



**TAMBUN INDAH LAND BERHAD**

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Quarter Ended 31 March 2012 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012  
Condensed Consolidated Statements of Financial Position

	Unaudited As at 31 March 2012 RM'000	Audited As at 31 December 2011 RM'000
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		
Property, plant and equipment	2,565	1,266
Investment properties	9,085	9,085
Land held for development	85,867	85,774
Investment in an associate company	1,601	1,636
Other investment	2,900	-
Goodwill on consolidation	1,766	1,766
Deferred tax assets	946	640
	<u>104,730</u>	<u>100,167</u>
<b>Current Assets</b>		
Inventories	1,173	2,780
Property development costs	112,566	113,310
Trade and other receivables	85,795	65,295
Current tax assets	1,983	1,343
Cash and bank balances	39,013	39,290
	<u>240,530</u>	<u>222,018</u>
<b>TOTAL ASSETS</b>	<u>345,260</u>	<u>322,185</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	110,500	110,500
Share premium	6,400	6,400
Retained profits	47,590	38,431
	<u>164,490</u>	<u>155,331</u>
Non-controlling interests	35,952	32,033
<b>Total Equity</b>	<u>200,442</u>	<u>187,364</u>
<b>Non-Current Liabilities:</b>		
Long-term bank borrowings	72,350	71,938
Deferred taxation	3,824	2,894
	<u>76,174</u>	<u>74,832</u>
<b>Current Liabilities:</b>		
Trade and other payables	56,848	50,400
Short-term bank borrowings	3,861	6,014
Current tax liabilities	7,935	3,575
	<u>68,644</u>	<u>59,989</u>
<b>TOTAL LIABILITIES</b>	<u>144,818</u>	<u>134,821</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>345,260</u>	<u>322,185</u>
<b>Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)</b>	<u>0.74</u>	<u>0.70</u>

## Notes:

1 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 2011 and the accompanying explanatory notes attached to this interim financial report.

2 Based on the issued and paid-up share capital of 221,000,000 (2011: 221,000,000) ordinary shares of RM0.50 each in Tambun Indah ("Shares").

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

## Condensed Consolidated Statements of Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
		RM'000	RM'000	RM'000	RM'000
Revenue		65,987	35,953	65,987	35,953
Cost of sales		(43,426)	(24,050)	(43,426)	(24,050)
<b>Gross profit</b>		<b>22,561</b>	<b>11,903</b>	<b>22,561</b>	<b>11,903</b>
Other income	B13	112	429	112	429
Sales and marketing expenses		(1,170)	(862)	(1,170)	(862)
Administrative expenses	B14	(2,874)	(1,044)	(2,874)	(1,044)
Profit from operations		18,629	10,426	18,629	10,426
Finance costs		(440)	-	(440)	-
Share of loss of an associates		(35)	-	(35)	-
Profit before tax		18,154	10,426	18,154	10,426
Income tax expense		(5,076)	(2,721)	(5,076)	(2,721)
<b>Profit for the period</b>		<b>13,078</b>	<b>7,705</b>	<b>13,078</b>	<b>7,705</b>
<b>Other comprehensive income net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>13,078</b>	<b>7,705</b>	<b>13,078</b>	<b>7,705</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		9,159	6,386	9,159	6,386
Non-controlling interests		3,919	1,319	3,919	1,319
		<b>13,078</b>	<b>7,705</b>	<b>13,078</b>	<b>7,705</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		9,159	6,386	9,159	6,386
Non-controlling interests		3,919	1,319	3,919	1,319
		<b>13,078</b>	<b>7,705</b>	<b>13,078</b>	<b>7,705</b>
<b>Earnings per share attributable to the equity holders of the Company</b>					
Basic (sen)	B11	4.14	2.98	4.14	2.98
Diluted (sen)		4.14	2.98	4.14	2.98

## Notes :

- 1 The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012  
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company					
	Non-distributable		Distributable	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000			
<b>At 1 January 2012</b>	110,500	6,400	38,431	155,331	32,033	187,364
Profit for the period	-	-	9,159	9,159	3,919	13,078
Total comprehensive income	-	-	9,159	9,159	3,919	13,078
<b>At 31 March 2012</b>	<b>110,500</b>	<b>6,400</b>	<b>47,590</b>	<b>164,490</b>	<b>35,952</b>	<b>200,442</b>
<b>At 1 January 2011</b>	94,500	-	25,218	119,718	13,977	133,695
Profit for the year	-	-	23,379	23,379	10,316	33,695
Total comprehensive income	-	-	23,379	23,379	10,316	33,695
<b>Transactions with owners</b>						
Dividend paid	-	-	(10,166)	(10,166)	-	(10,166)
Public issue	16,000	6,400.00	-	22,400	-	22,400
Redeemable preference shares acquired by non-controlling interest of a subsidiary company	-	-	-	-	5,250	5,250
Additional non-controlling interest arising on business combination	-	-	-	-	2,490	2,490
Total transactions with owners	16,000	6,400	(10,166)	12,234	7,740	19,974
<b>At 31 December 2011</b>	<b>110,500</b>	<b>6,400</b>	<b>38,431</b>	<b>155,331</b>	<b>32,033</b>	<b>187,364</b>

## 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 2011 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Statements of Cash Flows**

	<b>3 months ended 31-Mar-2012 RM'000</b>	<b>3 months ended 31-Mar-2011 RM'000</b>
Profit before taxation	18,154	10,426
Adjustments for:-		
Non-cash items	77	55
Non-operating items	386	(230)
Operating profit before changes in working capital	18,617	10,251
Net Change in current assets	(18,242)	15,304
Net Change in current liabilities	6,448	(38,666)
Cash used in operations	6,823	(13,111)
Interest received	89	230
Tax paid	(732)	(1,716)
<b>Net cash generated from/(used in) operating activities</b>	<b>6,180</b>	<b>(14,597)</b>
<b>Investing Activities</b>		
Purchase of other investment	(2,900)	-
Proceeds from disposal of property, plant and equipment	1	-
Purchase of property, plant and equipment	(1,377)	(277)
<b>Net cash used in investing activities</b>	<b>(4,276)</b>	<b>(277)</b>
<b>Financing Activities</b>		
Public issue	-	22,400
Listing expenses	-	(2,681)
Issuance of share by a subsidiary company to non-controlling interests	-	5,250
Drawdown of bank borrowings	381	28,000
Changes of fixed deposits pledged to a licensed bank	654	-
Repayment of bank borrowings	(1,334)	(12,760)
Interest paid	(440)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(739)</b>	<b>40,209</b>
Net changes in cash and cash equivalents	1,165	25,335
Cash and cash equivalents at 1 January 2012/2011	37,614	23,950
<b>Cash and cash equivalents at 31 March 2012/2011</b>	<b>38,779</b>	<b>49,285</b>
<b>Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-</b>		
Fixed deposits with licensed banks	517	27,910
Cash and bank balances	38,496	23,540
Bank overdrafts	(71)	(2,041)
	38,942	49,409
Less: Fixed deposits pledged to a licensed bank	(163)	(124)
	38,779	49,285

**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 2011 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012**

**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's audited financial statements for the financial year ended 31 December 2011 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 2011 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 2012:

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

Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosures- Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	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 Group.

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

The business operations of the Group during the financial year 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 year-to-date.

**A5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial year-to-date results.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**A6. Debt and Equity Securities**

There were no issues, 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 during the current financial period-to-date.

**A7. Dividend Paid**

There were no payment of dividend during the current financial quarter and period-to-date ended 31 March 2012.

**A8. Operating Segment**

(a) The segment revenue by activities for the financial quarter ended 31 March 2012 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	64,245	1,590	152	-	65,987
Inter-segment revenues	-	5,491	67	(5,558)	-
	<u>64,245</u>	<u>7,081</u>	<u>219</u>	<u>5,558</u>	<u>65,987</u>

(b) The segment result by activities for the financial quarter ended 31 March 2012 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 from operations	19,743	311	169	(603)	19,620
Share of loss of an associate					(35)
Finance costs					(440)
Unallocated amount:					
corporate expenses					(991)
Profit before tax					<u>18,154</u>
Tax expense					(5,076)
Profit for the year					<u>13,078</u>

(c) Total segment assets by activities as at 31 March 2012:

	RM'000
Property development	327,289
Construction and project management	6,345
Investment holdings	11,626
Total	<u>345,260</u>

**A9. Subsequent Events**

Save as disclosed in B7, there are no material events subsequent to the financial quarter ended 31 March 2012 till 15 May 2012 (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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**A10. Changes in the Composition of the Group**

There was no changes in the composition of the Group for the financial quarter ended 31 March 2012.

**A11. Capital Commitments**

The amount of capital commitments not provided for in the financial year ended 31 December 2011 are as follows:

	<b>RM'000</b>
Contractual commitments for development lands, as disclosed in B7 (a)	<u>169,759</u>

**A12. 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>3 months ended 31-Mar-2012 RM'000</b>
Rental paid to a company in which a Director has interest	<u>16</u>



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

The current quarter revenue and profit before tax of RM65.99 million and RM18.15 million represents 83.5% increase in revenue and 74.1% increase in profit before tax over same quarter in preceding year.

The favourable performance in the Revenues in the current quarter is contributed mainly by the property development segment which recorded an increase of RM33.67 million or 110.1% in revenue compared to preceding corresponding quarter. However, the increase in revenue in property development segment was offset by a decrease in revenue from the construction and project management segment. The decrease was mainly due to the construction contracts was substantially completed in financial year 31 December 2011.

The RM18.15 million or 74.1% increase in profit before tax over same quarter in preceding year is in line with increase in revenue.

The quarter on quarter movements in the segment revenues are as follows:

	Current	Preceding	Variances	
	31-Mar-2012 RM'000	31-Mar-2011 RM'000	%	RM'000
<b>Revenue</b>				
Property development	64,245	30,577	110.1%	33,668
Construction and project management	1,590	5,230	-69.6%	(3,640)
Investment holdings	152	146	4.1%	6
	65,987	35,953	83.5%	30,034

Property development

The property development segment recorded an increase of 110.1% in revenue and profit before tax for the current quarter over the same quarter in preceding year. New and Ongoing projects which substantially contributed to the Group's revenue and profit include Pearl Villas, Pearl Garden, Tanjung Heights, Pearl Square 1, Pearl Square 2, Dahlia Park and Impian Residence.

Construction and project management

The Group's construction and project management segment achieved lower revenue in the current quarter as compared to previous corresponding quarter mainly due to the construction contracts was substantially completed in financial year 31 December 2011.

Investment holdings

There is no significant change in revenue for the investment holdings segment.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

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

The Group's recorded higher revenue and profit before tax of RM65.99 million and RM18.15 million for the current quarter. This represents 17.6% or RM9.89 million increase in revenue and 10.6% or RM1.73 million increase in profit before tax as compare to the preceding quarter ended 31 December 2011 of RM56.10 million of revenue and RM16.42 million of profit before tax. Higher construction work progress achieved and higher take up rates on its on going projects in the current quarter, contributed to the increase in Revenue and Profit Before Tax for the current quarter compared to preceding quarter.

	Current	Preceding	Variances	
	31-Mar-2012 RM'000	31-Dec-2011 RM'000	%	RM'000
Revenue	65,987	56,096	17.6%	9,891
Profit before tax	18,154	16,419	10.6%	1,735

**B3. Prospects for the current financial year**

As at 31 March 2012, the Group recorded an average take up rate of 77.2% on all its ongoing projects with a total GDV of RM696.27 million and has an unbilled sales of RM250.36 million. This will contribute to the Group's earnings for the next two (2) to three (3) years.

The Group launched Pearl Indah 1 and Pearl Indah 2 in current quarter under review with a GDV of RM78.39 million and registered a strong take-up rate of 50% within 3 months. Moving forward, the Group is planning to launch new projects with total GDV of approximately RM500 million during the current financial year.

Based on the foregoing and subject to successful implementation of the projects, the Group expects to achieve favourable performance in the current financial year.

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

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

**B5. Statement by Board of Directors**

The Group did not issue 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 31-Mar-2012 RM'000	Preceding Year Corresponding Quarter 31-Mar-2011 RM'000	Current Year- To-Date 31-Mar-2012 RM'000	Preceding Year Corresponding Period 31-Mar-2011 RM'000
Current income tax	4,451	2,721	4,451	2,721
Deferred taxation	625	-	625	-
	<u>5,076</u>	<u>2,721</u>	<u>5,076</u>	<u>2,721</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**B6. Income Tax (continued)**

The Group's effective taxation rate for the current quarter and financial period-to-date under review of 27.96% was higher than the statutory taxation rate of 25% mainly due to certain expenses of the Group which are not deductible for tax purposes.

**B7. Status of Corporate Proposals**

**(a) 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 (Parcel R1, R2, R3, C and Amenities Land respectively) 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.

On 5 September 2011, all the conditions precedent stipulated in the master agreement and sale and purchase agreements entered into between Palmington Sdn Bhd and Pembangunan Bandar Mutiara Sdn Bhd ("SPA(s)") were fulfilled and the SPAs became unconditional.

Pursuant to the SPAs, Palmington and Pembangunan Mutiara mutually agreed to extend the completion date of the acquisition of Parcel R1 to 30 November 2011.

On 30 November 2011, Palmington and Pembangunan Mutiara mutually agreed to further extend the completion date in respect of the acquisition of Parcel R1 from 30 November 2011 to on or before 09 December 2011 ("2nd Extended Completion Date") to enable the solicitors further time to present the discharges, transfers and charges at the relevant Land Registry/Office.

The Company completed the acquisition of Parcel R1 on 7 December 2011.

**(b) Proposed acquisition of Premcourt Development Sdn. Bhd.**

On 29 August 2011, the Board of Directors of Tambun Indah announced that the Company had entered into a share purchase agreement with Messrs. Siram Permai Sdn. Bhd. and Tah-Wah Sdn. Bhd. (collectively referred to as "Premcourt Vendors") for the acquisition of 250,000 ordinary shares of RM1.00 each in Premcourt Development Sdn. Bhd. ("Premcourt") representing the entire issued and paid-up share capital of Premcourt for a cash consideration of RM5.50 million ("Premcourt Acquisition").

The Parties agreed that Tambun Indah shall pay to the Premcourt Vendors, in accordance with the Premcourt Vendors' respective shareholding proportions the Purchase Consideration in the following manner:

- i) RM5.0 million only shall be paid to the Premcourt Vendors in accordance with the Premcourt Vendors' respective shareholding proportions, on the Completion Date; and
- ii) The balance of RM0.50 million only shall be paid to the Premcourt Vendors in accordance with the Premcourt Vendors' respective shareholding proportions, within seven (7) days from the date the planning permission and/or development order is obtained by Premcourt in respect of the Project.

In the event Premcourt fails to obtain the planning permission/development order for the Project for any reason whatsoever within one (1) year from the date of the SPA or such other extended period as may be agreed by the Tambun Indah, the Parties agree that the Purchase Consideration for the sale shares shall be only RM5.0 million. In such event, Tambun Indah shall not be obliged to pay to the Premcourt Vendors the sum of RM0.50 million and such amount shall be treated as a discount given by the Premcourt Vendors to Tambun Indah for the purchase of the sale shares.

The Company completed the Proposed Premcourt Acquisition on 22 September 2011.

On 19 March 2012, Premcourt had obtained planning permission/development order from local authority and the Company had on 22 March 2012 paid the balance of RM500,000 to the Premcourt Vendors in accordance to their respective shareholding proportion.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**B7. Status of Corporate Proposals (continued)**

**(c) Proposed rights issue with warrants and employees' share option scheme**

On 19 January 2012, the company proposed a renounceable rights issue of 88,400,000 new ordinary shares of RM0.50 each in Tambun Indah ("Rights Share(s)") together with 44,200,000 new free detachable warrants ("Warrant(s)") on the basis of two (2) Rights Shares and one (1) free Warrant for every five (5) existing ordinary shares of RM0.50 each in Tambun Indah ("Tambun Indah Share(s)" or "Share(s)") held on an entitlement date and issue price to be determined later; and establishment of an employees' share option scheme ("ESOS") of up to five per centum (5%) of the issued and paid-up share capital (excluding treasury shares) of Tambun Indah for eligible persons of Tambun Indah and its subsidiaries ("Proposal").

On 28 February 2012, the Proposals had been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") as well as the application to Bank Negara Malaysia for the issuance of Warrants to non-resident shareholders of the Company.

On 9 March 2012, Bank Negara Malaysia had approved the issuance of Warrants to the non-resident shareholders of Tambun Indah pursuant to the Proposed Rights Issue with Warrants

On 15 March 2012, Bursa Securities had vide its letter approved the following:

- (i) Admission to the Official List and the listing and quotation of 44.2 million Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) Listing of 88.4 million of Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (iii) Listing of 44.2 new Tambun Indah Shares to be issued pursuant to the exercise of Warrants; and
- (iv) Listing of such number of additional new Tambun Indah Shares, representing up to five per cent (5%) of the issued and paid-up ordinary share capital of Tambun Indah, to be issued pursuant to the exercise of options under the ESOS.  
Listing of such number of additional new Tambun Indah Shares, representing up to five per cent (5%) of the issued and paid-up

The approval by Bursa Securities for the Proposed Rights Issue with Warrants is subject to the following conditions:

- (i) Tambun Indah and its adviser must fully comply with the relevant provisions under the Listing Requirements ("LR") pertaining to the implementation of the proposal;
- (ii) Tambun Indah and its adviser to inform Bursa Securities upon the completion of the proposal;
- (iii) Tambun Indah to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the proposal is completed; and
- (iv) Payment of listing fees. In respect of the Warrants, Tambun Indah is required to furnish Bursa Securities on a quarterly basis, a summary of the total number of shares listed (pursuant to the exercise of the Warrants), as at the end of each quarter together with a detailed computation of listing fees payable.

The approval of Bursa Securities on the ESOS is subject to the following:

- (i) MIDF Investment to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to paragraph 6.43(1) of the LR, stating the effective date of implementation;
- (ii) Tambun Indah to furnish Bursa Securities on a quarterly basis, a summary of the total number of ESOS shares listed, as at the end of each quarter together with a detailed computation of listing fees payable; and
- (iii) Tambun Indah to ensure its full compliance of all the requirements pertaining to the ESOS as provided under the LR at all times.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**B7. Status of Corporate Proposals (continued)**

**(c) Proposed rights issue with warrants and employees' share option scheme (continued)**

On 6 April 2012, the shareholders of the Company had on the Extraordinary General Meeting ("EGM") approved all the ordinary resolutions as set out in the Notice of EGM dated 21 March 2012 save for Ordinary Resolution 8, which was not put forward for voting as Dato' Mohamad Nadzim Bin Shaari had resigned as the Independent Non-Executive Director of the Company, as announced by the Company on 22 March 2012.

On 16 April 2012:

- (i) the issue price of the rights share has been fixed at RM0.50 per Rights Share ("Issue Price"); and
- (ii) the exercise price of the warrants has been fixed at RM0.60 ("Exercise Price").

Tambun Indah had on 18 April 2012 executed an underwriting agreement with MIDF Investment ("Managing Underwriter"), Affin Investment Bank Berhad and OSK Investment Bank Berhad ("Underwriters") (collectively, the Managing Underwriter and Underwriters are referred to as the "Underwriters"), whereby the Underwriters will severally but not jointly underwrite 38,141,929 Rights Shares ("Underwritten Shares") which comprise approximately 43.15% of the total Rights Shares to be issued pursuant to the Rights Issue with Warrants which are not subject to the Undertakings.

Amal Pintas Sdn Bhd, Siram Permai Sdn Bhd, Ir. Teh Kiak Seng, Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali, Lai Fook Hoy, Teh Theng Theng and Thaw Yeng Cheong, have vide letters dated 17 April 2012 provided an irrevocable undertaking to subscribe in full for their entitlements under the Rights Issue with Warrants ("Undertaking(s)") based on their shareholdings as at 16 April 2012. They shall also subscribe for or procure the subscription for any additional Rights Shares which they may be entitled arising from any additional Tambun Indah Shares held or acquired by any of them from the date hereof up to the entitlement date for the Rights Issue with Warrants.

On 27 April 2012 the Company executed the Deed Poll constituting 44,200,000 Warrants to be issued pursuant to the Rights Issue with Warrants.

On 4 May 2012, the abridged prospectus in relation to the Rights Issue with Warrants has been duly registered with the Securities Commission and lodged with the Registrar of Companies.

**(d) Joint venture development a piece of land with land owner**

On 2 April 2012, Perquest Sdn. Bhd. a wholly-owned subsidiary company of the company had entered into a Joint Venture Agreement with landowner for the joint development of a piece of land in Butterworth Town, Seberang Perai Utara, Penang with total land area measuring approximately 3.26 acres.

**(e) Memorandum of Understanding**

On 21 April 2012 Palmington, a 60%-owned subsidiary had entered into a Memorandum of Understanding with SIS Charter Sdn. Bhd. ("SIS Charter") for the purpose of communicating and exploring in greater depth and detail on the possibility of Palmington constructing and building an International School on part of Palmington's land known as Lot 8753 located at Simpang Ampat, Seberang Perai and held under the document of title H.S.(D) 28461 at the cost and expenses of Palmington and then lease the international school to SIS Charter.

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**B8. Borrowings and Debt Securities**

Details of the Group's borrowings as at 31 March 2012 are as follows:

	<b>Secured RM'000</b>
<i>Long term borrowings:</i>	
Term loans	72,072
Hire purchase payables	278
	<u>72,350</u>
<i>Short term borrowings:</i>	
Bank overdraft	71
Term loans	3,733
Hire purchase payables	57
	<u>3,861</u>
<b>Total</b>	<u><u>76,211</u></u>

The Group has no foreign currency borrowings.

**B9. Material Litigation**

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

**B10. Dividend**

The Board of Directors had proposed a first and final tax exempt dividend of 7.6% per ordinary share of RM0.50 each for the financial year ended 31 December 2011, which is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

**B11. 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.

	<b>Current Quarter 31-Mar-2012</b>	<b>Preceding Year Corresponding Quarter 31-Mar-2011</b>	<b>Current Year- To-Date 31-Mar-2012</b>	<b>Preceding Year Corresponding Period 31-Mar-2011</b>
Profit for the period/year attributable to equity holders of the Company (RM'000)	9,159	6,386	9,159	6,386
Weighted average number of ordinary shares in issue ('000)	221,000	214,600	221,000	214,600
<b>Basic Earnings Per Share (sen)</b>	<b>4.14</b>	<b>2.98</b>	<b>4.14</b>	<b>2.98</b>

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

## B11. Earnings Per Share (continued)

## (a) Basic Earnings Per Share (continued)

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

	Current Quarter 31-Mar-2012 '000	Preceding Year Corresponding Quarter 31-Mar-2011 '000	Current Year- To-Date 31-Mar-2012 '000	Preceding Year Corresponding Period 31-Mar-2011 '000
Number of ordinary shares at beginning of the period/year	221,000	189,000	221,000	189,000
Effect of shares issued pursuant to public issue	-	25,600	-	25,600
Weighted average number of ordinary shares	<u>221,000</u>	<u>214,600</u>	<u>221,000</u>	<u>214,600</u>

## (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.

## B12. 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 2011.

## B13. Other income

	Current quarter 31-Mar-2012 RM'000	Financial year to-date 31-Mar-2012 RM'000
Interest income	89	89
Miscellaneous income	23	23
	<u>112</u>	<u>112</u>

The Group did not receive any other income including investment income for the financial quarter ended 31 March 2012.

## B14. Administrative expenses

	Current quarter 31-Mar-2012 RM'000	Financial year to-date 31-Mar-2012 RM'000
Depreciation	76	76
Loss on disposal of property, plant and equipment	1	1
	<u>77</u>	<u>77</u>

There were no provision for and written off of receivable and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and gain or loss on derivatives for the financial quarter ended 31 March 2012.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

**B15. Disclosure of realised and unrealised profits/losses**

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

	<b>31-Mar-2012</b>	<b>31-Dec-2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- realised	90,767	76,822
- unrealised	14,547	15,173
	<u>105,314</u>	<u>91,995</u>
Total share of retained profits from an associate:		
- realised	(60)	(35)
- unrealised	(10)	-
	<u>105,244</u>	<u>91,960</u>
Less: Consolidation adjustments	(57,654)	(53,529)
Total Group retained profits as per consolidated accounts	<u><u>47,590</u></u>	<u><u>38,431</u></u>

**B16. 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 22 May 2012.

By order of the Board of Directors  
 Lee Peng Loon  
 Company Secretary  
 22 May 2012