3	3,296	4,272	4,670	2,801
Receivables, deposits and prepayment	16.5.4	807	1,615	4,834	2,498
Marketable securities	16.5.5	2,853	0	0	0
Fixed deposits with a licensed bank	16.5.6	0	5,979	5,092	5,331
Bank balances	16.5.7	2,137	1,921	1,197	6,212
		<u>9,093</u>	<u>13,787</u>	<u>15,793</u>	<u>16,842</u>
CURRENT LIABILITIES					
Payables	16.5.8	7,485	6,950	6,251	5,505
Income tax payable		17	125	0	457
		<u>7,502</u>	<u>7,075</u>	<u>6,251</u>	<u>5,962</u>
NET CURRENT ASSETS					
		<u>1,591</u>	<u>6,712</u>	<u>9,542</u>	<u>10,880</u>
		<u>5,146</u>	<u>6,712</u>	<u>9,544</u>	<u>10,882</u>
SHARE CAPITAL					
	16.5.9	250	250	250	250
RETAINED PROFITS					
		<u>4,896</u>	<u>6,462</u>	<u>9,146</u>	<u>10,632</u>
		5,146	6,712	9,396	10,882
NON-CURRENT LIABILITY					
Deferred tax liability	16.5.10	0	0	148	0
		<u>5,146</u>	<u>6,712</u>	<u>9,544</u>	<u>10,882</u>

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16.0 FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	16.5.11	5,261	7,171	16,349	6,824	4,969
Cost of sales		(4,207)	(4,838)	(12,850)	(5,436)	(2,889)
Gross profit		1,054	2,333	3,499	1,388	2,080
Other operating income		62	202	173	108	74
Sales and marketing costs		(44)	(156)	(155)	(64)	(22)
Administrative expenses		(19)	(130)	(139)	(40)	(114)
PROFIT FROM OPERATIONS		1,053	2,249	3,378	1,392	2,018
Finance cost	16.5.12	(117)	0	0	0	0
PROFIT BEFORE TAX	16.5.13	936	2,249	3,378	1,392	2,018
Tax expense	16.5.14	(238)	(683)	(694)	(404)	(532)
PROFIT FOR THE FINANCIAL YEAR/PERIOD		698	1,566	2,684	988	1,486
Earnings per share:						
Gross (sen)		374.40	899.60	1,351.20	556.80	807.20
Net (sen)		279.20	626.40	1,073.60	395.20	594.40
Gross profit margin (%)		20.00	32.53	21.40	20.34	41.86

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16.0 FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Pre-tax profit margin (%)	17.79	31.36	20.66	20.40	40.61
EBIDTA	1,053	2,249	3,378	1,392	2,018
Effective tax rate (%)	25.32	29.26	20.46	29.02	33.50
Trade receivables' turnover periods (months)	1.84	2.68	3.54	1.52	2.98
Trade payables' turnover periods (months)	1.97	1.43	0.81	1.23	1.44

16.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	Share capital RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 January 2007	250	4,198	4,448
Profit for the financial year	0	698	698
At 31 December 2007	250	4,896	5,146
Profit for the financial year	0	1,566	1,566
At 31 December 2008	250	6,462	6,712
Profit for the financial year	0	2,684	2,684
At 31 December 2009	250	9,146	9,396

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16.0 FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.3 STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2009	250	6,462	6,712
Profit for the financial period	0	988	988
At 30 June 2009 (Unaudited)	250	7,450	7,700
At 1 January 2010	250	9,146	9,396
Profit for the financial period	0	1,486	1,486
At 30 June 2010	250	10,632	10,882

16.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	936	2,249	3,378	1,392	2,018
Adjustments for:					
Depreciation	0	0	#	0	#
Distribution of income from marketable securities	(50)	(103)	0	0	0
Interest expenses	117	0	0	0	0
Interest income	(11)	(75)	(143)	(77)	(70)
Operating profit before working capital changes	992	2,071	3,235	1,315	1,948
Land held for development	1,274	3,555	0	0	0
Property development costs	(3,296)	(976)	(398)	(1,054)	1,869
Receivables and deposits	(782)	(808)	(3,219)	(213)	2,336
Payables	7,480	(535)	(699)	179	(746)
Cash generated from operations	5,668	3,307	(1,081)	227	5,407

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16.0 FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Interest received	11	75	143	77	70
Interest paid	(131)	0	0	0	0
Taxation paid	(220)	(575)	(671)	(320)	(224)
Net cash flow from operating activities	<u>5,328</u>	<u>2,807</u>	<u>(1,609)</u>	<u>(16)</u>	<u>5,253</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Distribution of income from marketable securities	50	103	0	0	0
Changes in fixed deposits pledged with licensed bank	0	(148)	(24)	(3)	(9)
Proceeds from disposal of marketable securities	900	8,955	0	0	0
Purchase of marketable securities	(2,850)	(6,102)	0	0	0
Purchase of property, plant and equipment	<u>0</u>	<u>0</u>	<u>(2)</u>	<u>0</u>	<u>0</u>
Net cash flow from investing activities	<u>(1,900)</u>	<u>2,808</u>	<u>(26)</u>	<u>(3)</u>	<u>(9)</u>
CASH FLOW FROM FINANCING ACTIVITY					
Repayment of term loan	<u>(2,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,428	5,615	(1,635)	(19)	5,244
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	<u>709</u>	<u>2,137</u>	<u>7,752</u>	<u>7,752</u>	<u>6,117</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	<u>2,137</u>	<u>7,752</u>	<u>6,117</u>	<u>7,733</u>	<u>11,361</u>

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16.0 FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
Represented by:					
Bank balances	2,137	1,921	1,197	5,681	5,149
Fixed deposits with a licensed bank (Note 16.5.6)	0	5,831	4,920	2,052	6,212
	<u>2,137</u>	<u>7,752</u>	<u>6,117</u>	<u>7,733</u>	<u>11,361</u>

Denotes

-represent amount less than RM1,000

16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST

16.5.1 PROPERTY, PLANT AND EQUIPMENT

	Computer RM'000
At cost	
At 1 January 2009	0
Additions	2
At 31 December 2009/30 June 2010	<u>2</u>
Accumulated depreciation	
At 1 January 2009	0
Current charge	#
At 31 December 2009/30 June 2010	<u>#</u>
Net book value	
At 31 December 2009/30 June 2010	<u>2</u>

Denotes

-represent amount less than RM1,000

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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.2 LAND HELD FOR DEVELOPMENT (31.12.2007 & 31.12.2008 ONLY)

	← 31 December →	
	2007	2008
	RM'000	RM'000
At cost:		
At 1 January		
- freehold land	4,465	3,393
- development costs	365	162
	4,830	3,555
 Additions during the year:		
- development costs	20	0
 Transfer to property development costs (Note 16.5.3)		
- freehold land	(1,072)	(3,393)
- development costs	(223)	(162)
	(1,295)	(3,555)
 At 31 December	3,555	0

16.5.3 PROPERTY DEVELOPMENT COSTS

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
At cost:				
At 1 January				
- Freehold land	0	1,072	4,465	4,465
- Development costs	0	6,431	8,852	22,101
	0	7,503	13,317	26,566
 Transfer from land held for development (Note 16.5.2)				
- Freehold land	1,072	3,393	0	0
- Development costs	223	162	0	0
	1,295	3,555	0	0
 Costs incurred during the financial year:				
- Development costs	6,208	2,259	13,248	1,019
 Cost eliminated due to completion of project	0	0	0	(598)
	7,503	13,317	26,565	26,987

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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.3 PROPERTY DEVELOPMENT COSTS (CONTINUED)

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Cost recognised in the profit or loss:				
At 1 January	0	(4,207)	(9,045)	(21,895)
Recognised during the year	(4,207)	(4,838)	(12,850)	(2,888)
Eliminated due to completion of project	0	0	0	598
At 31 December/30 June	<u>(4,207)</u>	<u>(9,045)</u>	<u>(21,895)</u>	<u>(24,185)</u>
At 31 December/30 June	<u>3,296</u>	<u>4,272</u>	<u>4,670</u>	<u>2,801</u>

16.5.4 RECEIVABLES, DEPOSITS AND PREPAYMENT

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	467	1,602	937	2,468
Accrued billings in respect of property development costs	338	0	3,883	0
Deposits	2	13	13	14
Prepayment	0	0	1	16
	<u>807</u>	<u>1,615</u>	<u>4,834</u>	<u>2,498</u>

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

Neither past due nor impaired	1,097
1 to 30 days past due not impaired	347
31 to 60 days past due not impaired	930
61 to 90 days past due not impaired	94
More than 91 days past due not impaired	0
	<u>2,468</u>

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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.4 RECEIVABLES, DEPOSITS AND PREPAYMENT (CONTINUED)

Receivables that are neither past due nor impaired

Included in trade receivables that are neither past due nor impaired is an amount of RM1,097,461 (31.12.2009: RM272,676) maintained under stakeholders' sum.

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM1,370,171 (31.12.2009: RM664,266) that are past due at the reporting date but not impaired.

16.5.5 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>2,853</u>
At market value	
Units trust quoted in Malaysia	<u>2,853</u>

16.5.6 FIXED DEPOSITS WITH A LICENSED BANK

Included in the fixed deposits is an amount of RM181,621 (2007: RMNil, 2008: RM147,549 and 2009: RM171,855) pledged as security for bank guarantee granted to the Company.

The effective interest rates for the fixed deposits with the licensed bank at the rate of 2.50% (31.12.2009: 2.00%). The short-term deposits are maturing by July 2010.

16.5.7 BANK BALANCES

Included in the bank balances is an amount of RM1,330,831, RM758,455, RM571,579 and RM4,130,625 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.8 PAYABLES

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Trade payables	10	472	139	7
Amount owing to shareholders	6,788	5,372	5,372	4,500
Amount owing to a related party	682	105	732	687
Progress billing in respect of property development costs	0	996	0	306
Accruals	5	5	8	5
	<u>7,485</u>	<u>6,950</u>	<u>6,251</u>	<u>5,505</u>

Trade payables are retention sum on contracts.

The amount owing to shareholders and amount owing to a related party are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The amount owing to a related party is retention sum on contracts.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

16.5.9 SHARE CAPITAL

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Authorised				
500,000 ordinary shares of RM1 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Issued and fully paid				
250,000 ordinary shares of RM1 each	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

14. ACCOUNTANTS' REPORT



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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.10 DEFERRED TAX LIABILITY

	← 2007 RM'000	31 December 2008 RM'000	→ 2009 RM'000	30 June 2010 RM'000
At 1 January	0	0	0	148
Recognised in profit or loss (Note 16.5.14)				
- property development costs	0	0	148	(148)
- property, plant and equipment	0	0	#	#
At 31 December/30 June	<u>0</u>	<u>0</u>	<u>148</u>	<u>0</u>
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
Property development costs	0	847	1,722	0
Property, plant and equipment	0	0	#	0
	<u>0</u>	<u>847</u>	<u>1,722</u>	<u>0</u>
Offsetting	0	(847)	(1,574)	0
Deferred tax liabilities (after offsetting)	<u>0</u>	<u>0</u>	<u>148</u>	<u>0</u>
Deferred tax assets (before offsetting)				
Property development costs	0	975	1,573	47
Property, plant and equipment	0	0	#	#
	<u>0</u>	<u>975</u>	<u>1,573</u>	<u>47</u>
Offsetting	0	(847)	(1,573)	0
Deferred tax assets after (offsetting)	<u>0</u>	<u>128</u>	<u>0</u>	<u>47</u>

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TAMBUN INDAH LAND BERHAD
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16.5 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16.5.10 DEFERRED TAX LIABILITY (CONTINUED)

The estimated amounts of net deferred tax assets calculated at the applicable tax rate, which are not recognised in financial statements areas follows:

	← 2007	31 December 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Subject to income tax:				
Deferred tax assets				
Property development costs	19	128	0	47
Property, plant and equipment	0	0	0	#
	<u>19</u>	<u>128</u>	<u>0</u>	<u>47</u>

Denotes

-represent amount less than RM1,000

16.5.11 REVENUE

Revenue represents development revenue recognised to date based on percentage of completion method.

16.5.12 FINANCE COST (31.12.2007 ONLY)

	RM'000
Interest on term loan	<u>117</u>

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.13 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				(Unaudited)	
Audit fee	5	5	8	0	5
Depreciation	0	0	#	0	#
Rental of premises	0	0	24	12	12
and crediting:					
Distribution of income from unit trust	50	103	0	0	0
Interest income	11	75	143	77	70

Denotes

-represent amount less than RM1,000

16.5.14 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
The major components of the tax expense are:				(Unaudited)	
Current tax expense based on profit for the year/period	237	658	543	404	676
Underprovision of tax expense in respect of prior years	1	25	3	0	4
	238	683	546	404	680
Deferred tax expense (Note 16.5.10)					
- relating to origination and reversal of temporary differences	0	0	148	0	(148)
	238	683	694	404	532

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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.14 TAX EXPENSE (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Reconciliation of tax expense and accounting profit:					
Accounting profit before taxation	936	2,249	3,378	1,392	2,018
Tax at the applicable tax rate of (2007: 27%, 2008: 26%, 2009: 25%, 2010: 25%)	254	585	845	348	505
Tax effect of:					
- income not subject to tax	(14)	(27)	0	0	0
- expenses not deductible for tax purposes	#	16	#	#	#
- different tax rate for first RM500,000 of chargeable income	(35)	(30)	(25)	(25)	(25)
- utilisation of previously unrecognised deferred tax assets	0	0	(129)	0	0
Underprovision of taxation in respect of prior years	1	25	3	0	4
Deferred tax assets not recognised during the year/period	32	114	0	81	48
Tax expense for the year/period	238	683	694	404	532

Denotes

- represent amount less than RM1,000



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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.15 SIGNIFICANT RELATED PARTY TRANSACTIONS

	← FPE 30 June →	
	2009	2010
	RM'000	RM'000
	(Unaudited)	
Progress claim charged by Tokoh Edaran Sdn. Bhd.	6,318	757

16.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 16.5.4.

Liquidity risks

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	RM'000
	<u>On demand or</u>
	<u>within one year</u>
Financial liability	
Payables	5,505
Total undiscounted financial liability	<u>5,505</u>



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16.5 NOTES TO THE FINANCIAL STATEMENTS OF PERQUEST (CONTINUED)

16.5.17 FINANCIAL INSTRUMENTS

The Company's principal financial assets are cash and bank balances, fixed deposits with a licensed bank, trade receivables, deposits and prepayment.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade payables, amount owing to a related company, amount owing to shareholders, progress billings in respect of property development costs and accruals.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables, deposits and prepayment	16.5.4
Payables	16.5.8

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair value, due to their short-term nature.

16.5.18 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective balance sheet date, the Company did not have any debt. As such, no gearing ratio was presented.

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17.0 FINANCIAL STATEMENTS OF TOKOH EDARAN

17.1 STATEMENTS OF FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010:

		← 31 December →		
	NOTE	2007	2008	2009
		RM'000	RM'000	RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	17.5.1	83	351	309
CURRENT ASSETS				
Receivables, deposits and prepayment	17.5.2	10,321	10,283	7,806
Marketable securities	17.5.3	5,152	0	0
Tax recoverable		0	201	229
Fixed deposits with a licensed bank	17.5.4	0	8,029	8,762
Cash and bank balances		1,094	858	3,756
		<u>16,567</u>	<u>19,371</u>	<u>20,553</u>
CURRENT LIABILITIES				
Payables	17.5.5	10,443	9,220	10,263
Income tax payable		553	0	0
		<u>10,996</u>	<u>9,220</u>	<u>10,263</u>
NET CURRENT ASSETS				
		<u>5,571</u>	<u>10,151</u>	<u>10,290</u>
		<u>5,654</u>	<u>10,502</u>	<u>10,599</u>
SHARE CAPITAL				
	17.5.6	200	1,000	1,000
RETAINED PROFITS				
		<u>5,448</u>	<u>9,481</u>	<u>9,595</u>
		5,648	10,481	10,595
NON-CURRENT LIABILITY				
Deferred tax liability	17.5.7	6	21	4
		<u>5,654</u>	<u>10,502</u>	<u>10,599</u>
		<u>5,654</u>	<u>10,502</u>	<u>16,776</u>

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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17.0 FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 31 December →			← FPE 30 June →	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	17.5.8	58,804	72,546	41,691	22,787	23,274
Cost of sales		<u>(51,701)</u>	<u>(66,693)</u>	<u>(37,458)</u>	<u>(20,671)</u>	<u>(14,718)</u>
Gross profit		7,103	5,853	4,233	2,116	8,556
Other operating income		351	471	643	160	108
Sales and marketing costs		(48)	0	0	0	0
Administrative expenses		(40)	(955)	(726)	(340)	(452)
Finance cost	17.5.9	<u>(3)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROFIT BEFORE TAX	17.5.10	7,363	5,369	4,150	1,936	8,212
Tax expense	17.5.11	<u>(1,940)</u>	<u>(1,336)</u>	<u>(1,036)</u>	<u>(467)</u>	<u>(2,036)</u>
PROFIT FOR THE FINANCIAL YEAR/ PERIOD		<u>5,423</u>	<u>4,033</u>	<u>3,114</u>	<u>1,469</u>	<u>6,176</u>
Earnings per share:						
Gross (sen)		3,681.50	536.90	415.00	193.60	821.20
Net (sen)		2,712.50	403.30	311.40	146.90	617.60
Gross profit margin (%)		12.08	8.07	10.15	9.29	36.76

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17.0 FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Pre-tax profit margin (%)	12.52	7.40	9.95	8.50	35.28
EBIDTA	7,386	5,437	4,224	1,873	8,249
Effective tax rate (%)	26.35	38.98	24.51	24.15	24.70
Trade receivables' turnover periods (months)	2.11	1.70	2.21	1.89	2.15
Trade payables' turnover periods (months)	1.78	1.12	2.14	1.93	3.95

17.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2007		200	25	225
Profit for the financial year		0	5,423	5,423
At 31 December 2007		200	5,448	5,648
Issuance of shares	17.5.6	800	0	800
Profit for the financial year		0	4,033	4,033
At 31 December 2008		1,000	9,481	10,481
Profit the financial year		0	3,114	3,114
Dividend	17.5.12	0	(3,000)	(3,000)
At 31 December 2009		1,000	9,595	10,595

14. ACCOUNTANTS' REPORT



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Accountants' Report

17.0 FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.3 STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	NOTE	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2009		1,000	9,481	10,481
Profit for the financial period		0	1,469	1,469
Dividend	17.5.12	0	(3,000)	(3,000)
At 30 June 2009 (Unaudited)		<u>1,000</u>	<u>7,950</u>	<u>8,950</u>
At 1 January 2010		1,000	9,596	10,596
Profit for the financial period		0	6,176	6,176
At 30 June 2010		<u>1,000</u>	<u>15,772</u>	<u>16,772</u>

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*Accountants' Report***17.0 FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)****17.4 STATEMENTS OF CASH FLOWS**

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	7,363	5,369	4,150	1,936	8,212
Adjustments for:					
Depreciation	20	68	74	34	37
Distribution of income from marketable securities	(52)	(210)	0	0	0
Interest expenses	3	0	0	0	0
Interest income	0	(29)	(264)	(137)	(108)
Operating profit before working capital changes	7,334	5,198	3,960	1,833	8,141
Receivables, deposits and prepayment	(9,856)	38	2,477	2,885	(11,428)
Payables	8,734	(1,223)	1,043	1,177	1,113
Cash generated from operations	6,212	4,013	7,480	5,895	(2,174)
Interest paid	(3)	0	0	0	0
Interest received	0	29	264	137	108
Taxation paid	(1,389)	(2,075)	(1,081)	(620)	(299)
Net cash flow from operating activities	4,820	1,967	6,663	5,412	(2,365)
CASH FLOW FROM INVESTING ACTIVITIES					
Distribution of income from marketable securities	52	210	0	0	0
Proceeds from disposal of marketable securities	0	12,652	0	0	0
Purchase of marketable securities	(5,152)	(7,500)	0	0	0
Purchase of property, plant and equipment	(21)	(336)	(32)	(3)	0
Net cash flow from investing activities	(5,121)	5,026	(32)	(3)	0

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17.0 FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES					
Dividend paid	0	0	(3,000)	(3,000)	0
Proceeds from issuance shares	0	800	0	0	0
Repayment of hire purchase	(82)	0	0	0	0
Net cash flow from financing activities	(82)	800	(3,000)	(3,000)	0
NET CHANGE IN CASH AND CASH EQUIVALENTS	(383)	7,793	3,631	2,409	(2,365)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	1,477	1,094	8,887	8,887	12,518
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	1,094	8,887	12,518	11,296	10,153
Represented by:					
a) Purchase of property, plant and equipment					
- financed by hire purchase arrangements	82	0	0	0	0
- financed by cash	21	336	32	0	0
- additional during the year (Note 17.5.1)	103	336	32	0	0
b) Analysis of cash and cash equivalents:					
Fixed deposits with a licensed bank (Note 17.5.4)	0	8,029	8,762	7,280	8,860
Bank balances	1,094	858	3,756	4,016	1,293
	1,094	8,887	12,518	11,296	10,153

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17.5 NOTES TO THE FINANCIAL STATEMENTS OF TOKOH EDARAN

17.5.1 PROPERTY, PLANT AND EQUIPMENT

	Air conditioner RM'000	Compnters RM'000	Motor vehicle RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
At cost					
At 1 January 2007	0	0	0	0	0
Additions	0	6	91	6	103
At 31 December 2007/					
At 1 January 2008	0	6	91	6	103
Additions	18	10	132	176	336
At 31 December 2008/					
At 1 January 2009	18	16	223	182	439
Additions	0	0	30	2	32
At 31 December 2009/					
At 30 June 2010	18	16	253	184	471
Accumulated depreciation					
At 1 January 2007	0	0	0	0	0
Current charge	0	1	18	1	20
At 31 December 2007/					
At 1 January 2008	0	1	18	1	20
Current charge	2	3	45	18	68
At 31 December 2008/					
At 1 January 2009	2	4	63	19	88
Current charge	2	3	50	19	74
At 31 December 2009/					
At 1 January 2010	4	7	113	38	162
Current charge	1	2	25	9	37
At 30 June 2010	5	9	138	47	199
Net book value					
At 31 December 2007	0	5	73	5	83
At 31 December 2008	16	12	160	163	351
At 31 December 2009	14	9	140	146	309
At 30 June 2010	13	7	115	137	272

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17.5.2 RECEIVABLES, DEPOSITS AND PREPAYMENT

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Trade receivables	1,782	1,572	1,852	3,042
Non-trade receivables	2	0	84	80
Amount due from related parties	5,637	5,188	5,166	5,306
Deposits	0	35	35	36
Prepayment	0	0	8	0
Amount owing by customers	<u>2,900</u>	<u>3,488</u>	<u>661</u>	<u>10,771</u>
	<u>10,321</u>	<u>10,283</u>	<u>7,806</u>	<u>19,235</u>

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

	RM'000
Neither past due nor impaired	1,331
1 to 30 days past due not impaired	0
31 to 60 days past due not impaired	212
61 to 90 days past due not impaired	96
More than 91 days past due not impaired	1,403
	<u>3,042</u>

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM1,711,575 (31.12.2009: RM1,046,086) that are past due at the reporting date but not impaired.

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17.5 NOTES TO THE FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.5.2 RECEIVABLES, DEPOSITS AND PREPAYMENT (CONTINUED)

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
The amount owing by/(to) customers are represented by:				
Construction contract costs	53,832	120,551	161,767	178,409
Attributable profits	7,144	13,050	17,284	25,836
	<u>60,976</u>	<u>133,601</u>	<u>179,051</u>	<u>204,245</u>
Progress billings	(60,818)	(133,047)	(181,683)	(194,922)
	<u>158</u>	<u>554</u>	<u>(2,632)</u>	<u>9,323</u>
Represented by:				
Amount owing by customers	2,900	3,488	661	10,771
Amount owing to customers (Note 17.5.5)	(2,742)	(2,934)	(3,293)	(1,448)
	<u>158</u>	<u>554</u>	<u>2,632</u>	<u>9,323</u>

Included in amount owing by related parties are retention sums on contracts amounting to RM5,305,543 (31.12.2007: RM3,075,078, 31.12.2008: RM4,976,857 & 31.12.2009: RM5,165,657).

The related parties are companies incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interest.

Included in the contract expenditure incurred during the financial year/period are as follows:

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration				
- other emoluments	541	802	786	247
Staff costs				
(included Directors' remuneration)	<u>1,013</u>	<u>1,028</u>	<u>965</u>	<u>530</u>

Included in staff cost are contributions to defined contribution plan of RM50,788 (31.12.2008: RM233,974 & 31.12.2009: RM127,004).



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17.5 NOTES TO THE FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.5.3 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>5,152</u>
At market value	
Units trust quoted in Malaysia	<u>5,152</u>

17.5.4 FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates for the fixed deposits with a licensed bank at the rate of 2.50% (31.12.2009: 2.00%) per annum. The short-term deposits are maturing in July 2010.

17.5.5 PAYABLES

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	7,686	6,234	6,678	9,695
Other payables	0	0	48	0
Deposits	0	35	225	225
Amount owing to customers (Note 17.5.2)	2,742	2,934	3,293	1,448
Accruals	15	17	19	8
	<u>10,443</u>	<u>9,220</u>	<u>10,263</u>	<u>11,376</u>

17.5.6 SHARE CAPITAL

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Authorised				
Ordinary shares of RM1 each				
1 January	500	500	1,000	1,000
Created during the financial year	0	500	0	0
At 31 December/30 June	<u>500</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
Ordinary shares of RM1 each				
1 January	200	200	1,000	1,000
Issued during the financial year	0	800	0	0
At 31 December/30 June	<u>200</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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17.5.7 DEFERRED TAX LIABILITY

	← 2007 RM'000	31 December 2008 RM'000	2009 RM'000 →	30 June 2010 RM'000
At 1 January	0	6	21	4
Recognised in the income statement (Note 17.5.11)				
- property, plant and equipment	6	18	(6)	2
- overprovision in respect of prior year	0	(3)	(11)	(2)
- adjustment to deferred tax liability resulting from reduction in tax rate	0	#	0	0
At 31 December/ 30 June	<u>6</u>	<u>21</u>	<u>4</u>	<u>4</u>
Subject to income tax:				
Deferred tax liability				
Property, plant and equipment	<u>6</u>	<u>21</u>	<u>4</u>	<u>4</u>

Denotes

-represent amount less than RM1,000

17.5.8 REVENUE

Revenue represents contract revenue recognised to date based on percentage of completion method.

17.5.9 FINANCE COST (31.12.2007 ONLY)

	RM'000
Interest on hire purchase	<u>3</u>

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17.5 NOTES TO THE FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.5.10 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Profit before tax is arrived at after charging:					
Audit fee					
- current year	15	17	17	0	8
- overprovision in respect of prior year	0	0	0	0	(4)
Depreciation	20	68	74	34	37
Rental of apartment	0	3	0	0	0
Rental of premises	0	67	115	57	57
Rental of store room	0	14	0	0	0
Staff cost	0	333	330	156	209
and crediting:					
Distribution of income from marketable securities	52	210	0	0	0
Interest income	0	29	264	97	106

Included in staff costs and Directors' remuneration are contribution to a defined contribution plan amounting to 2007: RMNil, 2008: RM25,217, 2009: RM32,079, 30.6.2009: RM16,040, 30.6.2010: RM15,073.

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17.5 NOTES TO THE FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.5.11 TAX EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
The major components of the tax expense are:					
Current tax expense:					
- based on profit for the year/period	1,934	2,075	1,022	467	2,028
- (over)/underprovision in respect of taxation of prior year	#	(754)	31	0	8
	<u>1,934</u>	<u>1,321</u>	<u>1,053</u>	<u>467</u>	<u>2,036</u>
Deferred tax expense (Note 17.5.7)					
- relating to origination and reversal of temporary differences	6	18	(6)	0	2
- overprovision in respect of prior year	0	(3)	(11)	0	(2)
- adjustment to deferred tax liability resulting from reduction in tax rate	0	#	0	0	0
	<u>0</u>	<u>#</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,940</u>	<u>1,336</u>	<u>1,036</u>	<u>467</u>	<u>2,036</u>
Reconciliation of tax expense and accounting profit:					
Accounting profit before tax	<u>7,363</u>	<u>5,369</u>	<u>4,150</u>	<u>1,936</u>	<u>8,212</u>
Tax at the applicable tax rate of (2007: 27%, 2008: 26%, 2009: 25%, 2010: 25%)	1,988	1,396	1,038	492	2,053
Tax effect of:					
- expenses not deductible for tax purposes	1	32	4	0	2
- income not subject to tax	(14)	(55)	0	0	0
- different tax rate for the first RM500,000 of chargeable income	(35)	(30)	(25)	(25)	(25)
- (over)/underprovision of taxation in respect of prior year	#	(754)	30	0	8

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17.5.11 TAX EXPENSE (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Prior year attributable profit recognised in current year	0	750	0	0	0
Overprovision of deferred taxation in respect of prior year	0	(3)	(11)	0	(2)
Adjustment to deferred taxation resulting from tax reduction in tax rate	0	#	0	0	0
Tax expense for the year/period	<u>1,940</u>	<u>1,336</u>	<u>1,036</u>	<u>467</u>	<u>2,036</u>

17.5.12 DIVIDEND (2009 ONLY)

Dividend declared and paid is as follows:

	Gross dividend per share Sen	Amount of dividend RM'000
An interim dividend of 1,000,000 ordinary shares less 25% of income tax	<u>400</u>	<u>3,000</u>

17.5.13 SIGNIFICANT RELATED PARTY TRANSACTION

	← FPE 30 June →	
	2009 RM'000 (Unaudited)	2010 RM'000
Progress claims charged to:-		
- Jasniah Sdn. Bhd.	3,550	71
- Hong Hong Development Sdn. Bhd.	1,750	1,826
- Perquest Sdn. Bhd.	6,318	757
- Juru Heights Sdn. Bhd.	<u>9,694</u>	<u>2,357</u>
Rental expenses charged by Langstone Sdn. Bhd.	<u>57</u>	<u>57</u>



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17.5 NOTES TO THE FINANCIAL STATEMENTS OF TOKOH EDARAN (CONTINUED)

17.5.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 17.5.2.

Liquidity risks

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.



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17.5.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risks (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	<u>30 June 2010</u> <u>RM'000</u>
	<u>On demand or</u> <u>within one year</u>
Financial liability	
Payables	11,376
Total undiscounted financial liability	<u>11,376</u>

17.5.15 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are cash and bank balances, trade and non-trade receivables, amount due from related parties, amount owing by customers and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade and other payables, deposits received, amount owing to customers and accruals.

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17.5.15 FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables, deposits and prepayment	17.5.2
Payables	17.5.4

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

17.5.16 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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18.0 FINANCIAL STATEMENTS OF TAMBUN INDAH

18.1 STATEMENTS ON FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2008, 31 December 2009 and 30 June 2010 are as follows:

	NOTE	← 31 December →		30 June
		2008	2009	2010
		RM'000	RM'000	RM'000
CURRENT ASSET				
Cash and bank balances		13	11	5
CURRENT LIABILITY				
Payables	18.5.1	21	21	21
NET CURRENT LIABILITY				
		(8)	(10)	(16)
SHARE CAPITAL				
	18.5.2	*	*	*
ACCUMULATED LOSS				
		(8)	(10)	(16)
		(8)	(10)	(16)

Denotes

* - represent RM2

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18.0 FINANCIAL STATEMENTS OF TAMBUN INDAH (CONTINUED)

18.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial period from 19 March 2008 (Date of Incorporation) to 31 December 2008, financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	◀ FPE/FYE 31 December ▶		◀ FPE 30 June ▶	
		2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue		0	0	0	0
Administrative expenses		(8)	(2)	(2)	(6)
LOSS BEFORE TAX	18.5.3	(8)	(2)	(2)	(6)
Tax expense	18.5.4	0	0	0	0
LOSS FOR THE FINANCIAL PERIOD/YEAR		(8)	(2)	(2)	(6)
Loss per share:					
Gross (sen)		(4.00)	(1.00)	(1.00)	(3.00)
Net (sen)		(4.00)	(1.00)	(1.00)	(3.00)
Gross profit margin (%)		0.00	0.00	0.00	0.00
Pre-tax profit margin (%)		0.00	0.00	0.00	0.00
LBIDTA		(8)	(2)	(2)	(6)
Effective tax rate (%)		0.00	0.00	0.00	0.00

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18.0 FINANCIAL STATEMENTS OF TAMBUN INDAH (CONTINUED)

18.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial periods from 19 March 2008 (Date of Incorporation) to 31 December 2008, financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

Company	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 19 March 2008	*	0	*
Loss for the financial period	0	(8)	(8)
At 31 December 2008	*	(8)	(8)
Loss for the financial year	0	(2)	(2)
At 31 December 2009	*	(10)	(10)
At 1 January 2009	*	(8)	(8)
Loss for the financial period	0	(2)	(2)
At 30 June 2009 (Unaudited)	*	(10)	(10)
At 1 January 2010	*	(10)	(10)
Loss for the financial period	0	(6)	(6)
At 30 June 2010	*	(16)	(16)

Denotes

* - represent RM2

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18.0 FINANCIAL STATEMENTS OF TAMBUN INDAH (CONTINUED)

18.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial period from 19 March 2008 (Date of Incorporation) to 31 December 2008 and for the financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	←FPE/FYE 31 December→		←FPE 30 June→	
	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
Loss before tax	(8)	(2)	(2)	(6)
Working capital change:				
Payables	21	0	(#)	(#)
NET CHANGE IN CASH AND CASH EQUIVALENTS	13	(2)	(2)	(6)
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION/ BEGINNING OF THE FINANCIAL YEAR/PERIOD	*	13	13	11
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	13	11	11	5
Represented by:				
Cash and bank balances	13	11	11	5

Denotes

* - represent RM2

- represent amount less than RM1,000

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18.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH

18.5.1 PAYABLES

	← 31 December → 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000
Amount owing to shareholders	0	0	10
Amount owing to Directors	20	20	10
Accrual	1	1	1
	<u>21</u>	<u>21</u>	<u>21</u>

The amount owing to Directors and shareholders are non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

18.5.2 SHARE CAPITAL

	← 31 December → 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000
Authorised			
200,000 ordinary shares of RM0.50 each	<u>100</u>	<u>100</u>	<u>100</u>
Issued and fully paid			
4 ordinary shares of RM0.50 each	<u>*</u>	<u>*</u>	<u>*</u>

Denotes

* - represent RM2

18.5.3 LOSS BEFORE TAX

	← FPE/FYE 31 December →		← FPE 30 June →	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Loss before tax is arrived at after charging:				
Audit fee	<u>#</u>	<u>#</u>	<u>0</u>	<u>#</u>

Denotes

- Less than RM1,000

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18.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH (CONTINUED)

18.5.4 TAX EXPENSE

	← FPE/FYE 31 December →		← FPE 30 June →	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)			
Reconciliation of tax expense and accounting loss:				
Accounting loss before tax	(8)	(2)	(2)	(6)
Tax at the applicable tax rate of (2008: 26%, 2009: 25%, 2010: 25%)	(2)	(#)	(#)	(1)
Tax effect of expenses not deductible for tax purposes	#	#	0	#
Permanent loss not recognised during the financial period/year	2	#	#	1
Tax expense for the period/year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Denotes

- Less than RM1,000

18.5.5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period/year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.



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18.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH (CONTINUED)

18.5.5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010
	RM'000
	On demand or
	within one year
Financial liability	
Payables	21
Total undiscounted financial liability	<u>21</u>



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18.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH (CONTINUED)

18.5.6 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are cash and bank balances.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to Directors, amount owing to a shareholder and accrual.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

Payables	<u>Note</u> 18.5.1
----------	-----------------------

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

18.5.7 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting date, the Company did not have any debt. As such, no gearing ratio was presented.

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19.0 FINANCIAL STATEMENTS OF TAMBUN INDAH SB

19.1 STATEMENTS ON FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 are as follows:

	NOTE	← 31 December →			30 June
		2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	19.5.1	20	16	12	10
Investment in associated companies	19.5.2	262	0	0	0
		<u>282</u>	<u>16</u>	<u>12</u>	<u>10</u>
CURRENT ASSETS					
Inventories	19.5.3	0	180	180	0
Property development costs	19.5.4	347	0	0	0
Receivables and deposits	19.5.5	606	142	41	9
Marketable securities	19.5.6	2,004	0	0	0
Tax recoverable		1,163	0	0	0
Fixed deposits with a licensed bank	19.5.7	0	1,802	1,067	1,029
Cash and bank balances	19.5.8	1,237	1,321	270	514
		<u>5,357</u>	<u>3,445</u>	<u>1,558</u>	<u>1,552</u>
CURRENT LIABILITIES					
Payables	19.5.9	517	60	45	1
Income tax payable		0	259	77	84
		<u>517</u>	<u>319</u>	<u>122</u>	<u>85</u>
NET CURRENT ASSETS					
		<u>4,840</u>	<u>3,126</u>	<u>1,436</u>	<u>1,467</u>
		<u>5,122</u>	<u>3,142</u>	<u>1,448</u>	<u>1,477</u>
SHARE CAPITAL					
	19.5.10	1,000	1,000	1,000	1,000
RETAINED PROFITS					
		<u>4,122</u>	<u>2,141</u>	<u>447</u>	<u>476</u>
		5,122	3,141	1,447	1,476
NON-CURRENT LIABILITY					
Deferred tax liability	19.5.11	#	1	1	1
		<u>5,122</u>	<u>3,142</u>	<u>1,448</u>	<u>1,477</u>

Denotes

-represent amount less than RM1,000

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19.0 FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	←— FYE 31 December —→			←— FPE 30 June —→	
		2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	19.5.12	3,158	3,757	0	0	225
Cost of sales		<u>(2,586)</u>	<u>(239)</u>	<u>0</u>	<u>0</u>	<u>(180)</u>
Gross profit		572	3,518	0	0	45
Other operating income		129	147	71	25	13
Sales and marketing costs		(14)	(4)	(3)	0	0
Administrative expenses		<u>(119)</u>	<u>(86)</u>	<u>(14)</u>	<u>(7)</u>	<u>(20)</u>
PROFIT BEFORE TAX	19.5.13	568	3,575	54	18	38
Tax income/(expense)	19.5.14	<u>207</u>	<u>(1,556)</u>	<u>52</u>	<u>(5)</u>	<u>(9)</u>
PROFIT FOR THE FINANCIAL YEAR/PERIOD		<u>775</u>	<u>2,019</u>	<u>106</u>	<u>13</u>	<u>29</u>
Earnings per share:						
Gross (sen)		56.80	357.50	5.40	1.80	3.80
Net (sen)		77.50	201.90	10.60	1.30	2.90
Gross profit margin (%)		18.11	93.64	0.00	0.00	20.00
Pre-tax profit margin (%)		17.99	95.16	0.00	0.00	16.89
EBIDTA		604	3,579	58	18	40



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19.0 FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Effective tax rate (%)	16.90	24.81	11.11	27.78	23.68
Trade receivables' turnover periods (months)	2.25	0.42	0.00	0.00	0.00
Trade payables' turnover periods (months)	0.94	2.81	0.00	0.00	0.00

19.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2007		1,000	5,847	6,847
Profit for the financial year		0	775	775
Dividend paid for the financial year ended 31 December 2007	19.5.15	0	(2,500)	(2,500)
At 31 December 2007		1,000	4,122	5,122
Profit for the financial year		0	2,019	2,019
Dividend paid for the financial year ended 31 December 2008	19.5.15	0	(4,000)	(4,000)
At 31 December 2008		1,000	2,141	3,141
Profit for the financial year		0	106	106
At 31 December 2009		1,000	447	1,447

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19.0 FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)
19.3 STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	NOTE	Share capital RM'000	<u>Distributable</u> Retained profits RM'000	Total RM'000
At 1 January 2009		1,000	2,141	3,141
Profit for the financial period		0	13	13
Dividend	19.5.15	0	(1,800)	(1,800)
At 30 June 2009 (Unaudited)		<u>1,000</u>	<u>354</u>	<u>1,354</u>
At 1 January 2010		1,000	447	1,447
Profit for the financial period		0	29	29
At 30 June 2010		<u>1,000</u>	<u>476</u>	<u>1,476</u>

19.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES				(Unaudited)	
Profit before tax	568	3,575	54	18	38
Adjustments for:					
Depreciation	36	4	4	2	2
Property, plant and equipment written off	3	0	0	0	0
Distribution of income from marketable securities	(89)	(109)	0	0	0
Gain on disposal of property, plant and equipment	0	0	(30)	0	0

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19.0 FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Interest income	(32)	(29)	(33)	(23)	(13)
Operating profit/(loss) before working capital changes	486	3,441	(5)	(3)	27
Property development costs	328	347	0	0	0
Inventories	0	0	0	0	180
Receivables and deposits	(276)	464	101	37	32
Payables	410	(457)	(15)	(3)	(44)
Cash generated from operations	948	3,615	81	31	195
Taxation paid	(627)	(133)	(130)	0	(2)
Dividend income	0	0	0	0	0
Interest received	32	29	33	23	13
Net cash flow from operating activities	353	3,511	(16)	54	206
CASH FLOW FROM INVESTING ACTIVITIES					
Distribution of income from marketable securities	89	109	0	0	0
Proceeds from disposal of investment in associated company	0	262	0	0	0
Proceeds from disposal of marketable securities	3,300	4,712	0	0	0
Purchase of marketable securities	(589)	(2,708)	0	0	0
Proceeds from disposal of property, plant and equipment	0	0	30	0	0
Net cash flow from investing activities	2,800	2,375	30	0	0
CASH FLOW FROM FINANCING ACTIVITY					
Dividends paid	(2,500)	(4,000)	(1,800)	(1,800)	0
NET CHANGE IN CASH AND CASH EQUIVALENTS	653	1,886	(1,786)	(1,746)	206

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19.0 FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	584	1,237	3,123	3,123	1,337
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	1,237	3,123	1,337	1,377	1,543
Represented by:					
Fixed deposits with a licensed bank (Note 19.5.7)	0	1,802	1,067	808	1,029
Cash and bank balances	1,237	1,321	270	569	514
	1,237	3,123	1,337	1,377	1,543

19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB

19.5.1 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
At cost			
At 1 January 2007	88	279	367
Written off	0	(60)	(60)
At 31 December 2007/ At 1 January 2008/ At 31 December 2008/ At 1 January 2009	88	219	307
Disposal	(88)	0	(88)
At 31 December 2009/ At 1 January 2010/ At 30 June 2010	0	219	219

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB

19.5.1 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicle RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Accumulated depreciation			
At 1 January 2007	70	238	308
Current charge	18	18	36
Written off	0	(57)	(57)
At 31 December 2007/ At 1 January 2008	88	199	287
Current charge	0	4	4
At 31 December 2008/ At 1 January 2009	88	203	291
Current charge	0	4	4
Disposal	(88)	0	(88)
At 31 December 2009/ At 1 January 2010	0	207	207
Current charge	0	2	2
At 30 June 2010	0	209	209
Net book value			
At 31 December 2007	0	20	20
At 31 December 2008	0	16	16
At 31 December 2009	0	12	12
At 30 June 2010	0	10	10

19.5.2 INVESTMENT IN ASSOCIATED COMPANIES (31.12.2007 ONLY)

	RM'000
Unquoted shares, at cost	262

Name	Effective interest	Principal activities
Denmas Sdn. Bhd.	25%	Property development
Karya Cemerlang Sdn. Bhd.	25%	Property development

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.2 INVESTMENT IN ASSOCIATED COMPANIES (31.12.2007 ONLY) (CONTINUED)

All the above subsidiary companies were incorporated in Malaysia.

If equity method of accounting had been applied, the carrying amount of investment in the associated companies would have been as follows:-

	RM'000
Unquoted shares, at cost	262
Share of post-acquisition profit	63
	<u>325</u>
Represented by:	
Share of net assets of associated companies	<u>325</u>

and the income statement would have been as follows:

Profit before taxation of the Company	567
Share of profit in associated companies	2
Profit before taxation for the financial year	<u>569</u>
Taxation	
- the Company	208
- the associated companies	0
Profit after taxation for the financial year	<u>777</u>

19.5.3 INVENTORIES

	← 31 December →		30 June
	2007	2008	2010
	RM'000	RM'000	RM'000
Properties held for sale (Note 19.5.4)	<u>0</u>	<u>180</u>	<u>0</u>

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.4 PROPERTY DEVELOPMENT COSTS

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
At 1 January				
- Development costs	675	2,932	0	0
Costs incurred during the financial year				
- Development costs	2,257	69	0	0
Transfer to inventories (Note 19.5.3)	0	(180)	0	0
Cost eliminated due to completion of project	0	(2,821)	0	0
	<u>2,257</u>	<u>(2,932)</u>	<u>0</u>	<u>0</u>
Less: Costs recognised in profit or loss				
At 1 January	0	(2,585)	0	0
Recognised during the financial year	(2,585)	(236)	0	0
Cost eliminated due to completion of project	0	2,821	0	0
At 31 December/30 June	<u>(2,585)</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 December/30 June	<u>347</u>	<u>0</u>	<u>0</u>	<u>0</u>

Included in the property development costs incurred during the financial year was as follows:

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Rental of office	40	0	0	0

19.5.5 RECEIVABLES AND DEPOSITS

	← 31 December →			30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	296	131	0	0
Other receivables	0	1	1	0
Amount owing by a related party	0	0	30	0
Accrued billings in respect of property, development costs	296	0	0	0
Deposits	14	10	10	9
	<u>606</u>	<u>142</u>	<u>41</u>	<u>9</u>

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.5 RECEIVABLES AND DEPOSITS

The amount owing by a related party was non-trade in nature, unsecured, non-interest bearing and had no fixed terms of repayment.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

19.5.6 MARKETABLE SECURITIES (31.12.2007 ONLY)

	RM'000
At cost	
Units trust quoted in Malaysia	<u>2,004</u>
At market value	
Units trust quoted in Malaysia	<u>2,004</u>

19.5.7 FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates for the fixed deposits with a licensed bank at the rate of 2.25% (31.12.2009: 2.00%) per annum. The short-term deposits are maturing by July 2010.

19.5.8 CASH AND BANK BALANCES

Included in the cash and bank balances is an amount of RM636,467, RM214,731, RM217,089 and RM218,378 as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

19.5.9 PAYABLES

	← 2007	31 December 2008	2009 →	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	203	56	44	0
Deposits received	310	0	0	0
Accruals	4	4	1	1
	<u>517</u>	<u>60</u>	<u>45</u>	<u>1</u>

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.10 SHARE CAPITAL

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Authorised				
1,000,000 ordinary shares of RM1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
1,000,000 ordinary shares of RM1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19.5.11 DEFERRED TAX LIABILITY

	← 31 December →			30 June
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
At 1 January	3	#	1	1
Recognised in the profit or loss (Note 19.5.13)				
- development expenditure	0	(772)	0	0
- property, plant and equipment	(8)	#	0	0
- underprovision in respect of prior financial year	5	772	0	0
- resulting from reduction in tax rate	#	0	0	0
At 31 December/30 June	<u>#</u>	<u>1</u>	<u>1</u>	<u>1</u>
Subject to income tax:				
Deferred tax liability				
Property, plant and equipment	<u>#</u>	<u>1</u>	<u>1</u>	<u>1</u>

Denotes

-represent amount less than RM1,000

19.5.12 REVENUE

Revenue represents income from sales of completed properties and development revenue recognised to date based on percentage of completion method and sale of club house.

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.13 PROFIT BEFORE TAX

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Profit before tax is arrived at after charging:					
Audit fee					
- current year	4	4	1	0	1
- overprovision in respect of prior year	0	0	#	0	#
Depreciation	36	4	4	2	2
Property, plant and equipment written off	3	0	0	0	0
and crediting:					
Distribution of income from marketable securities	89	109	0	0	0
Interest income	32	29	33	0	0

19.5.14 TAX (INCOME)/EXPENSE

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
The major components of the tax (income)/ expense are:					
Current tax expense:					
- based on profit for the year	103	1,659	6	5	8
- (over)/underprovision in of taxation in respect of prior financial years	(307)	(103)	(58)	0	1
	(204)	1,556	(52)	5	9

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.14 TAX (INCOME)/EXPENSE (CONTINUED)

	← FYE 31 December →			← FPE 30 June →	
	2007 RM'000	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Deferred tax liability (Note 19.5.11)					
- relating to origination and reversal of temporary differences	(8)	(772)	0	0	0
- underprovision in respect of prior financial year	5	772	0	0	0
	<u>(207)</u>	<u>1,556</u>	<u>(52)</u>	<u>5</u>	<u>9</u>
Reconciliation of tax expense and accounting profit:					
Accounting profit before tax	<u>568</u>	<u>3,575</u>	<u>54</u>	<u>18</u>	<u>38</u>
Tax at the applicable tax rate of (2007: 27%, 2008: 26%, 2009: 25%, 2010: 25%)	153	930	14	5	9
Tax effect of:					
- income not subject to tax	(24)	(29)	(8)	0	0
- expenses not deductible for tax purposes	1	16	1	1	1
- different tax rate for the first RM500,000 of chargeable income	(35)	(30)	(1)	(1)	(2)
Overprovision of tax expense in respect of prior financial year	(307)	(103)	(58)	0	0
Underprovision of deferred tax liability in respect of prior financial year	5	772	0	0	1
Tax (income)/expense for the year/period	<u>(207)</u>	<u>1,556</u>	<u>(52)</u>	<u>5</u>	<u>9</u>

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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.15 DIVIDEND

Dividends declared are as follows:

	← FYE 31 December →			← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividend paid:				(Unaudited)	
First interim dividend, less tax					
- Gross dividend per share (sen)	<u>205</u>	<u>400</u>	<u>180</u>	<u>0</u>	<u>0</u>
- Amount of dividend (RM'000)	<u>1,500</u>	<u>4,000</u>	<u>1,800</u>	<u>0</u>	<u>0</u>
Second interim dividend, less tax					
- Gross dividend per share (sen)	<u>137</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
- Amount of dividend (RM'000)	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

19.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current financial period, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.



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19.5.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from non-trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010 RM'000
	<u>On demand or within one year</u>
Financial liability	
Payables	<u>1</u>
Total undiscounted financial liability	<u><u>1</u></u>



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19.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH SB (CONTINUED)

19.5.17 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets are bank balances, fixed deposits with a licensed bank and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liability is accruals.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables and deposits	19.5.5
Payables	19.5.9

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

19.5.18 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009. As at the respective reporting dates, the Company did not have any debt. As such, no gearing ratio was presented.

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20.0 FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT

20.1 STATEMENTS ON FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 31 December 2008, 31 December 2009 and 30 June 2010 are as follows:

	NOTE	← 31 December →		30 June
		2008	2009	2010
		RM'000	RM'000	RM'000
NON-CURRENT ASSET				
Property, plant and equipment	20.5.1	0	7	6
CURRENT ASSETS				
Property development costs	20.5.2	81	32,089	37,920
Receivables and deposit	20.5.3	30,842	1,014	11,237
Fixed deposits with a licensed bank	20.5.4	0	1,212	0
Cash and bank balances	20.5.5	1,355	1,861	825
		<u>32,278</u>	<u>36,176</u>	<u>49,982</u>
CURRENT LIABILITIES				
Payables	20.5.6	10,684	17,401	6,524
Bank overdraft	20.5.7	0	0	3,216
Term loan	20.5.9	4,025	6,900	6,900
Income tax payable		0	0	161
		<u>14,709</u>	<u>24,301</u>	<u>16,801</u>
NET CURRENT ASSETS				
		<u>17,569</u>	<u>11,875</u>	<u>33,181</u>
		<u>17,569</u>	<u>11,882</u>	<u>33,187</u>
SHARE CAPITAL				
(ACCUMULATED LOSSES)	20.5.8	1,000	1,500	25,858
/RETAINED PROFIT		<u>(106)</u>	<u>(543)</u>	<u>1,613</u>
		<u>894</u>	<u>957</u>	<u>27,471</u>
NON-CURRENT LIABILITIES				
Term loan	20.5.7	16,675	10,925	5,461
Deferred tax liability	20.5.10	0	0	255
		<u>16,675</u>	<u>10,925</u>	<u>5,716</u>
		<u>17,569</u>	<u>11,882</u>	<u>33,187</u>

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20.0 FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT (CONTINUED)**20.2 STATEMENTS OF COMPREHENSIVE INCOME**

The statements of comprehensive income based on its audited financial statements for the financial period from 16 May 2008 (Date of Incorporation) to 31 December 2008, financial year ended 31 December 2009 and six months financial periods ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	←FPE/FYE 31 December→		←FPE 30 June→	
		2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Revenue	20.5.11	0	580	0	13,209
Cost of sales		0	(477)	0	(9,816)
Gross profit		0	103	0	3,393
Other operating income		0	397	222	31
Sales and marketing costs		(20)	(282)	(71)	(261)
Administrative expenses		(12)	(53)	(5)	(103)
Finance cost	20.5.12	(74)	(602)	(387)	0
(LOSS)/PROFIT BEFORE TAX	20.5.13	(106)	(437)	(241)	3,060
Tax expense	20.5.14	0	0	0	(904)
LOSS/(PROFIT) FOR THE FINANCIAL YEAR/(PERIOD)		(106)	(437)	(241)	2,156
(Loss)/Earnings per share:					
Gross (sen)		(10.60)	(43.70)	(24.10)	306.00
Net (sen)		(10.60)	(43.70)	(24.10)	215.60
Gross profit margin (%)		0.00	17.76	0.00	25.69
Pre-tax (loss)/profit margin (%)		0.00	(75.34)	0.00	23.17
(LBIDTA)/EBIDTA		(32)	167	146	3,061
Effective tax rate (%)		0.00	0.00	0.00	29.54

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20.0 FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT (CONTINUED)

20.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FPE/FYE 31 December →		← FPE 30 June →	
	2008 RM'000	2009 RM'000	2009 RM'000	2010 RM'000
Trade receivables' turnover periods (months)	0.00	16.70	0.00	2.93
Trade payables' turnover periods (months)	0.00	2.16	0.00	3.98

20.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial period from 16 May 2008 (Date of Incorporation) to 31 December 2008, financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 16 May 2008		*	0	*
Issuance of shares				
- Ordinary shares	20.5.8	1,000	0	1,000
Loss for the financial period		0	(106)	(106)
At 31 December 2008		1,000	(106)	894
Issuance of shares				
- Redeemable preference share	20.5.8	500	0	500
Loss for the financial year		0	(437)	(437)
At 31 December 2009		1,500	(543)	957
At 1 January 2009		1,000	(106)	894
Loss for the financial period		0	(241)	(241)
At 30 June 2009 (Unaudited)		1,000	(347)	653

Denotes

* - represent RM2

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20.0 FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT (CONTINUED)

20.3 STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	NOTE	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2010		1,500	(543)	957
Issuance of shares				
- redeemable preference shares series B	20.5.8	24,358	0	24,358
Profit for the financial period		0	2,156	2,156
At 30 June 2010		<u>25,858</u>	<u>1,613</u>	<u>27,471</u>

20.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial period from 16 May 2008 (Date of Incorporation) to 31 December 2008, financial year ended 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	←FPE/FYE 31 December→		← FPE 30 June →	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(106)	(437)	(241)	3,060
Depreciation	0	2	0	1
Interest expense	74	602	387	0
Interest income	0	(391)	(222)	(13)
Operating (loss)/profit before working capital changes	(32)	(224)	(76)	3,048
Property development costs	(81)	(32,008)	(1,332)	(5,831)
Receivables and deposit	(30,842)	29,828	1,228	(10,223)
Payables	10,684	6,717	6,194	(10,877)
Cash generated from operations	(20,271)	4,313	6,014	(23,883)
Interest paid	(74)	(602)	(387)	0
Interest received	0	391	221	13
Taxation paid	0	0	0	(488)
Net cash flow from operating activities	<u>(20,345)</u>	<u>4,102</u>	<u>5,848</u>	<u>(24,358)</u>

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20.0 FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT (CONTINUED)

20.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	←FPE/FYE 31 December→		←FPE 30 June→	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	0	(9)	0	0
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	1,000	0	0	0
Proceeds from issuance of redeemable preference shares	0	500	0	24,358
Proceeds from term loan	20,700	(2,875)	0	0
Repayment of term loan	0	0	0	(5,464)
Net cash flow from financing activities	21,700	(2,375)	0	18,894
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,355	1,718	5,848	(5,464)
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION/ BEGINNING OF THE FINANCIAL PERIOD/YEAR	*	1,355	1,355	3,073
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	1,355	3,073	7,203	(2,391)
Represented by:				
Fixed deposit with a licensed bank (Note 20.5.4)	0	1,212	6,004	0
Cash and bank balances	1,355	1,861	1,199	825
Bank overdraft	0	0	0	(3,216)
	1,355	3,073	7,203	(2,391)

Denotes

* - represent RM2

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT

20.5.1 PROPERTY PLANT AND EQUIPMENT

	Computer RM'000
At cost	
At 16 May 2008/31 December 2008/ 1 January 2009	0
Additions	9
At 31 December 2009/1 January 2010/ 30 June 2010	<u>9</u>
Accumulated depreciation	
At 16 May 2008/31 December 2008/ 1 January 2009	0
Current charge	2
At 31 December 2009/1 January 2010	2
Current charge	1
At 30 June 2010	<u>3</u>
Net book value	
At 31 December 2008	<u>0</u>
At 31 December 2009	<u>7</u>
At 30 June 2010	<u>6</u>

20.5.2 PROPERTY DEVELOPMENT COSTS

	← 31 December →	
	2008	2009
	RM'000	RM'000
		30 June 2010 RM'000
At 16 May/1 January		
- Freehold land, at cost	0	0
- Development costs	0	81
	<u>0</u>	<u>29,579</u>
		<u>2,988</u>
		<u>32,567</u>
Add: Costs incurred during the period/year		
- Freehold land, at cost	0	29,579
- Development costs	81	2,907
	<u>81</u>	<u>15,647</u>
		<u>32,486</u>
		<u>15,647</u>

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.2 PROPERTY DEVELOPMENT COSTS (CONTINUED)

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Cost recognised in the profit or loss:			
At 16 May/1 January	0	0	(478)
Recognised during the period/year	0	(478)	(9,816)
At 31 December/30 June	<u>0</u>	<u>(478)</u>	<u>(10,294)</u>
At 31 December/30 June	<u>81</u>	<u>32,089</u>	<u>37,920</u>

Included in the property development costs incurred during the financial period/year are as follows:

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Bank overdraft interest	0	0	26
Term loan interest	<u>0</u>	<u>100</u>	<u>370</u>

20.5.3 RECEIVABLES AND DEPOSIT

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Trade receivables	0	807	3,098
Non-trade receivable	0	0	547
Accrued billing in respect of property development costs	0	0	3,360
Amount owing by a shareholder	11,621	0	0
Deposit	<u>19,221</u>	<u>207</u>	<u>4,232</u>
	<u>30,842</u>	<u>1,014</u>	<u>11,237</u>

The amount owing by a shareholder refers to the early settlement of the final payment for the purchase of land from the shareholder in accordance with the Supplementary Agreement made on 7 November 2008 whereby the shareholder has agreed to pay and reimburse the Company interest at the rate chargeable by the bank on the sum released by the bank in settlement of the final payment commencing from the date of release up to 15 October 2009.

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.3 RECEIVABLES AND DEPOSIT (CONTINUED)

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

	RM'000
Neither past due nor impaired	1,431
1 to 30 days past due not impaired	508
31 to 60 days past due not impaired	357
61 to 90 days past due not impaired	291
More than 91 days past due not impaired	511
	<u>3,098</u>

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM1,666,737 that are past due at the reporting date but not impaired.

20.5.4 FIXED DEPOSITS WITH A LICENSED BANK (31.12.2009 ONLY)

Included in the fixed deposits is an amount of RM1,212,083 pledged as security for bank guarantee granted to the Company.

The effective interest rates for the fixed deposits with the licensed bank at the rate of 2.00%. The short-term deposits are maturing by January 2010.

20.5.5 CASH AND BANK BALANCES

Included in the bank balances is an amount of RM935,653 and RM675,057 as at 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.6 PAYABLES

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Trade payables	5	86	6,515
Amount owing to shareholders	10,678	16,358	0
Progress billings in respect of property development	0	954	0
Accrual	1	3	9
	<u>10,684</u>	<u>17,401</u>	<u>6,524</u>

The amount owing to shareholders is unsecured, non-interest bearing and repayable on demand.

Included in trade payables are retention sum on contracts.

20.5.7 BANK OVERDRAFT

The effective interest rate per annum of the bank overdraft at the reporting date is at 6.80%.

The bank overdraft and term loan (Note 20.5.9) are secured and covered by the way of:

- (a) legal charge over a piece of development land;
- (b) corporate guarantee by Mutiara Goodyear Development Berhad; and
- (c) joint and several guarantee by Teh Kiak Seng and Tsai Chia Ling.

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(CONTINUED)

20.5.8 SHARE CAPITAL

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Authorised			
Ordinary shares of RM1 each			
At 16 May 2008/1 January	100	1,000	2,500
Reclassified from redeemable preference shares	0	0	2,000
Created during the financial period/year	900	1,500	0
At 31 December/30 June	<u>1,000</u>	<u>2,500</u>	<u>4,500</u>
Redeemable preference shares of RM1 each			
At 16 May 2008/1 January	0	0	2,500
Reclassified to ordinary shares	0	0	(2,000)
Reclassified to redeemable preference series A	0	0	(500)
Created during the financial year	0	2,500	0
At 31 December/30 June	<u>0</u>	<u>2,500</u>	<u>0</u>
Redeemable preference shares series A of RM1 each			
At 16 May 2008/1 January	0	0	0
Reclassified from redeemable preference shares	0	0	500
At 31 December/30 June	<u>0</u>	<u>0</u>	<u>500</u>
Redeemable preference shares series B of RM1 each			
At 16 May 2008/1 January	0	0	0
Created during the year	0	0	45,000
At 31 December/30 June	<u>0</u>	<u>0</u>	<u>45,000</u>
	<u>1,000</u>	<u>5,000</u>	<u>50,000</u>

Denotes

* - represent RM2

The main features of the Redeemable Preference Shares A ("RPS A") are as follows:

- a) The RPS A holders do not carry any rights to participate in the profits of the Company;
- b) The RPS A holders have no right to any preferential dividend;
- e) The RPS A holders do not carry any right to attend and vote at any general meeting of the Company except on resolutions to amend the RPS's rights or to commence dissolution or winding up of the Company;



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**20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)**

20.5.8 SHARE CAPITAL (CONTINUED)

- d) The RPS A shall have the right on a winding up or other return of capital, to payment in priority to all other shares in the Company;
- e) The RPS A shall, subject to Section 61 of the Companies Act 1965, be redeemed at the discretion of the Company at Ringgit Malaysia One Only (RM1.00) for each RPS held.

The main features of the Redeemable Preference Shares series B ("RPS B") are as follows:

- a) The RPS B holders do not carry any rights to participate in the profits of the Company;
- b) The RPS B holders have no right to any preferential dividend;
- e) The RPS B holders do not carry any right to attend and vote at any general meeting of the Company except on resolutions to amend the RPS's rights or to commence dissolution or winding up of the Company;
- d) The RPS B shall have the right on a winding up or other return of capital, to payment in priority to all other shares in the Company; and
- e) The RPS B shall, subject to Section 61 of the Companies Act 1965 be redeemed upon and subject to the following terms and conditions: -
 - i) the Company shall redeem the RPS B at 3rd anniversary from the date of issuance of RPS at Ringgit Malaysia One (RM1.00) only for each RPS held;
 - ii) no RPS B shall be redeemed otherwise than in accordance with the provisions of Section 61 of the Act; and
 - iii) no RPS B redeemed by the Company shall be capable of reissue.

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.9 TERM LOAN

The term loan is repayable by 36 equal monthly installments of RM575,000 each until full settlement or by way of redemption of units whichever is earlier. Interest has been charged at the rate of cost of fund + 0.90% per annum.

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
Secured			
Bank overdrafts	0	0	3,216
Term loan (Current)	4,025	6,900	6,900
	<u>4,025</u>	<u>6,900</u>	<u>10,116</u>
Representing term loan:			
- current	4,025	6,900	6,900
- non-current	16,675	10,925	5,461
	<u>20,700</u>	<u>17,825</u>	<u>12,361</u>
The term loan of the Company is repayable as follows:			
- not later than 1 year	4,025	6,900	6,900
- later than 1 year and not later than 5 years	16,675	10,925	5,461
	<u>20,700</u>	<u>17,825</u>	<u>12,361</u>
The effective interest rates per annum of the Company at the reporting date for bank borrowings were as follows:			
Bank overdraft	N/A	N/A	6.80%
Term loan	4.55%	3.24%	3.79%



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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.10 DEFERRED TAX LIABILITY

	← 31 December →		30 June
	2008	2009	2010
	RM'000	RM'000	RM'000
At 16 May/1 January			
Recognised in the profit or loss (Note 20.5.13):	0	0	0
- property, plant and equipment	0	0	1
- property development costs	0	0	254
At 31 December/30 June	<u>0</u>	<u>0</u>	<u>255</u>
Deferred tax liabilities (before offsetting)			
Property, plant and equipment	0	1	1
Property development costs	0	26	254
	<u>0</u>	<u>27</u>	<u>255</u>
Offsetting	0	(27)	0
Deferred tax liabilities (after offsetting)	<u>0</u>	<u>0</u>	<u>255</u>
Deferred tax assets (before offsetting)			
Property development costs	0	68	0
Unabsorbed tax loss	8	7	0
	<u>8</u>	<u>75</u>	<u>0</u>
Offsetting	0	(27)	0
Deferred tax assets (after offsetting)	<u>8</u>	<u>48</u>	<u>0</u>
The estimated amount of deferred tax calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:			
Property, plant and equipment	0	(1)	0
Property development costs	0	42	0
Unabsorbed tax loss	8	7	0
	<u>8</u>	<u>48</u>	<u>0</u>

20.5.11 REVENUE

Revenue represents income from development revenue recognised to date based on percentage of completion method.

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.12 FINANCE COST

	←FPE/FYE 31 December →		← FPE 30 June →	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Interest on term loan	74	602	387	0

20.5.13 (LOSS)/PROFIT BEFORE TAX

	←FPE/FYE 31 December →		← FPE 30 June →	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
(Loss)/Profit before tax is arrived at after charging:				
Audit fee	1	3	0	9
Depreciation	0	2	0	1
and crediting:				
Interest income	0	391	222	13

20.5.14 TAX EXPENSE

	←FPE/FYE 31 December →		← FPE 30 June →	
	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
The major components of the tax expense are:				
Current tax expense based on profit for the financial period	0	0	0	495
Underprovision of tax expense in respect of prior financial year	0	0	0	154
	0	0	0	649
Deferred tax liability (Note 20.5.9):				
- relating to origination and reversal of temporary differences	0	0	0	255
	0	0	0	904
	226			

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.14 TAX EXPENSE (CONTINUED)

	← FPE/FYE 31 December →		← FPE 30 June →	
	2008 RM'000	2009 RM'000	2009 RM'000 (Unaudited)	2010 RM'000
Accounting (loss)/profit before tax	(106)	(437)	(241)	3,060
Reconciliation of tax expense and accounting loss:				
Tax at the applicable tax rate of (2008: 26%, 2009: 25%, 2010: 25%)	(27)	(109)	(60)	765
Tax effect of:				
- expenses not deductible for tax purpose	19	153	60	51
- income not subject to tax	0	(85)	0	0
- different tax rate for first RM500,000 of chargeable income	0	0	0	(25)
Underprovision of tax expense in respect of prior financial year	0	0	0	154
Utilisation of deferred tax asset not recognised in prior financial year	0	0	0	(41)
Deferred tax asset not recognised during the period/year	8	41	0	0
Tax expense for the period/year	0	0	0	904



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**20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)**

20.5.15 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from variable interest rate term loan.

As at the reporting date, the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM1,187 higher/lower, arising mainly as a result of lower/higher interest expense on term loan. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.



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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT (CONTINUED)

20.5.15 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Credit risk (Continued)

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 20.5.3.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 56% (31.12.2009: 39%) of the Company's term loan (Note 20.5.9) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010		
	RM'000		
	On demand within one year	One to five years	Total
Financial liabilities			
Payables	6,524	0	6,524
Term loan	6,900	5,461	12,361
Total undiscounted financial liabilities	13,424	5,461	18,885



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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT (CONTINUED)

20.5.16 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets, cash and bank balances, fixed deposits with a licensed bank, trade and non-trade receivables, accrued billings in respect of property development and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade payables, amount owing to a related company, amount owing to shareholders and accrual.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables and deposit (current)	20.5.3
Payables (current)	20.5.6
Term loan (current)	20.5.7
Term loan (non-current)	20.5.7

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of term loan is reasonable approximation of fair value due to the insignificant impact of discounting.

The fair value of current term loan is estimated by discounting expected future cash flows at market incremental lending rate for similar type of lending arrangement at the reporting date.

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20.5 NOTES TO THE FINANCIAL STATEMENTS OF TAMBUN INDAH DEVELOPMENT
(CONTINUED)

20.5.17 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial year ended 31 December 2009.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company policy is to keep the gearing ratio at 50%. The Company includes within net debt, term loan less cash and cash equivalents.

	FYE 31 December 2009 RM'000	FPE 30 June 2010 RM'000
Term loan	17,825	12,361
Less: Cash and cash equivalents	(3,073)	2,391
Net debt	<u>14,752</u>	<u>14,752</u>
Total capital	<u>957</u>	<u>27,470</u>
Capital and debt	<u>15,709</u>	<u>42,222</u>
Gearing ratio	94%	35%

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21.0 FINANCIAL STATEMENTS OF TID DEVELOPMENT

21.1 STATEMENT ON FINANCIAL POSITION

The statement of financial position based on its audited financial statements as at 30 June 2010 is as follows:

	NOTE	30 June 2010 RM'000
NON-CURRENT ASSETS		
Land held for property development	21.5.1	<u>5,904</u>
CURRENT ASSET		
Bank balances		<u>588</u>
CURRENT LIABILITY		
Payables	21.5.2	<u>6,250</u>
NET CURRENT LIABILITY		
		<u>(5,662)</u>
		<u>242</u>
SHARE CAPITAL		
	21.5.3	250
ACCUMULATED LOSS		
		<u>(8)</u>
		<u>242</u>

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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21.0 FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.2 STATEMENT OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial period from 23 September 2009 (Date of Incorporation) to 30 June 2010 is as follows:

	NOTE	FPE 30 June 2010 RM'000
Revenue		0
Administrative expenses		(8)
LOSS BEFORE TAX	21.5.4	(8)
Tax expense	21.5.5	0
LOSS FOR THE FINANCIAL PERIOD		(8)
Loss per share:		
Gross (sen)		(3.20)
Net (sen)		(3.20)
Gross profit margin (%)		0.00
Pre-tax profit margin (%)		0.00
LBIDTA		(8)
Effective tax rate (%)		0.00
Trade receivables' turnover periods (months)		0.00
Trade payables' turnover periods (months)		0.00

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21.0 FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.3 STATEMENT OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial period from 23 September 2009 (Date of Incorporation) to 30 June 2010 is as follows:

	NOTE	Share capital RM'000	Aceumulated loss RM'000	Total RM'000
At 23 December 2009		*	0	*
Issuance of ordinary shares	21.5.3	250	0	250
Loss for the financial period		0	(8)	(8)
At 30 June 2010		250	(8)	242

Denotes

* -represent RM2

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
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Accountants' Report

21.0 FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.4 STATEMENT OF CASH FLOWS

The statement of cash flows based on its audited financial statements for the financial period from 23 September 2009 (Date of Incorporation) to 30 June 2010 is as follows:

	FPE 30 June 2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax	(8)
Working capital changes:	
Land held for property development	(5,904)
Payables	6,250
Net cash flow from operating activities	338
CASH FLOW FROM FINANCING ACTIVITY	
Proceeds from issuance of ordinary shares	250
NET CHANGE IN CASH AND CASH EQUIVALENTS	588
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION	*
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	588
Represented by:	
Bank balances	588

Denotes

* -represent RM2

21.5 NOTES TO THE FINANCIAL STATEMENTS OF TID DEVELOPMENT

21.5.1 LAND HELD FOR PROPERTY DEVELOPMENT

	30 June 2010 RM'000
At cost	
Freehold land	5,624
Development costs	280
	5,904

The freehold land is charged to a licensed bank for bank borrowings granted to the Company. The bank borrowings have not been drawdown at the reporting date.

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21.5 NOTES TO THE FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.5.2 PAYABLES

	30 June 2010 RM'000
Amount owing to a Director	2,500
Amount owing to shareholders	3,750
Accrual	#
	<u>6,250</u>

Denotes

- represent amount less than RM1,000

The amount owing to a Director and shareholders are unsecured, non-interest bearing and repayable on demand.

21.5.3 SHARE CAPITAL

	RM'000
Authorised	
Ordinary shares of RM1 each	
At 23 December 2009	100
Created during the financial period	400
At 30 June 2010	<u>500</u>
Issued and fully paid	
Ordinary shares of RM1 each	
At 23 December 2009	*
Issued during the financial period, at par	250
At 30 June 2010	<u>250</u>

Denotes

* - represent RM2

21.5.4 LOSS BEFORE TAX

	FPE 30 June 2010 RM'000
Loss before tax is arrived at after charging:	
Audit fee	<u>1</u>

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21.5 NOTES TO THE FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.5.5 TAX EXPENSE

	FPE 30 June 2010 RM'000
Reconciliation of tax expense and accounting loss:	
Accounting loss before tax	<u>(8)</u>
Tax at the applicable tax rate of 25%	(2)
Tax effect of expenses not deductible for tax purposes	1
Permanent loss not recognized during the financial period	<u>1</u>
Tax expense for the financial period	<u>0</u>

21.5.6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current financial period, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from non-trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.



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21.5 NOTES TO THE FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.5.6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Analysis of financial instruments by remaining contractual maturities

The table below summarised the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010 RM'000
	On demand or within one year
Financial liability	
Payables	6,250
Total undiscounted financial liability	<u>6,250</u>

21.5.7 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial asset is bank balances.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to a Director, amount owing to shareholders and accrual.

Fair values

The following financial instrument is not carried at fair value and the carrying amount is reasonable approximation of fair value:

Payables	<u>Note</u> 21.5.2
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The carrying amount of this financial liability is reasonable approximation of fair value due to its short-term nature.



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21.5 NOTES TO THE FINANCIAL STATEMENTS OF TID DEVELOPMENT (CONTINUED)

21.5.8 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010. As at the respective reporting dates, the Company did not have any debt. As such, no gearing ratio was presented.

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22.0 FINANCIAL STATEMENTS OF TKS LAND

22.1 STATEMENTS ON FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 30 June 2010 are as follows:

	NOTE	Group 30 June 2010 RM'000	Company 30 June 2010 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	22.5.1	3	0
Investment in a subsidiary	22.5.2	0	1,383
Goodwill on consolidation		1,193	0
		<u>1,196</u>	<u>1,383</u>
CURRENT ASSETS			
Property development costs	22.5.3	4,732	0
Receivables and deposits	22.5.4	19	3,134
Cash and bank balances		2,149	278
		<u>6,900</u>	<u>3,412</u>
CURRENT LIABILITY			
Payables	22.5.5	<u>7,935</u>	<u>4,800</u>
NET CURRENT LIABILITY			
		<u>(1,035)</u>	<u>(1,388)</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	22.5.6	*	*
Accumulated loss		<u>(17)</u>	<u>(5)</u>
		<u>(17)</u>	<u>(5)</u>
Minority interest		178	0
TOTAL EQUITY			
		<u>161</u>	<u>(5)</u>

Denotes

* - represent RM2

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22.0 FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial period from 3 March 2010 (Date of Incorporation) to 30 June 2010 are as follows:

	NOTE	Group FPE 30 June 2010 RM'000	Company FPE 30 June 2010 RM'000
Revenue		0	0
Administrative expenses		(29)	(5)
LOSS BEFORE TAX	22.5.7	(29)	(5)
Tax expense	22.5.8	0	0
LOSS FOR THE FINANCIAL PERIOD		(29)	(5)
Loss per share:			
Gross (sen)		1,450,000.00	250,000.00
Net (sen)		1,450,000.00	250,000.00
Gross profit margin (%)		0.00	0.00
Pre-tax profit margin (%)		0.00	0.00
LBIDTA		(29)	(5)
Effective tax rate (%)		0.00	0.00
Trade receivables' turnover periods (months)		0.00	0.00
Trade payables' turnover periods (months)		0.00	0.00

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TAMBUN INDAH LAND BERHAD
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22.0 FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial period from 3 March 2010 (Date of Incorporation) to 30 June 2010 are as follows:

Group	NOTE	Share capital RM'000	Accumulated loss RM'000	Equity attributable to owners of the parent RM'000	Minority interest RM'000	Total equity RM'000
At 3 March 2010		*	0	*	0	*
On acquisition of a subsidiary company	22.5.2	0	0	0	190	190
Loss for the financial period		0	(17)	(17)	(12)	(29)
At 30 June 2010		*	(17)	(17)	178	161

Company	Share capital RM'000	Accumulated loss RM'000	Total RM'000
At 3 March 2010	*	0	*
Loss for the financial period	0	(5)	(5)
At 30 June 2010	*	(5)	(5)

Denotes

* - represent RM2



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22.0 FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial period from 3 March 2010 (Date of Incorporation) to 30 June 2010 are as follows:

	Group FPE 30 June 2010 RM'000	Company FPE 30 June 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation for the financial period	(29)	(5)
Adjustment for:		
Depreciation	#	0
Operating loss before working capital changes	(29)	(5)
Property development costs	(55)	0
Receivables and deposits	(19)	(3,134)
Payables	3,638	4,800
Net cash flows from operating activities	<u>3,535</u>	<u>1,661</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flow on acquisition of a subsidiary	(1,383)	(1,383)
Purchase of property, plant and equipment	(3)	0
Net cash flows used in investing activities	<u>(1,386)</u>	<u>(1,383)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,149	278
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION	*	*
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>2,149</u>	<u>278</u>
Represented by:		
Cash and bank balances	<u>2,149</u>	<u>278</u>

Denotes

- represent amount less than RM1,000

* - represent RM2

14. ACCOUNTANTS' REPORT



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22.5 NOTES TO THE FINANCIAL STATEMENTS OF TKS LAND

22.5.1 PROPERTY, PLANT AND EQUIPMENT

	Computer 30 June 2010 RM'000
Group	
At cost	
At 3 March 2010	0
Addition	3
At 30 June 2010	<u>3</u>
Accumulated depreciation	
At 3 March 2010	0
Current charge	#
At 30 June 2010	<u>0</u>
Net book value	
At 30 June 2010	<u>3</u>

Denotes

-represent amount less than RM1,000

22.5.2 INVESTMENT IN A SUBSIDIARY

	Company 30 June 2010 RM'000
At cost	
Unquoted shares	<u>1,383</u>

The details of the subsidiary are as follows:

Name of subsidiary	Place of incorporation	Effective equity interest	Principal activities
CBD Land Sdn. Bhd.	Malaysia	50%	Property development

On 10 May 2010, the Company acquired 200,000 ordinary shares of RM1 each in CBD Land Sdn. Bhd. ("CBD") representing 50% of the total issued and fully paid share capital of CBD for a total purchase consideration of RM1,382,890.

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22.5 NOTES TO THE FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.5.2 INVESTMENT IN A SUBSIDIARY (CONTINUED)

The fair values of the net assets acquired, goodwill on consolidation and cash flow arising from the acquisition was as follows:

	At date of acquisition RM'000
Property development costs	4,677
Cash and bank balances	#
Payables	(4,297)
Fair value of total net assets	<u>380</u>
Goodwill on consolidation	1,193
Minority interest	(190)
Total purchase consideration	<u>1,383</u>
Less: Cash and cash equivalents of a subsidiary company acquired	<u>(#)</u>
Net cash flow on acquisition	<u><u>1,383</u></u>

Denotes

- represent amount less than RM1,000

The effect of the acquisition on the financial result of the Group from the date of acquisition to 30 June 2010 is as follows:

	RM'000
Loss for the period	<u>24</u>

The effect of the acquisition on the financial position of the Group as at 30 June 2010 is as follows:

	RM'000
Receivables	6,621
Payables	(6,269)
Group's share of net assets	<u><u>352</u></u>

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22.5 NOTES TO THE FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.5.3 PROPERTY DEVELOPMENT COSTS

	Group 30 June 2010 RM'000
At cost	4,166
Freehold land	566
Development costs	<u>4,732</u>

22.5.4 RECEIVABLES AND DEPOSITS

	Group 30 June 2010 RM'000	Company 30 June 2010 RM'000
Non-trade receivables	3	0
Amount owing by a subsidiary company	0	3,134
Deposits	16	0
	<u>19</u>	<u>3,134</u>

The amount owing by a subsidiary company is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

22.5.5 PAYABLES

	Group 30 June 2010 RM'000	Company 30 June 2010 RM'000
Amount owing to shareholders	7,934	4,800
Accrual	1	#
	<u>7,935</u>	<u>4,800</u>

Denotes

- represent amount less than RM1,000

The amount owing to shareholders is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

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22.5 NOTES TO THE FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.5.6 SHARE CAPITAL

	Group/ Company 30 June 2010 RM'000
Authorised 100,000 ordinary shares of RM1 each	<u>100</u>
Issued and fully paid 2 ordinary shares of RM1 each	<u>*</u>

Denotes

* - represent RM2

22.5.7 LOSS BEFORE TAX

	Group FPE 30 June 2010 RM'000	Company FPE 30 June 2010 RM'000
Loss before tax is arrived at after charging:		
Audit fee	1	#
Depreciation	<u>#</u>	<u>0</u>

Denotes

- represent amount less than RM1,000

22.5.8 TAX EXPENSE

	Group FPE 30 June 2010 RM'000	Company FPE 30 June 2010 RM'000
Reconciliation of tax expense and accounting loss:	<u>(29)</u>	<u>(5)</u>
Accounting loss for the period		
Tax at the applicable tax rate of 25%	(7)	(1)
Tax effect of expenses not deductible for tax purposes	1	1
Permanent loss not recognised during the financial period	<u>6</u>	<u>#</u>
Tax expense for the financial period	<u>0</u>	<u>0</u>



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22.5 NOTES TO THE FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.5.9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current financial period, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from non-trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

Liquidity risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient liquidity and cash flow at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liability at the reporting date based on contractual undiscounted repayment obligations.

	30 June 2010	
	RM'000	
	<u>On demand or within one year</u>	
	Group	Company
Financial liability		
Payables	7,935	4,800
Total undiscounted financial liability	<u>7,935</u>	<u>4,800</u>

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22.5 NOTES TO THE FINANCIAL STATEMENTS OF TKS LAND (CONTINUED)

22.5.10 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial asset is bank balances.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to shareholders and accrual.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables and deposits	22.5.4
Payables	22.5.5

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

22.5.11 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010. As at the respective reporting dates, the Group did not have any debt. As such, no gearing ratio was presented.

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23.0 FINANCIAL STATEMENTS OF ZIPAC

23.1 STATEMENTS ON FINANCIAL POSITION

The statements of financial position based on its audited financial statements as at 30 November 2007, 30 November 2008, 31 December 2009 and 30 June 2010 are as follows:

		← 30 November →		31 December	30 June
		2007	2008	2009	2010
	NOTE	RM'000	RM'000	RM'000	RM'000
CURRENT ASSETS					
Property development costs	23.5.1	123	123	3,898	3,678
Receivables	23.5.2	0	0	1,015	2,280
Tax recoverable		0	0	36	100
Cash and bank balances	23.5.3	*	*	3,288	3,764
		<u>123</u>	<u>123</u>	<u>8,237</u>	<u>9,822</u>
CURRENT LIABILITIES					
Payables	23.5.4	132	134	5,288	7,960
Term loan	23.5.5	0	0	367	780
		<u>132</u>	<u>134</u>	<u>5,655</u>	<u>8,740</u>
NET CURRENT (LIABILITIES)/ASSETS					
		<u>(9)</u>	<u>(11)</u>	<u>2,582</u>	<u>1,082</u>
		<u>(9)</u>	<u>(11)</u>	<u>2,582</u>	<u>1,082</u>
SHARE CAPITAL	23.5.6	*	*	500	500
(ACCUMULATED LOSSES)/RETAINED PROFITS					
		<u>(9)</u>	<u>(11)</u>	<u>56</u>	<u>507</u>
		<u>(9)</u>	<u>(11)</u>	<u>556</u>	<u>1,007</u>
NON-CURRENT LIABILITIES					
Deferred tax liability	23.5.7	0	0	15	75
Term loan	23.5.5	0	0	2,011	0
		<u>(9)</u>	<u>(11)</u>	<u>2,582</u>	<u>1,082</u>

Denotes

* - represent RM2

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23.0 FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.2 STATEMENTS OF COMPREHENSIVE INCOME

The statements of comprehensive income based on its audited financial statements for the financial years ended 30 November 2007, 30 November 2008, financial period from 1 December 2008 to 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	← FYE 30 November →		FPE	← FPE 30 June →	
		2007	2008	31 December 2009	2009	2010
		RM'000	RM'000	RM'000	RM'000 (Unaudited)	RM'000
Revenue	23.5.8	0	0	1,395	0	3,697
Cost of sales		0	0	(1,181)	0	(3,033)
Gross profit		0	0	214	0	664
Other operating income		0	0	4	0	7
Sales and marketing costs		0	0	(106)	(16)	(53)
Administrative expenses		(2)	(2)	(26)	(6)	(21)
(LOSS)/ PROFIT BEFORE TAX	23.5.9	(2)	(2)	86	(22)	597
Tax expense	23.5.10	0	0	(19)	0	(146)
(LOSS)/ PROFIT FOR THE FINANCIAL YEAR/ PERIOD		(2)	(2)	67	(22)	451

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23.0 FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.2 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

	← FYE 30 November →		FPE	← FPE 30 June →	
	2007	2008	31 December 2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
(Loss)/					
Earnings per					
share:					
Gross (sen)	(100,000)	(100,000)	17.20	8.80	119.40
Net (sen)	(100,000)	(100,000)	13.40	8.80	90.20
Gross profit					
margin (%)	0.00	0.00	15.34	0.00	17.96
Pre-tax profit					
margin (%)	0.00	0.00	6.16	0.00	16.15
(LBIDTA)/					
EBIDTA	(2)	(2)	86	(22)	597
Effective tax					
rate (%)	0.00	0.00	22.09	0.00	24.46
Trade					
receivables'					
turnover					
periods					
(months)	0.00	0.00	8.73	0.00	3.70
Trade					
payables'					
turnover					
periods					
(months)	0.00	0.00	1.00	0.00	5.56

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23.0 FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.3 STATEMENTS OF CHANGES IN EQUITY

The statements of changes in equity based on its audited financial statements for the financial years ended 30 November 2007, 30 November 2008, financial period from 1 December 2008 to 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	NOTE	Share capital RM'000	<u>Distributable</u> (Accumulated losses)/ Retained profits RM'000	Total RM'000
At 1 December 2006		*	(7)	(7)
Loss for the financial year		0	(2)	(2)
At 30 November 2007		*	(9)	(9)
Loss for the financial year		0	(2)	(2)
At 30 November 2008		*	(11)	(11)
Issuance of shares	23.5.6	500	0	500
Profit for the financial period		0	67	67
At 31 December 2009		500	56	556
At 1 December 2009		*	(11)	(11)
Issuance of shares	23.5.6	250	0	250
Loss for the financial period		0	(22)	(22)
At 30 June 2009 (Unaudited)		250	(33)	217
At 1 January 2010		500	56	556
Profit for the financial period		0	451	451
At 30 June 2010		500	507	1,007

Denotes

* - represent RM2

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23.0 FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.4 STATEMENTS OF CASH FLOWS

The statements of cash flows based on its audited financial statements for the financial years ended 30 November 2007, 30 November 2008, financial period from 1 December 2008 to 31 December 2009 and six months financial period ended 30 June 2009 and 30 June 2010 are as follows:

	← FYE 30 November →		FPE	← FPE 30 June →	
	2007	2008	31 December	2009	2010
	RM'000	RM'000	2009	RM'000	RM'000
			RM'000	(Unaudited)	
CASH FLOW FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax	(2)	(2)	86	(22)	597
Adjustment for:					
Interest income	0	0	(1)	0	(5)
Operating (loss)/profit before working capital changes	(2)	(2)	85	(22)	592
Property development costs	0	0	(3,775)	(451)	219
Receivables and deposits	0	0	(1,015)	0	(1,265)
Payables	2	2	5,154	338	2,673
Cash generated from operations	0	0	449	(135)	2,219
Taxation paid	0	0	(40)	0	(150)
Interest received	0	0	1	0	5
Net cash flow from/(used in) operating activities	0	0	410	(135)	2,074
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares	0	0	500	250	0
Drawdown/(Repayment) of term loan	0	0	2,378	0	(1,598)
	0	0	2,878	250	(1,598)

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23.0 FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.4 STATEMENTS OF CASH FLOWS (CONTINUED)

	← FYE 30 November →		FPE 31 December	← FPE 30 June →	
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	0	0	3,288	115	476
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	*	*	*	*	3,288
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR /PERIOD	*	*	3,288	115	3,764
Represented by: Cash and bank balances	*	*	3,288	115	3,764

Denote

* - represent RM2

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23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC

23.5.1 PROPERTY DEVELOPMENT COSTS

	← 30 November →		31 December	30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
At 1 December 2006/2007/2008 /1 January 2010				
- Freehold land, at cost	0	0	0	3,393
- Development costs	123	123	123	1,686
	<u>123</u>	<u>123</u>	<u>123</u>	<u>5,079</u>
Costs incurred during the financial year/period:				
- Freehold land, at cost	0	0	3,393	0
- Development costs	0	0	1,563	2,814
	<u>0</u>	<u>0</u>	<u>5,079</u>	<u>7,893</u>
Cost recognised in the profit or loss:				
At 1 December 2006/2007/2008 /1 January 2010	0	0	0	(1,181)
Recognised during the year/period	0	0	(1,181)	(3,033)
At 30 November /31 December /30 June	0	0	(1,181)	(4,214)
At 30 November /31 December /30 June	<u>123</u>	<u>123</u>	<u>3,898</u>	<u>3,679</u>

Included in the property development costs incurred during the financial year/period are as follows:

	← 30 November →		31 December	30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Interest on term loan	0	0	3	55
	<u>0</u>	<u>0</u>	<u>3</u>	<u>55</u>

23.5.2 RECEIVABLES

	← 30 November →		31 December	30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	0	0	614	546
Accrued billings in respect of property development	0	0	401	1,734
	<u>0</u>	<u>0</u>	<u>1,015</u>	<u>2,280</u>

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23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.2 RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2009: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables as at 30 June 2010

The ageing analysis of the Company's trade receivables is as follows:

	RM'000
Neither past due nor impaired	<u>546</u>

23.5.3 CASH AND BANK BALANCES

Included in the bank balances is an amount of RM581,119 and RM1,345,427 as at 31 December 2009 and 30 June 2010 maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

23.5.4 PAYABLES

	← 30 November →		31 December	30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	0	0	97	97
Other payables	132	134	0	0
Amount owing to a related party				
- trade	0	0	0	2,444
- retention	0	0	0	272
Amount owing to shareholders	0	0	4,400	4,400
Accruals	0	1	47	4
Deposit received	0	0	744	744
	<u>132</u>	<u>134</u>	<u>5,288</u>	<u>7,961</u>

Trade payables are retention sum on contracts.

The amount owing to shareholders is unsecured, non-interest bearing and repayable on demand.

The related party is a company incorporated in Malaysia, in which the Directors and their family members have significant controlling and financial interests.

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23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.5 TERM LOAN (31.12.2009 & 30.6.2009 ONLY)

	31 December 2009 RM'000	30 June 2010 RM'000
Secured		
Representing term loan:		
- current	367	780
- non-current	2,011	0
	<u>2,378</u>	<u>780</u>

The term loan of the Company is repayable as follows:

- not later than 1 year	367	780
- later than 1 year and not later than 5 years	2,011	0
	<u>2,378</u>	<u>780</u>

The term loans are secured and covered by the following:-

- (a) legal charge over a piece of the Company's development land; and
- (b) joint and several guarantee by the Directors

The term loan bears interest at the rate of 6.80% (31.12.2009: 6.55%) per annum.

23.5.6 SHARE CAPITAL

	← 30 November → 2007 RM'000	2008 RM'000	31 December 2009 RM'000	30 June 2010 RM'000
Authorised				
Ordinary shares of RM1 each				
At 1 December 2006/2007/2008/1 January 2010	100	100	100	500
Created during the financial period	0	0	400	0
At 30 November/31 December/30 June	<u>100</u>	<u>100</u>	<u>500</u>	<u>500</u>
Issued and fully paid				
Ordinary shares of RM1 each				
At 1 December 2006/2007/2008/1 January 2010	*	*	*	500
Issued during the financial period, at par	0	0	500	0
At 30 November/31 December/30 June	<u>*</u>	<u>*</u>	<u>500</u>	<u>500</u>

Denotes

* - represent RM2

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23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.7 DEFERRED TAX LIABILITY

	← 30 November →		31 December	30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
At 1 December 2006/2007/2008/1 January 2010	0	0	0	15
Recognised in profit or loss (Note 23.5.10)				
- overprovision in respect of prior financial period	0	0	0	(15)
- property development costs	0	0	15	75
At 30 November/31 December/30 June	<u>0</u>	<u>0</u>	<u>15</u>	<u>75</u>
Subject to income tax:				
Deferred tax liability (before offsetting)				
Property development costs	0	0	53	220
Offsetting	0	0	(38)	(145)
Deferred tax liability (after offsetting)	<u>0</u>	<u>0</u>	<u>15</u>	<u>75</u>
Deferred tax asset (before offsetting)				
Property development costs	0	0	38	145
Offsetting	0	0	(38)	(145)
Deferred tax asset (after offsetting)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The estimated amount of deferred tax asset calculated at the applicable tax rate which has not been recognised in the financial statements is as follows:

	← 30 November →		31 December	30 June
	2007	2008	2009	2010
	RM'000	RM'000	RM'000	RM'000
Subject to income tax:				
Deferred tax asset				
Unabsorbed tax losses	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>

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23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.8 REVENUE

Revenue represents sales of completed properties and development revenue recognised to date based on percentage of completion method.

23.5.9 (LOSS)/PROFIT BEFORE TAX

	← FYE 30 November →		FPE	← FPE 30 June →	
	2007	2008	31 December	2009	2010
	RM'000	RM'000	2009	2009	2010
			RM'000	RM'000	RM'000
				(Unaudited)	
(Loss)/Profit before tax is arrived at after charging:					
Audit fee	#	#	2	0	4
Office rental	0	0	2	0	1
and crediting:					
Interest income	0	0	1	0	5

Denotes

- represent amount less than RM1,000

23.5.10 TAX EXPENSE

	← FYE/FPE		FPE	← FPE 30 June →	
	30 November	2008	31 December	2009	2010
	2007	2008	2009	2009	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
The major components of the tax expense are:					
Current tax expense based on profit for the period/year	0	0	4	0	54
Underprovision of tax expense in respect of prior financial period	0	0	0	0	32
	0	0	4	0	86
Deferred tax expense (Note 23.5.7)					
- relating to origination and reversal of temporary differences	0	0	15	0	75
- overprovision in respect of prior financial period	0	0	0	0	(15)
	0	0	19	0	146

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14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.10 TAX EXPENSE (CONTINUED)

	FYE/FPE ← 30 November → 2007 2008 RM'000 RM'000		FPE 31 December 2009 RM'000	← FPE 30 June → 2009 2010 RM'000 RM'000 (Unaudited)	
Reconciliation of tax expense and accounting profit/(loss):	(2)	(2)	86	(22)	597
Tax at the applicable tax rate of (2007: 27%, 2008: 26%, 2009: 25%, 2010: 25%)	#	#	22	(5)	149
Tax effects of:					
- expenses not deductible for tax purposes	#	#	#	0	1
- different tax rate for first RM500,000 of chargeable income	0	0	(1)	0	(13)
Permanent loss not recognised during the financial period	0	0	0	5	0
Underprovision of tax expense in respect of prior financial period	0	0	0	0	32
Utilisation of previously unrecognised deferred tax assets	0	0	(2)	0	(8)
Overprovision of deferred tax liability in respect of prior financial period	0	0	0	0	(15)
Tax expense for the year/period	0	0	19	0	146

Denotes

- represent amount less than RM1,000

23.5.11 SIGNIFICANT RELATED PARTY TRANSACTION

	← FPE 30 June → 2009 2010 RM'000 RM'000 (Unaudited)	
Progress claims charged by Denmas Sdn. Bhd.	0	2,715



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial period, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from variable interest rate term loan.

As at the reporting date, the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM3,010 higher/lower, arising mainly as a result of lower/higher interest expense on term loan. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 23.5.2.

Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 100% (31.12.2009: 15%) of the Company's term loan (Note 23.5.5) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<u>30 June 2010</u> <u>RM'000</u>
	<u>On demand or</u> <u>within one year</u>
Financial liabilities	
Payables	7,960
Term loan	780
Total undiscounted financial liability	<u>8,740</u>



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.13 FINANCIAL INSTRUMENTS

Financial assets

The Company's principal financial assets, bank balances and trade receivables and accrued billings in respect of property development.

The accounting policies applicable to the major financial assets are as disclosed in Note 5.1 to the financial statements.

Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are trade payables, amount owing to a related company, amount owing to shareholders, deposits received and accruals.

Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Receivables (current)	23.5.2
Payables (current)	23.5.4
Term loan (current)	23.5.5

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of term loan is reasonable approximation of fair value due to the insignificant impact of discounting.

The fair value of current term loan is estimated by discounting expected future cash flows at market incremental lending rate for similar type of lending arrangement at the reporting date.



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

23.5 NOTES TO THE FINANCIAL STATEMENTS OF ZIPAC (CONTINUED)

23.5.14 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial period ended 30 June 2010 and financial period ended 31 December 2009.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company policy is to keep the gearing ratio at 50%. The Company includes within net debt, term loan less cash and cash equivalents.

	FPE 31 December 2009 RM'000	FPE 30 June 2010 RM'000
Term loan	2,378	780
Less: Cash and cash equivalents	<u>(3,288)</u>	<u>(3,764)</u>
Net debt	<u>(910)</u>	<u>(2,984)</u>
Total capital	<u>556</u>	<u>1,008</u>
Capital and debt	<u>(354)</u>	<u>(1,977)</u>
Gearing ratio	N/A	N/A

14. ACCOUNTANTS' REPORT



TAMBUN INDAH LAND BERHAD
(COMPANY NO.: 810446-U)
Accountants' Report

24.0 EVENTS SUBSEQUENT TO REPORTING DATE

Other than the Listing Scheme as set out in Section 2.3 and the estimated listing expenses of RM2,600,000, no events have arisen subsequent to the balance sheet date which would require disclosure in this report.

Yours faithfully

UHY
AF-1411
Chartered Accountants

KOAY THEAM HOCK
2141/04/11 (J)
Chartered Accountant

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF CENDERAMAN DEVELOPMENT SDN. BHD.

(Company No: 800494-X)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CENDERAMAN DEVELOPMENT SDN. BHD., which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial period from 24 December 2007 (Date of incorporation) to 31 December 2008, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 17.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

**INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF
CENDERAMAN DEVELOPMENT SDN. BHD. (CONTINUED)**

(Company No: 800494-X)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

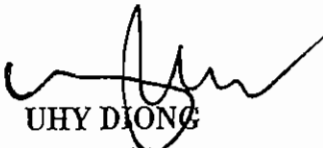
In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and of its financial performance and cash flows for the financial period from 24 December 2007 (Date of incorporation) to 31 December 2008 .

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

Penang

Dated: 27 MAR 2009

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHR Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel: 604-227 6888
Fax: 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF CENDERAMAN DEVELOPMENT SDN. BHD.

(Company No: 800494-X)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CENDERAMAN DEVELOPMENT SDN. BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF
CENDERAMAN DEVELOPMENT SDN. BHD. (CONTINUED)

(Company No: 800494-X)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

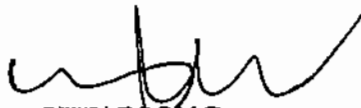
In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

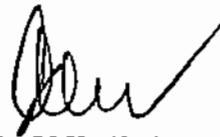
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated: 24 MAR 2010



**INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF
CENDERAMAN DEVELOPMENT SDN. BHD.**

(Company No: 800494-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
51-21-E, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhypp@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of **CENDERAMAN DEVELOPMENT SDN. BHD.**, which comprise the statement of financial position as at **30 June 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from **1 January 2010 to 30 June 2010**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 23.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.



**INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF
CENDERAMAN DEVELOPMENT SDN. BHD. (CONTINUED)**

(Company No: 800494-X)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at **30 June 2010** and of its financial performance and cash flows for the financial period from **1 January 2010 to 30 June 2010**. Without qualifying our opinion, we draw attention to the financial statements which states that the comparative figures for statement of comprehensive income, statement of cash flows and statement of changes in equity and the notes thereto are unaudited.

Other Matters

This report is made solely to the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY
No. AF-1411
Chartered Accountants

Penang

Dated: 29 OCT 2010

A handwritten signature in black ink, appearing to be 'Koay Theam Hock'.

KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

14. ACCOUNTANTS' REPORT



**REPORT OF THE AUDITORS TO THE MEMBERS OF
DENMAS SDN. BHD.**

(Company No. 520034-A)
(Incorporated in Malaysia)

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

We have audited the financial statements of DENMAS SDN. BHD. set out on pages 9 to 22. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with Approved Auditing Standards in Malaysia. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of:
- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Company as at 31 December 2007 and of the results and cash flows of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the

Act.

UHY DIONG
No. AF-1411
Chartered Accountants

KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

Dated : 05 MAY 2008

A member of UHY, an international association of independent accounting and consulting firms

JOHOR BAHRU : 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia. Tel: 607-222 2828 Fax: 607-222 2829

SINGAPORE : 158, Cecil Street, #08-01 Dapenso Building, Singapore 069545. Tel: 656235 1633 Fax: 656333 1633

KUALA LUMPUR : 808, Block E, Phileo Damansara 1, No. 9, Jalan 16/11, Petaling Jaya, 46350 Selangor, Malaysia. Tel: 603-7491 8150 Fax: 603-7491 0745

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel: 604-227 6888
Fax: 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENMAS SDN. BHD.

(Company No. 520034-A)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of DENMAS SDN. BHD., which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS SDN. BHD. (CONTINUED)**

(Company No. 520034-A)

(Incorporated in Malaysia)

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY DIONG', written over the printed name.

UHY DIONG
No. AF-1411
Chartered Accountants

A handwritten signature in black ink, appearing to be 'KOAY THEAM HOCK', written over the printed name.

KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

Penang

Dated : 27 MAR 2009

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS SDN. BHD.

(Company No. 520034-A)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of DENMAS SDN. BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS SDN. BHD. (CONTINUED)
(Company No. 520034-A)
(Incorporated in Malaysia)

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY DIONG', written over a horizontal line.

UHY DIONG
No. AF-1411
Chartered Accountants

A handwritten signature in black ink, appearing to be 'KOAY THEAM HOCK', written over a horizontal line.

KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated : 24 MAR 2010



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS SDN. BHD.**

(Company No. 520034-A)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhyppg@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of **DENMAS SDN. BHD.**, which comprise the statement of financial position as at **30 June 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from **1 January 2010 to 30 June 2010**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

A member of UHY, an international association of independent accounting and consulting firms

KUALA LUMPUR Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City,
Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

JOHOR BAHRU 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia.

Phone +60 3 2279 3088 Fax +60 3 2279 3099

Phone +60 7 222 2828 Fax +60 7 222 2829



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS SDN. BHD. (CONTINUED)**
(Company No. 520034-A)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, in FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at 30 June 2010 and of its financial performance and cash flows for the financial period from 1 January 2010 to 30 June 2010. Without qualifying our opinion, we draw attention to the financial statements which states that the comparative figures for statement of comprehensive income, statement of cash flows and statement of changes in equity and the notes thereto are unaudited.

Other Matters

This report is made solely to the members of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY
No. AF-1411
Chartered Accountants

Penang

Dated: 29 OCT 2010

A handwritten signature in black ink, appearing to be 'Koay Theam Hock'.

KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

14. ACCOUNTANTS' REPORT



UHY Diong is a member of UHY, an international association of independent accounting and consultancy firms, whose organizing body is Urbach Hacker Young International Limited, a UK company. Each member of UHY is a separate and independent firm. The services described herein are provided by UHY Diong and not by Urbach Hacker Young International Limited or any other member of UHY. Neither Urbach Hacker Young International Limited nor any member of UHY has any liability for services provided by other members.

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENMAS DEVELOPMENT SDN. BHD.

(Company No. 871467-X)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of DENMAS DEVELOPMENT SDN. BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 17.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS DEVELOPMENT SDN. BHD. (CONTINUED)
(Company No. 871467-X)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

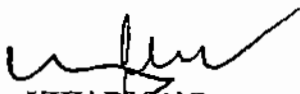
In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial period then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated : 24 MAR 2010



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS DEVELOPMENT SDN. BHD.**

(Company No. 871467-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
51-21-Ş, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhypp@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of **DENMAS DEVELOPMENT SDN. BHD.**, which comprise the statement of financial position as at **30 June 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from **1 January 2010 to 30 June 2010**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 22.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENMAS DEVELOPMENT SDN. BHD. (CONTINUED)**

(Company No. 871467-X)
(Incorporated in Malaysia)


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at 30 June 2010 and of its financial performance and cash flows for the financial period from 1 January 2010 to 30 June 2010.

Other Matters

This report is made solely to the Directors of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated : 29 OCT 2010

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

**REPORT OF THE AUDITORS TO THE MEMBERS OF
EPILAND PROPERTIES SDN. BHD.**

(Company No. 590004-A)
(Incorporated in Malaysia)

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

We have audited the financial statements of EPILAND PROPERTIES SDN. BHD. set out on pages 8 to 24. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

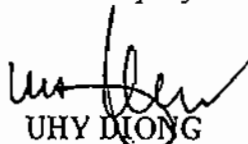
We conducted our audit in accordance with Approved Auditing Standards in Malaysia. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of:
- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Company as at 31 December 2007 and of the results and cash flows of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



UHY DIONG
No. AF-1411
Chartered Accountants

Dated : 05 MAY 2008



KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

A member of UHY, an international association of independent accounting and consulting firms

JOHOR BAHRU : 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia, Tel: 607-222 2828 Fax: 607-222 2829

SINGAPORE : 15B, Cecil Street, #08-01 Openso Building, Singapore 069545, Tel: 656235 1633 Fax: 656333 1633

KUALA LUMPUR : 808, Block E, Phileo Damansara 1, No. 9, Jalan 16/11, Petaling Jaya, 46350 Selangor, Malaysia, Tel: 603-7491 8150 Fax: 603-7491 0745

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6868
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EPILAND PROPERTIES SDN. BHD.

(Company No. 590004-A)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of EPILAND PROPERTIES SDN. BHD., which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 24.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EPILAND PROPERTIES SDN. BHD.

(Company No. 590004-A)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/09 (J)
Chartered Accountant

Penang

Dated : 27 MAR 2009

14. ACCOUNTANTS' REPORT



UHY Diong is a member of UHY, an international association of independent accounting and consultancy firms, whose organizing body is Urbach Hacker Young International Limited, a UK company. Each member of UHY is a separate and independent firm. The services described herein are provided by UHY Diong and not by Urbach Hacker Young International Limited or any other member of UHY. Neither Urbach Hacker Young International Limited nor any member of UHY has any liability for services provided by other members.

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EPILAND PROPERTIES SDN. BHD.

(Company No. 590004-A)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of EPILAND PROPERTIES SDN. BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 21.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EPILAND PROPERTIES SDN. BHD.**

(Company No. 590004-A)

(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

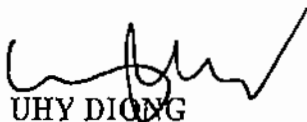
In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

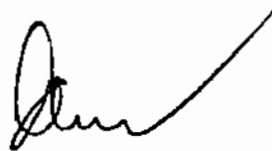
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated : 24 MAR 2010



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EPILAND PROPERTIES SDN. BHD.**

(Company No.590004-A)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhypp@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of **EPILAND PROPERTIES SDN. BHD.**, which comprise the statement of financial position as at **30 June 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the financial period from **1 January 2010 to 30 June 2010**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 24.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EPILAND PROPERTIES SDN. BHD. (CONTINUED)**

(Company No.590004-A)

(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, in FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at 30 June 2010 and of its financial performance and cash flows for the financial period from 1 January 2010 to 30 June 2010. Without qualifying our opinion, we draw attention to the financial statements which states that the comparative figures for statement of comprehensive income, statement of cash flows and statement of changes of equity and the notes thereto are unaudited.

Other Matters

This report is made solely to the members of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY
No. AF-1411
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Koay Theam Hock'.

KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated: 29 OCT 2010

**REPORT OF THE AUDITORS TO THE MEMBERS OF
HONG HONG DEVELOPMENT SDN. BHD.**

(Company No. 394700-M)
(Incorporated in Malaysia)

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

We have audited the financial statements of HONG HONG DEVELOPMENT SDN. BHD. set out on pages 7 to 20. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with Approved Auditing Standards in Malaysia. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

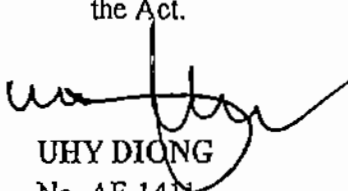
In our opinion :

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of :


- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (ii) the state of affairs of the Company as at 31 December 2007 and of the results and cash flows of the Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



UHY DIONG
No. AF-1411
Chartered Accountants
Dated : 27 FEB 2008



KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

A member of UHY, an international association of independent accounting and consulting firms

JOHOR BAHRU : 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia. Tel: 607-222 2828 Fax: 607-222 2829

SINGAPORE : 158, Cecil Street, #08-01 Dapenso Building, Singapore 069545. Tel: 656235 1633 Fax: 656333 1633

KUALA LUMPUR : 808, Block E, Phileo Damansara 1, No. 9, Jalan 16/11, Petaling Jaya, 46350 Selangor, Malaysia. Tel: 603-7491 8150 Fax: 603-7491 0745

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HONG HONG DEVELOPMENT SDN. BHD.

(Company No. 394700-M)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **HONG HONG DEVELOPMENT SDN. BHD.**, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 23.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HONG HONG DEVELOPMENT SDN. BHD. (CONTINUED)**
(Company No. 394700-M)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

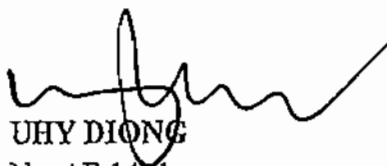
In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/09 (J)
Chartered Accountant

Penang

Dated : 27 MAR 2009

14. ACCOUNTANTS' REPORT



UHY Diong is a member of UHY, an international association of independent accounting and consultancy firms, whose organizing body is Urbach Hacker Young International Limited, a UK company. Each member of UHY is a separate and independent firm. The services described herein are provided by UHY Diong and not by Urbach Hacker Young International Limited or any other member of UHY. Neither Urbach Hacker Young International Limited nor any member of UHY has any liability for services provided by other members.

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HONG HONG DEVELOPMENT SDN. BHD.

(Company No. 394700-M)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of HONG HONG DEVELOPMENT SDN. BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 22.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HONG HONG DEVELOPMENT SDN. BHD. (CONTINUED)**
(Company No. 394700-M)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG

No. AF-1411
Chartered Accountants

Penang

Dated : 24 MAR 2010



KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HONG HONG DEVELOPMENT SDN. BHD.**

(Company No. 394700-M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhypp@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of **HONG HONG DEVELOPMENT SDN. BHD.**, which comprise the statement of financial position as at **30 June 2010**, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from **1 January 2010 to 30 June 2010**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 32.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HONG HONG DEVELOPMENT SDN. BHD. (CONTINUED)**

(Company No. 394700-M)

(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at 30 June 2010 and of its financial performance and cash flows for the financial period from 1 January 2010 to 30 June 2010. Without qualifying our opinion, we draw attention to the financial statements which states that the comparative figures for statement of comprehensive income, statement of cash flows and statement of changes in equity and the notes thereto are unaudited.

Other Matters

This report is made solely to the members of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
No. AF-1411
Chartered Accountants

Penang

Dated: 29 OCT 2010

KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

14. ACCOUNTANTS' REPORT



REPORT OF THE AUDITORS TO THE MEMBERS OF
INTANASIA DEVELOPMENT SDN. BHD.

(Company No. 603286-M)
(Incorporated in Malaysia)

51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

We have audited the financial statements of INTANASIA DEVELOPMENT SDN. BHD. set out on pages 7 to 23. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with Approved Auditing Standards in Malaysia. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of:

- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (ii) the state of affairs of the Company as at 31 December 2007 and of the results and cash flows of the Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

UHY DIONG
No. AF-1411
Chartered Accountants

KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

Dated : 05 MAY 2008

A member of UHY, an international association of independent accounting and consulting firms

JOHOR BAHRU : 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia. Tel: 607-222 2828 Fax: 607-222 2829

SINGAPORE : 158, Cecil Street, #08-01 Dapenso Building, Singapore 069545. Tel: 656235 1633 Fax: 656333 1633

KUALA LUMPUR : 808, Block E, Phileo Damansara 1, No. 9, Jalan 16/11, Petaling Jaya, 46350 Selangor, Malaysia. Tel: 603-7491 8150 Fax: 603-7491 0745

14. ACCOUNTANTS' REPORT



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTANASIA DEVELOPMENT SDN. BHD.

(Company No. 603286-M)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of INTANASIA DEVELOPMENT SDN. BHD., which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 24.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INTANASIA DEVELOPMENT SDN. BHD. (CONTINUED)**

(Company No. 603286-M)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

Penang

Dated : 27 MAR 2009



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51-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTANASIA DEVELOPMENT SDN. BHD.

(Company No. 603286-M)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of INTANASIA DEVELOPMENT SDN. BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 22.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

14. ACCOUNTANTS' REPORT

UHY DIONG (AF 1411)
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INTANASIA DEVELOPMENT SDN. BHD. (CONTINUED)
(Company No. 603286-M)
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY DIONG
No. AF-1411
Chartered Accountants



KOAY THEAM HOCK
No. 2141/04/11 (J)
Chartered Accountant

Penang

Dated : 24 MAR 2010



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTANASIA DEVELOPMENT SDN. BHD.

(Company No. 603286-M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
S1-21-F, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Phone +60 4 227 6888
Fax +60 4 229 8118
Email uhygp@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of **INTANASIA DEVELOPMENT SDN. BHD.**, which comprise the statement of financial position as at **30 June 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from **1 January 2010 to 30 June 2010**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 29.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards ("FRS"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

A member of UHY, an international association of independent accounting and consulting firms

KUALA LUMPUR Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City,
Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

JOHOR BAHRU 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia. Phone +60 7 222 2828 Fax +60 7 222 2829

Phone +60 3 2279 3088 Fax +60 3 2279 3099



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INTANASIA DEVELOPMENT SDN. BHD. (CONTINUED)**

(Company No. 603286-M)

(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at 30 June 2010 and of its financial performance and cash flows for the financial period from 1 January 2010 to 30 June 2010. Without qualifying our opinion, we draw attention to the financial statements which states that the comparative figures for statement of comprehensive income, statement of cash flows and statement of changes in equity and the notes thereto are unaudited.

Other Matters

This report is made solely to the members of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY

No. AF-1411

Chartered Accountants

Penang

Dated: 29 OCT 2010

KOAY THEAM HOCK

No. 2141/04/11 (J)

Chartered Accountant

14. ACCOUNTANTS' REPORT



REPORT OF THE AUDITORS TO THE MEMBERS OF
JASNIA SDN. BHD.
(Company No. 677895-K)
(Incorporated in Malaysia)

51-21-E, Menara BHL, Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.
Tel 604-227 6888
Fax 604-229 8118
website www.uhydiong.com

We have audited the financial statements of JASNIA SDN. BHD. set out on pages 9 to 18. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with Approved Auditing Standards in Malaysia. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Company as at 31 December 2007 and of the results and cash flows of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

UHY DIONG
No. AF-1411
Chartered Accountants

KOAY THEAM HOCK
No. 2141/04/09 (J)
Partner

Dated : 05 MAY 2008

A member of UHY, an international association of independent accounting and consulting firms

JOHOR BAHRU : 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia. Tel: 607-222 2828 Fax: 607-222 2829

SINGAPORE : 15B, Cecil Street, #08-01 Dapenso Building, Singapore 069545. Tel: 656235 1633 Fax: 656333 1633

KUALA LUMPUR : 808, Block E, Phileo Damansara 1, No. 9, Jalan 16/11, Petaling Jaya, 46350 Selangor, Malaysia. Tel: 603-7491 8150 Fax: 603-7491 0745