



**TAMBUN INDAH LAND BERHAD**

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Financial Period Ended 30 June 2011 (Unaudited)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**  
**Condensed Consolidated Statements of Financial Position**

	Unaudited As at 30 June 2011 RM'000	Audited As at 31 December 2010 RM'000
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		
Property, plant and equipment	1,007	808
Investment properties	8,925	8,925
Goodwill on consolidation	434	431
Land held for development	20,761	52,328
	<u>31,127</u>	<u>62,492</u>
<b>Current Assets</b>		
Property development costs	102,315	64,840
Trade and other receivables	66,287	58,451
Tax recoverable	2,972	2,255
Cash and bank balances	43,203	27,190
	<u>214,777</u>	<u>152,736</u>
<b>TOTAL ASSETS</b>	<u>245,904</u>	<u>215,228</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	110,500	94,500
Share premium	3,719	-
Retained profits	36,339	25,218
	<u>150,558</u>	<u>119,718</u>
Non-controlling interest	26,433	13,977
<b>Total Equity</b>	<u>176,991</u>	<u>133,695</u>
<b>Non-Current Liabilities:</b>		
Long-term bank borrowings	36,219	4,665
Deferred taxation	2,245	1,130
	<u>38,464</u>	<u>5,795</u>
<b>Current Liabilities:</b>		
Trade and other payables	25,511	55,230
Short-term bank borrowings	2,052	18,404
Current tax payable	2,886	2,104
	<u>30,449</u>	<u>75,738</u>
<b>TOTAL LIABILITIES</b>	<u>68,913</u>	<u>81,533</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>245,904</u>	<u>215,228</u>
<b>Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)</b>	<u>0.68</u>	<u>0.63</u>

**Notes:**

- The condensed Consolidated Statement of Financial Position should be read in conjunction with Tambun Indah Land Berhad's ("Tambun Indah" or "the Company") audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.*
- Based on the issued and paid-up share capital of 221,000,000 (2010: 189,000,000) ordinary shares of RM0.50 each in Tambun Indah ("Shares").*

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

## Condensed Consolidated Statements of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30-Jun-2011	30-Jun-2010	30-Jun-2011	30-Jun-2010
	RM'000	RM'000	RM'000	RM'000
Revenue	52,445	-	88,398	-
Cost of sales	(38,677)	-	(62,727)	-
<b>Gross profit</b>	<b>13,768</b>	<b>-</b>	<b>25,671</b>	<b>-</b>
Other operating income	279	-	708	-
Sales and marketing expenses	(997)	-	(1,859)	-
Administrative expenses	(1,658)	(4)	(2,647)	(6)
Depreciation expenses	(59)	-	(114)	-
Profit before tax	11,333	(4)	21,759	(6)
Income tax expense	(3,049)	-	(5,770)	-
<b>Profit/(loss) for the Year</b>	<b>8,284</b>	<b>(4)</b>	<b>15,989</b>	<b>(6)</b>
<b>Other comprehensive income net of tax :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>8,284</b>	<b>(4)</b>	<b>15,989</b>	<b>(6)</b>
<b>Profit/(loss) attributable to :</b>				
Equity holders of the Company	4,735	(4)	11,121	(6)
Non-controlling interest	3,549	-	4,868	-
	<b>8,284</b>	<b>(4)</b>	<b>15,989</b>	<b>(6)</b>
<b>Total comprehensive income/(loss) attributable to :</b>				
Equity holders of the Company	4,735	(4)	11,121	(6)
Non-controlling interest	3,549	-	4,868	-
	<b>8,284</b>	<b>(4)</b>	<b>15,989</b>	<b>(6)</b>
<b>Earnings/(loss) per share attributable to the equity holders of the Company</b>				
Basic (sen)	2.14	(100,000.00)	5.11	(150,000.00)
Diluted (sen)	2.14	(100,000.00)	5.11	(150,000.00)

## Notes :

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

2 The acquisition of subsidiary companies was completed on 11 November 2010.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

## Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company			Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000			
At 1 January 2011	94,500	-	25,218	119,718	13,977	133,695
Net profit for the period	-	-	11,121	11,121	4,868	15,989
	94,500	-	36,339	130,839	18,845	149,684
<b>Transactions with owners</b>						
Public issue	16,000	6,400	-	22,400	-	22,400
Share issued expense	-	(2,681)	-	(2,681)	-	(2,681)
Acquisitions of subsidiary companies	-	-	-	-	2,338	2,338
Share issued to non-controlling interest	-	-	-	-	5,250	5,250
<b>Total transactions with owners</b>	16,000	3,719	-	19,719	7,588	27,307
<b>At 30 June 2011</b>	<b>110,500</b>	<b>3,719</b>	<b>36,339</b>	<b>150,558</b>	<b>26,433</b>	<b>176,991</b>
<b>At 1 January 2010</b>	#	-	(10)	(10)	-	(10)
Net profit for the year	-	-	25,228	25,228	1,037	26,265
	-	-	25,218	25,218	1,037	26,255
<b>Transactions with owners</b>						
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	94,500	-	-	94,500	12,940	107,440
<b>At 31 December 2010</b>	<b>94,500</b>	<b>-</b>	<b>25,218</b>	<b>119,718</b>	<b>13,977</b>	<b>133,695</b>

# Denotes RM2

## Notes :

- 1 The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

## Condensed Consolidated Statements of Cash Flows

	6 months ended 30-Jun-2011 RM'000	6 months ended 30-Jun-2010 RM'000
Profit/(loss) before taxation	21,759	(6)
Adjustments for:-		
Non-cash items	114	-
Non-operating items	(442)	-
Operating profit/(loss) before changes in working capital	21,431	(6)
Net Change in current assets	(3,176)	(516)
Net Change in current liabilities	(34,478)	1,000
Cash used in operations	(16,223)	478
Interest received	442	-
Tax paid	(4,590)	-
<b>Net cash used in operating activities</b>	<b>(20,371)</b>	<b>478</b>
<b>Investing Activities</b>		
Acquisition of subsidiary company	(3,475)	-
Purchase of property, plant and equipment	(313)	-
<b>Net cash used in investing activities</b>	<b>(3,788)</b>	<b>-</b>
<b>Financing Activities</b>		
Public issue	22,400	-
Share issue expenses	(2,681)	-
Issuance of share by a subsidiary company to non-controlling interest	5,250	-
Drawdown of term loan	28,000	-
Changes of fixed deposits pledged to a licensed bank	36	-
Repayment of bank borrowings	(11,733)	-
<b>Net cash used in financing activities</b>	<b>41,272</b>	<b>-</b>
Net changes in cash and cash equivalents	17,113	478
Cash and cash equivalents at 1 January 2011/2010	23,950	11
<b>Cash and cash equivalents at 30 June 2011/2010</b>	<b>41,063</b>	<b>489</b>

**Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-**

Fixed deposits with licensed banks	22,413	-
Cash and bank balances	20,790	489
Bank overdraft	(2,052)	-
	41,151	489
Less: Fixed deposits pledged to a licensed bank	(88)	-
	41,063	489

**Notes :**

- 1 The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

**A. Explanatory Notes pursuant to Financial Reporting Standard ("FRS") 134, Interim Reporting and the Listing Requirements**

**A1. Basis of Preparation**

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Listing Requirements.

The interim financial statements should be read in conjunction with the Company audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by Tambun Indah and its subsidiary companies ("Group") for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2009 except for the mandatory adoption of the following new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") effective for the financial period beginning on 1 January 2011:

**FRSs, amendments to FRSs and IC Interpretations**

FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
FRS 3	Business Combinations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

**A2. Changes in Accounting Policies (continued)**

**Standards and Interpretations issued but not yet effective**

The Group has not adopted the following new and revised FRSs, IC Interpretations and Amendments because they are not yet effective for the current quarter and financial year ended 31 December 2010:

- |  |  |
|--|--|
| (a) FRS 124                            | Related Party Disclosures                      |
| (b) IC Interpretation 15               | Agreements for the Construction of Real Estate |
| (c) IC Interpretation 19               | Extinguishing                                  |
| (d) Amendments to IC Interpretation 14 | Prepayments of a Minimum Funding Requirement   |

The Group will adopt these relevant standards beginning on 1 January 2012.

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

IC Interpretation 15 Agreements for the Construction of Real Estate

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

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

**A3. Explanatory Comments about Seasonality or Cyclicity of Interim Operations**

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

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

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

**A5. Material Changes in Estimates**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

**A6. Debt and Equity Securities**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review and year-to-date:-

**Issuance of Shares Pursuant to Public Issue**

**Initial Public Offering ("IPO")**

On 29 December 2010, the Company had issued a Prospectus for the public issue of 32,000,000 new Shares ("Public Issue") and offer for sale of 22,100,000 Shares ("Offer for Sale") at an issue and offer price of RM0.70 per Share ("IPO Price") payable in full on application pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad as detailed below:

**(i) Public Issue**

The Public Issue of 32,000,000 Public Issue Shares, representing approximately 14.48% of the enlarged issued and paid-up share capital of Tambun Indah, at an IPO Price of RM0.70 per Share are payable in full on application upon such terms and conditions as set out in the Prospectus dated 29 December 2010 will be allocated and allotted in the following manner:

**(aa) Malaysian public via balloting**

11,050,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of Tambun Indah, to be allocated via balloting, will be available for application by the Malaysian individuals, companies, co-operatives, societies and institutions, of which at least 50.00% is to be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions to the extent possible.

**(bb) Eligible Parties**

11,050,000 Public Issue Shares, representing 5% of the enlarged issued and paid-up capital of Tambun Indah will be made available for application by the eligible Directors, employees and business associates of the Group; and

**(cc) Identified investors via private placement**

9,900,000 Public Issue Shares, representing approximately 4.48% of the enlarged issued and paid-up share capital of Tambun Indah will be made available for application by identified investors via private placement.

**(ii) Offer For Sale**

The Offer for Sale of 22,100,000 Shares representing 10.00% of the enlarged issued and paid-up share capital of Tambun Indah at the IPO Price of RM0.70 are payable in full on application upon such terms and conditions as set out in the Prospectus dated 29 December 2010 will be allocated and allotted via private placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry. The proceeds from the Offer for Sale will be accrued entirely to the Offerors.

The Public Issue was completed on 18 January 2011. After Public Issue, the issued and paid-up share capital of the Tambun Indah was increased from RM94,500,000 comprising 189,000,000 Shares to RM110,500,000 comprising 221,000,000 Shares.

**A7. Dividend Paid**

No dividends have been paid during the current financial quarter and financial year under review.



## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

## A8. Operating Segment

(a) The segment revenue by activities for the financial period ended 30 June 2011 is as follows:

	Property development RM'000	Construction and project management RM'000	Investment holdings RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue from external customers	80,679	7,422	297	-	88,398
Inter-segment revenues	-	13,155	15,855	(29,010)	-
	<u>80,679</u>	<u>20,577</u>	<u>16,152</u>	<u>(29,010)</u>	<u>88,398</u>

(b) The segment profit before tax by activities for the financial period ended 30 June 2011 is as follows:

	Property development RM'000	Construction and project management RM'000	Investment holdings RM'000	Adjustments and eliminations RM'000	Total RM'000
Profit before tax	21,034	1,218	15,332	(15,825)	21,759
Tax expense					(5,770)
Profit for the year					<u>15,989</u>

(c) Total segment assets by activities as at 30 June 2011:

	RM'000
Property development	221,453
Construction and project management	6,831
Investment holdings	17,620
Total	<u>245,904</u>

## A9. Subsequent Material Events

Save as disclosed in B9, there are no material events subsequent to the financial quarter ended 30 June 2011 till 28 July 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), that have not been reflected in the financial statements for the current quarter under review.

## A10. Changes in the Composition of the Group

On 4 May 2011, the Company acquired 3,453,600 ordinary shares of RM1.00 each, representing 60% of the total issued and paid up share capital of Palmington Sdn. Bhd. for a total cash consideration of RM3,510,000.00.

## A11. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets as at the end of the current financial quarter under review.

## A12. Capital Commitments

The amount of capital commitments not provided for in the interim financial report as at 30 June 2011 are as follows:

	RM'000
Contractual commitments for purchase of companies, as disclosed in B9 (d)	6,110
Contractual commitments for development lands, as disclosed in B9 (e)	<u>228,558</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

**A13. Capital Expenditure**

There were no major additions and disposals of property, plant and equipment during the current financial quarter under review and financial year-to-date.

**A14. Significant Related Party Transactions**

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

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

	<b>6 months ended 30-Jun-2011 RM'000</b>
Rental received from a company in which a Director has interest	4
Rental paid to a company in which a Director has interest	32
Professional services rendered for consulting civil and structural engineer	65
Payment of services rendered for external telecom, electrical works and street lighting	<u>325</u>

**A15. Disclosure of Derivatives**

The Group did not have any outstanding derivatives as at the end of the current financial quarter under review.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

**B. Explanatory Notes pursuant to Part A of Appendix 9B of the Listing requirements****B1. Review of Performance**

The Group recorded revenue of RM52.45 million and RM88.40 million for current quarter and financial year-to-date respectively. The Group recorded profit before tax of RM11.33 million and RM21.76 million for current quarter and financial year-to-date respectively. The Group's profit and revenue were principally derived from its property development activities. Ongoing projects which contributed to the Group's profit and revenue include Pearl Villas, Pearl Garden, Juru Heights, Carissa Park, Dahlia Park, Impian Residence, Tanjung Heights and Capri Park. Apart from property development, the Group's construction activities and investment holdings activities also contributed to the earnings achieved.

**B2. Variation of results against immediate preceding quarter**

The Group's current quarter profit before tax is RM11.33 million, which is RM0.9 million higher than the preceding quarter ended 31 March 2011 of RM10.43 million. This is mainly due to higher revenue were recorded during the current quarter of RM52.45 million compare to revenue of RM35.95 million in the preceding quarter. However, increase in revenue were partially offset by increase in cost of sales, administrative expenses and selling and marketing expenses. Higher administrative expenses in current quarter mainly due to expenses related to the Proposed Pridaman Acquisition, Proposed Ikhtiar Bitara Acquisition and Proposed Acquisition of Bandar Tasek Mutiara Land. Higher selling and marketing expenses were incurred in the current quarter as a result of more sales activities from development projects.

**B3. Prospect of current financial year**

Barring unforeseen circumstances, the Board of Directors expects its business prospects for the financial year ending 31 December 2011 to be favourable.

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

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

**B5. Statement by Board of Directors**

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

**B6. Income Tax**

Income Tax comprises:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-2011 RM'000	Preceding Year Corresponding Quarter 30-Jun-2010 RM'000	Current Year- To-Date 30-Jun-2011 RM'000	Preceding Year Corresponding Period 30-Jun-2010 RM'000
Current income tax	1,934	-	4,655	-
Deferred taxation	1,115	-	1,115	-
	<u>3,049</u>	<u>-</u>	<u>5,770</u>	<u>-</u>

The Group's effective taxation rate for the current quarter under review of 26.9% and for the financial year-to-date of 26.52% was higher than the statutory taxation rate of 25% mainly due to certain non-tax deductible expenses.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

**B7. Sale of unquoted Investments and/or Properties**

There were no sales of unquoted investments and properties during the current quarter under review and financial year-to-date.

**B8. Quoted Securities**

There were no purchases or disposals of quoted securities during the current financial quarter under review and financial year-to-date. The Group did not hold any quoted securities as at 30 June 2011.

**B9. Status of Corporate Proposals****(a) Status of Corporate Proposals - Initial Public Offering ("IPO")**

On 17 January 2011, the Company had completed the issuance of 32,000,000 new Shares ("Public Issue") and offer for sale of 22,100,000 Shares ("Offer for Sale") at an issue and offer price of RM0.70 per Share ("IPO Price") payable in full on application pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad.

The issued and paid-up share capital of the Tambun Indah increased from RM94,500,000 comprising 189,000,000 Shares to RM110,500,000 comprising 221,000,000 Shares.

On 18 January 2011, the entire enlarged issued and paid-up share capital of the Company was listed on the Main Market of Bursa Securities.

**(b) Status of Utilisation of Proceeds**

The total gross proceeds arising from the Public Issue of RM22.40 million which will accrue entirely to Tambun Indah are intended to be utilised in the following manner:

Purpose of utilisation	Estimated time frame for utilisation from date of Listing	Proposed	Actual	Deviation
		utilisation RM'000	Utilisation RM'000	
(i) Working capital	12 months	12,700	(6,666)	-
(ii) Repayment of bank borrowings	12 months	7,100	(3,200)	-
(iii) Estimated share issue expenses	3 months	2,600	(2,680)	(80)
<b>Total proceeds</b>		<b>22,400</b>	<b>(12,546)</b>	<b>(80)</b>

The excess in actual share issue expenses has been funded by internal generated funds.

**(c) Proposed land acquisition by Epiland Properties Sdn Bhd**

On 26 January 2011, Epiland Properties Sdn Bhd ("Epland"), a wholly-owned subsidiary of Tambun Indah has entered into a Sale & Purchase Agreement with Hussain Imam Bin Md Ismail and Ayesha Binti Mohamed Ismail, as executors of the Estate of KSM Ismail @ Mohamed Ismail, Deceased ("vendor") for the purchase of all those pieces of land known as Lot Nos. 31 and 3, Seksyen 1, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang held under Grant Nos. 2658 and 2659 respectively and measuring approximately 26,026.30 square metre (280,144 square feet) and 8,777.63 square metre (94,481 square feet) respectively for a total consideration of RM11.0 million.

However, on 9 May 2011, Epiland and the vendor has mutually agreed to terminate the said sales and purchase agreement. Pursuant to the termination of the SPA, the Vendor shall refund the 10% deposit amounting to RM1.1 million to Epiland free of interest.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

**B9. Status of Corporate Proposals (continued)**

**(d) Proposed acquisition of Pridaman Sdn Bhd, Premcourt Development Sdn Bhd and Ikhtiar Bitara Sdn Bhd**

The Company has on 16 February 2011 entered into three (3) conditional share purchase agreements (“SPA(s)”) with the following parties:

(i) Siram Permai Sdn Bhd (“Siram Permai”), Amal Pintas Sdn Bhd (“Amal Pintas”), Sound Vantage Sdn Bhd (“Sound Vantage”), Alpha Master (M) Sdn Bhd (“Alpha Master”) and Teh Eng Bew (collectively referred to as the “Pridaman Vendors”) for the proposed acquisition of 500,000 ordinary shares of RM1.00 each in Pridaman Sdn Bhd (“Pridaman”) (“Pridaman Shares”) representing the entire issued and paid-up share capital of Pridaman for a cash consideration of RM4.65 million (“Proposed Pridaman Acquisition”);

(ii) Siram Permai and Tah-Wah Sdn Bhd (“Tah-Wah”) (collectively referred to as the “Premcourt Vendors”) for the proposed acquisition of 250,000 ordinary shares of RM1.00 each in Premcourt Development Sdn Bhd (“Premcourt”) (“Premcourt Shares”) representing the entire issued and paid-up share capital of Premcourt for a cash consideration of RM5.50 million (“Proposed Premcourt Acquisition”); and

(iii) Siram Permai and Siti Shikha Binti Zakaria (collectively referred to as the “Ikhtiar Bitara Vendors”) for the proposed acquisition of 45,000 ordinary shares of RM1.00 each in Ikhtiar Bitara Sdn Bhd (“Ikhtiar Bitara”) (“Ikhtiar Bitara Shares”) representing 45% of the issued and paid-up share capital of Ikhtiar Bitara for a cash consideration of RM1.46 million (“Proposed Ikhtiar Bitara Acquisition”).

However, on 18 April 2011, the conditional share purchase agreement dated 16 February 2011 in relation to the Proposed Premcourt Acquisition has been terminated.

Following the completion of due diligence on Premcourt and the valuation report on the land to be developed by Premcourt, Tambun Indah, and Premcourt Vendors have mutually agreed to renegotiate certain terms and conditions to the Proposed Premcourt Acquisition. Upon reaching an agreement on the revised terms and conditions, a new share purchase agreement will be entered into between Tambun Indah and the Premcourt Vendors and a further announcement in connection therewith will be released in due course.

Proposed acquisitions by Tambun Indah of both Pridaman and Ikhtiar Bitara, will proceed without any variations.

As announced on 24 June 2011, both Proposed Pridaman Acquisition and Proposed Ikhtiar Bitara Acquisition were approved by shareholders of Tambun Indah.

As announced on 11 July 2011, all the conditions precedent stipulated in the conditional share purchase agreements for the Proposed Pridaman Acquisition and Proposed Ikhtiar Bitara Acquisition dated 16 February 2011 entered into between Tambun Indah and the Pridaman Vendors and Ikhtiar Bitara Vendors respectively (“SPA(s)”) have been fulfilled and the SPAs have become unconditional.

The Company has completed the Proposed Pridaman Acquisition on 27 July 2011.

The Proposed Ikhtiar Bitara Acquisition is currently pending completion.

**(e) Land acquisition - Bandar Tasek Mutiara**

Palmington Sdn Bhd, a 60%-owned subsidiary of Tambun Indah, has on 4 May 2011 entered into a master agreement and five (5) separate sales and purchase agreements with Pembangunan Bandar Mutiara Sdn Bhd to purchase an undeveloped land bank located in a new township development known as Bandar Tasek Mutiara (marketed as Pearl City) in the locality of Simpang Ampat, Mukim 15, Province Wellesley South, Penang measuring approximately 526.7531 acres for a purchase consideration of RM233,223,021 to be satisfied fully in cash.

The master agreement and the sales and purchase agreement has yet to become unconditional pending fulfilment of conditions precedents.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

**B10. Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 June 2011 are as follows:

	<b>Secured RM'000</b>
<i>Long term borrowings:</i>	
Term loans	36,219
<i>Short term borrowings:</i>	
Bank overdrafts	2,052
<b>Total</b>	<u><u>38,271</u></u>

The Group has no foreign currency borrowings.

**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report.

**B12. Material Litigation**

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

**B13. Dividend**

Details of the interim dividend approved and declared by the Board of Directors is as follows:

Interim Dividend for the financial year	31 December 2010
Amount per shares (single tier)	4.6 sen
Approved and declared on	9 June 2011
Record of Depositors as at	15 August 2011
Date Payable	7 September 2011

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

## B14. Earnings Per Share

## (a) Basic Earnings Per Share

The basic earnings per share for the current financial quarter and current financial year-to-date has been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue.

	Current Quarter 30-Jun-2011	Preceding Year Corresponding Quarter 30-Jun-2010	Current Year- To-Date 30-Jun-2011	Preceding Year Corresponding Period 30-Jun-2010
Profit for the period/year attributable to equity holders of the Company (RM'000)	4,735	(4)	11,121	(6)
Weighted average number of ordinary shares in issue ('000)	221,000	#	217,818	#
<b>Basic Earnings/(loss) Per Share (sen)</b>	<b>2.14</b>	<b>(100,000)</b>	<b>5.11</b>	<b>(150,000)</b>

The weighted average number of ordinary shares used in the denominator in calculating basic and diluted earnings per share are as follows:

	Current Quarter 30-Jun-2011 '000	Preceding Year Corresponding Quarter 30-Jun-2010 '000	Current Year- To-Date 30-Jun-2011 '000	Preceding Year Corresponding Period 30-Jun-2010 '000
Number of ordinary shares at beginning of the period/year	189,000	#	189,000	#
Effect of shares issued pursuant to public issue	32,000	-	28,818	-
Weighted average number of ordinary shares	221,000	#	217,818	#

# 4 ordinary shares of RM0.50 each

## (b) Diluted Earnings per share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial quarter under review. As such, the diluted earnings per share is presented as equal to basic earnings per share.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

**B15. Compliance to the Securities Commission's ("SC") conditions**

Except for the conditions below, Tambun Indah has complied all other conditions imposed by the SC:

Details of conditions imposed by the SC			Status of compliance
(ii) The following promoters' shares in Tambun Indah are subject to moratorium for 6 months from the admission date of Tambun Indah to the Official List of the Main Market of Bursa Securities:			Complied.
	<b>No. of shares to be held under moratorium</b>	<b>% of enlarged share capital</b>	
<b>Promoters</b>			
Amal Pintas Sdn Bhd	22,951,105	10.39%	
Siram Permai Sdn Bhd	89,250,001	40.39%	
Tah-Wah Sdn Bhd	19,853,898	8.98%	
Ir. Teh Kiak Seng	4,955,974	2.24%	
	<u>137,010,978</u>	<u>62.00%</u>	

**B16. Disclosure of realised and unrealised profits/losses**

Total retained profits of Tambun Indah and its subsidiary companies are as follows:

	30-Jun-2011 RM'000	31-Dec-10 RM'000
- Realised	21,236	9,146
- Unrealised	15,103	16,218
Total group retained profits as per consolidated accounts	<u>36,339</u>	<u>25,364</u>

**B17. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification to the audited financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2010.

**B18. Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors of Tambun Indah in accordance with a resolution of the Directors on 4 August 2011.

By order of the Board of Directors  
Lee Peng Loon  
Company Secretary  
4 August 2011