



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Quarter Ended 30 June 2012 (Unaudited)

	Page No.
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Changes In Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Interim Financial Report	5 - 14

TAMBUN INDAH LAND BERHAD (Company No: 810446-U)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2012
Condensed Consolidated Statements of Financial Position

	Unaudited	Audited
	As at 30 June	As at 31
	2012	December 2011
	RM'000	RM'000
ASSETS:		
Non-Current Assets:		
Property, plant and equipment	3,295	1,266
Investment properties	7,110	9,085
Land held for development	87,938	85,774
Investment in an associate company	4,491	1,636
Goodwill on consolidation	1,766	1,766
Deferred tax assets	369	640
	<u>104,969</u>	<u>100,167</u>
Current Assets		
Inventories	567	2,780
Property development costs	111,113	113,310
Trade and other receivables	65,587	65,295
Current tax assets	299	1,343
Short term deposit	20,000	-
Cash and bank balances	80,737	39,290
	<u>278,303</u>	<u>222,018</u>
TOTAL ASSETS	<u>383,272</u>	<u>322,185</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	154,700	110,500
Share premium	6,400	6,400
Option reserve	62	-
Warrant reserve	2,652	-
Retained profits	42,673	38,431
	<u>206,487</u>	<u>155,331</u>
Non-controlling interests	35,820	32,033
Total Equity	<u>242,307</u>	<u>187,364</u>
Non-Current Liabilities:		
Long-term bank borrowings	65,530	71,938
Deferred taxation	1,674	2,894
	<u>67,204</u>	<u>74,832</u>
Current Liabilities:		
Trade and other payables	45,207	50,400
Dividend payable	11,757	-
Short-term bank borrowings	6,686	6,014
Current tax liabilities	10,111	3,575
	<u>73,761</u>	<u>59,989</u>
TOTAL LIABILITIES	<u>140,965</u>	<u>134,821</u>
TOTAL EQUITY AND LIABILITIES	<u>383,272</u>	<u>322,185</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)	<u>0.67</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 309,400,000 (2011: 221,000,000) ordinary shares of RM0.50 each in Tambun Indah ("Shares").

TAMBUN INDAH LAND BERHAD (Company No: 810446-U)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2012
Condensed Consolidated Statements of Comprehensive Income

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		30-Jun-2012	30-Jun-2011	30-Jun-2012	30-Jun-2011
		RM'000	RM'000	RM'000	RM'000
Revenue		78,847	52,445	144,834	88,398
Cost of sales		(52,837)	(38,677)	(96,263)	(62,727)
Gross profit		26,010	13,768	48,571	25,671
Other income	B14	312	279	424	708
Sales and marketing expenses		(4,961)	(997)	(6,331)	(1,859)
Administrative expenses	B15	(3,028)	(1,717)	(5,702)	(2,761)
Profit from operations		18,333	11,333	36,962	21,759
Finance costs		(439)	-	(879)	-
Share of loss of an associate		(10)	-	(45)	-
Profit before tax		17,884	11,333	36,038	21,759
Income tax expense		(5,124)	(3,049)	(10,200)	(5,770)
Profit for the period		12,760	8,284	25,838	15,989
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income for the period		12,760	8,284	25,838	15,989
Profit attributable to :					
Equity holders of the Company		9,492	4,735	18,651	11,121
Non-controlling interests		3,268	3,549	7,187	4,868
		12,760	8,284	25,838	15,989
Total comprehensive income attributable to :					
Equity holders of the Company		9,492	4,735	18,651	11,121
Non-controlling interests		3,268	3,549	7,187	4,868
		12,760	8,284	25,838	15,989
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B12	3.78	2.14	7.90	5.11
Diluted (sen)	B12	3.78	2.14	7.89	5.11

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.

TAMBUN INDAH LAND BERHAD (Company No: 810446-U)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2012
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company							Total Equity RM'000
	Non-distributable				Distributable		Non- controlling Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Option Reserve RM'000	Warrant Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2012	110,500	6,400	-	-	38,431	155,331	32,033	187,364
Profit for the period	-	-	-	-	18,651	18,651	7,187	25,838
Total comprehensive income	-	-	-	-	18,651	18,651	7,187	25,838
Transactions with owners								
Dividend paid to a non-controlling interest of a subsidiary company	-	-	-	-	-	-	(1,200)	(1,200)
Issuance of shares pursuant to right issue with warrants	44,200	-	-	-	-	44,200	-	44,200
Issuance of warrants	-	-	-	2,652	(2,652)	-	-	-
Options grant under ESOS	-	-	62	-	-	62	-	62
Redemption of redeemable preference shares acquired by non-controlling interest of a subsidiary company	-	-	-	-	-	-	(2,200)	(2,200)
Dividends relating to Financial Year 2011 declared on 15 June 2012 and to be paid on 14 September 2012	-	-	-	-	(11,757)	(11,757)	-	(11,757)
Total transactions with owners	44,200	-	62	2,652	(14,409)	32,505	(3,400)	29,105
At 30 June 2012	154,700	6,400	62	2,652	42,673	206,487	35,820	242,307
At 1 January 2011	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
Transactions with owners								
Dividend paid	-	-	-	-	(10,166)	(10,166)	-	(10,166)
Public issue	16,000	6,400	-	-	-	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
At 31 December 2011	110,500	6,400	-	-	38,431	155,331	32,033	187,364

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.

TAMBUN INDAH LAND BERHAD (Company No: 810446-U)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2012
Condensed Consolidated Statements of Cash Flows

	6 months ended 30-Jun-2012 RM'000	6 months ended 30-Jun-2011 RM'000
Profit before taxation	36,038	21,759
Adjustments for:-		
Non-cash items	240	114
Non-operating items	1,816	(442)
Operating profit before changes in working capital	38,094	21,431
Net Change in current assets	3,256	(3,176)
Net Change in current liabilities	(5,193)	(34,478)
Cash used in operations	36,157	(16,223)
Interest received	285	442
Tax paid	(3,569)	(4,590)
Net cash generated from/(used in) operating activities	32,873	(20,371)
Investing Activities		
Acquisition of a subsidiary company	-	(3,475)
Payment for investment in associate company	(2,900)	-
Purchase of property, plant and equipment	(1,565)	(313)
Proceeds from disposal of property, plant and equipment	31	-
Net cash used in investing activities	(4,434)	(3,788)
Financing Activities		
Interest paid	(879)	-
Dividends paid to non-controlling interests of a subsidiary company	(1,200)	-
Issuance of share by a subsidiary company to non-controlling interests	-	5,250
Listing expenses	-	(2,681)
Payment for redemption of RPS in subsidiary company	(2,200)	-
Proceeds from issuance of shares pursuant to rights issue with warrants	44,200	-
Expenses incurred in relation to right issue with warrants	(1,177)	-
Public issue	-	22,400
Drawdown of bank borrowings	381	28,000
Repayment of bank borrowings	(5,258)	(11,733)
Changes of fixed deposits pledged to a licensed bank	632	36
Net cash generated from financing activities	34,499	41,272
Net changes in cash and cash equivalents	62,938	17,113
Cash and cash equivalents at 1 January 2012/2011	37,614	23,950
Cash and cash equivalents at 30 June 2012/2011	100,552	41,063
Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-		
Fixed deposits with licensed banks	17,539	22,413
Cash and bank balances	63,198	20,790
Short term deposit	20,000	-
Bank overdrafts	-	(2,052)
	100,737	41,151
Less: Fixed deposits pledged to a licensed bank	(185)	(88)
	100,552	41,063

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.

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

A1. Basis of Preparation

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities, inter alia, that are within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

The Group falls within the scope of Transitioning Entities. Transitioning Entities are allowed to defer the adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. For the financial year ending 31 December 2012, the Group will continue to prepare financial statements using the Financial Reporting Standards ("FRS").

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.

A6. Debt and Equity Securities

For the financial period under review, 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, save for the disclosure below.

On 4 June 2012, the Company has completed the renounceable rights issue of 88,400,000 new ordinary shares of RM0.50 each in Tambun Indah together with 44,200,000 new free detachable warrants 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 on the main market of Bursa Malaysia Securities Berhad. Total proceeds of RM44,200,000 was raised.

A7. Dividend Paid

No dividends have been paid during the current financial quarter and financial year under review. A first and final tax exempt dividend of 3.8 sen per ordinary shares for financial year ended 31 December 2011 has been approved by shareholders and declared by the Board of Directors on 16 June 2012.

A8. Operating Segment

(a) The segment revenue by activities for the financial quarter ended 30 June 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	141,394	3,138	302	-	144,834
Inter-segment revenues	-	8,824	26,043	(34,867)	-
	<u>141,394</u>	<u>11,962</u>	<u>26,345</u>	<u>34,867</u>	<u>144,834</u>

(b) The segment result by activities for the financial quarter ended 30 June 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	37,868	1,785	38	(1,149)	38,542
Share of loss of an associate					(45)
Finance costs					(879)
Unallocated amount: corporate expenses					<u>(1,580)</u>
Profit before tax					36,038
Tax expense					<u>(10,200)</u>
Profit for the year					<u>25,838</u>

(c) Total segment assets by activities as at 30 June 2012:

	RM'000
Property development	325,712
Construction and project management	46,007
Investment holdings	<u>11,553</u>
Total	<u>383,272</u>

A9. Subsequent Events

Save as disclosed in B7, there are no material events subsequent to the financial quarter ended 30 June 2012 till 9 August 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.

A10. Changes in the Composition of the Group

There was no changes in the composition of the Group for the financial quarter ended 30 June 2012 and current financial year other than investment in culmulative redeemable preference shares ("RPS") in an associates amounting to RM2.9 million at rate of 7% per annum.

A11. Capital Commitments

The amount of capital commitments not provided for in the financial quarter ended 30 June 2012 are as follows:

	RM'000
Contractual commitments for purchase of development lands	<u>175,676</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:

	6 months ended 30-Jun-2012 RM'000
Rental paid to a company in which a Director has interest	<u>32</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 RM78.85 million and RM17.88 million represents 50.3% increase in revenue and 57.8% increase in profit before tax over same quarter in preceding year.

The favourable increase in the Revenues in the current quarter was contributed mainly by the property development segment which recorded an increase of RM27.05 million or 54.0% in revenue compared to preceding corresponding quarter. However, revenue from the construction and project management segment was lower, primarily due to construction contracts being substantially completed in the financial year ended 31 December 2011.

Corresponding to the increase in revenue, profit before tax in the current quarter increased to RM17.88 million, or an increase of 57.8% increase over the same quarter in the preceding year.

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

	Current	Preceding Year	Variances	
	30-Jun-2012 RM'000	30-Jun-2011 RM'000	%	RM'000
Revenue				
Property development	77,149	50,102	54%	27,047
Construction and project management	1,548	2,192	(29%)	(644)
Investment holdings	150	151	-1%	(1)
	78,847	52,445	50%	26,402

Property development

The property development segment recorded an increase of 54.0% in revenue for the current quarter over the same quarter in preceding year. The increase in revenue is mainly contributed from higher revenue recognition from residential and commercial properties development in Simpang Ampat and Butterworth.

On-going projects which contributed to the profit and revenue achieved include *Pearl Garden*, *Pearl Villa*, *Pearl Square 1*, *Pearl Square 2*, *Pearl Indah 1*, *Pearl Indah 2* and *Pearl Indah 3* at Pearl City, Simpang Ampat; *Dahlia Park*, *Carissa Villa*, *Capri Park*, *Carissa Park* and *Tanjung Heights* at Butterworth; *Impian Residence* at Bukit Mertajam and *New Juru Industrial Park* at Juru.

Construction and project management

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

Investment holdings

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

B2. Variation of results against immediate preceding quarter

The Group recorded higher revenue of RM78.85 million for the current quarter. This represented an increase of RM12.86 million or 19.5%. However, profit before tax dropped slightly by RM0.27 million or 1.5%, against that in the preceding quarter ended 31 March 2012. Higher construction work progress achieved, and higher take up rates on its on-going projects in the current quarter compared to preceding quarter, contributed to the increase in revenue. However, in the current quarter, sales and marketing expenses were higher, resulting from promotional packages offered to purchasers of newly launched projects. That together with the increase in corporate expenses from the Rights and Warrants issue exercise, led to a lower profit before tax.

	Current	Preceding	Variances	
	30-Jun-2012 RM'000	31-Mar-2012 RM'000	%	RM'000
Revenue	78,847	65,987	19.49%	12,860
Profit before tax	17,884	18,154	-1.49%	(270)

B3. Prospects for the current financial year

As at 30 June 2012, the Group achieved an average take-up rate of 77.0% on all its on-going projects with a total GDV of RM812.96 million with total unbilled sales standing at RM261.74 million, which will contribute to the Group's earnings for the next three (3) years.

Moving forward, the Group is planning to launch new projects with total GDV of approximately RM597.6 million during second half of financial year ending 31 December 2012.

Based on the foregoing, and subject to successful implementation of the projects, the Board expects to achieve satisfactory 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 30-Jun-2012 RM'000	Preceding Year Corresponding Quarter 30-Jun-2011 RM'000	Current Year- To-Date 30-Jun-2012 RM'000	Preceding Year Corresponding Period 30-Jun-2011 RM'000
Current income tax	6,697	1,934	11,148	4,655
Deferred taxation	(1,573)	1,115	(948)	1,115
	<u>5,124</u>	<u>3,049</u>	<u>10,200</u>	<u>5,770</u>

The Group's effective taxation rate for the current quarter and financial period-to-date under review of 28.81% 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 ("Palmington"), 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 ("Pembangunan Mutiara") 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 and Pembangunan Mutiara ("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 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.

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.

B7. Status of Corporate Proposals (continued)

(b) 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 the issue price of the rights share has been fixed at RM0.50 per Rights Share ("Issue Price") and 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.

On 4 June 2012, the Company has completed the Rights Issue with Warrants following the listing of and quotation for the 88,400,000 Rights Shares together with 44,200,000 Warrants on the Main Market of Bursa Malaysia Securities Berhad.

(c) 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.

Both parties are currently in the midst of obtaining relevant approvals from authorities and/or relevant agencies.

B8. Utilisation of proceeds

Rights issue with warrants

On 4 June 2012, the Company had completed the Rights Issue with Warrants following the listing of and quotation for the 88,400,000 Rights Shares together with 44,200,000 Warrants on the Main Market of Bursa Malaysia Securities Berhad.

The total gross proceeds arising from the Rights Issue with Warrants of RM44.20 million which will accrue entirely to Tambun Indah are intended to be utilised in the following manner:

Purpose	Proposed utilisation	Actual utilisation to 30.6.12	Intended Timeframe for Utilisation	Deviation	
	RM'000	RM'000		RM'000	%
Property development expenditure	43,000	6,638	18 months ending 30.11.13	36,362	84.56%
Corporate exercise expenses	1,200	1,177	3 months ending 30.8.12	23	1.92%
Total	44,200	7,815		36,385	

B9. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2012 are as follows:

	Secured RM'000
<i>Long term borrowings:</i>	
Term loans	65,272
Hire purchase payables	258
	<u>65,530</u>
<i>Short term borrowings:</i>	
Term loans	6,623
Hire purchase payables	63
	<u>6,686</u>
Total	<u><u>72,216</u></u>

The Group has no foreign currency borrowings.

B10. Material Litigation

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

B11. Dividend

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

First and final Dividend for the financial year	31 December 2011
Amount per shares (single tier)	3.8 sen
Previous corresponding period	Nil
Approved and declared on	15 June 2012
Record of Depositors as at	30 August 2012
Date of payment	14 September 2012

B12. 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-2012	Preceding Year Corresponding Quarter 30-Jun-2011	Current Year- To-Date 30-Jun-2012	Preceding Year Corresponding Period 30-Jun-2011
Profit for the period attributable to equity holders of the Company (RM'000)	9,492	4,735	18,651	11,121
Weighted average number of ordinary shares in issue ('000)	251,114	221,000	236,057	217,818
Basic Earnings Per Share (sen)	3.78	2.14	7.90	5.11

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

	Current Quarter 30-Jun-2012 '000	Preceding Year Corresponding Quarter 30-Jun-2011 '000	Current Year- To-Date 30-Jun-2012 '000	Preceding Year Corresponding Period 30-Jun-2011 '000
Number of ordinary shares at beginning of the	221,000	189,000	221,000	189,000
Effect of shares issued pursuant to right issue with warrants	30,114	-	15,057	-
Effect of shares issued pursuant to public issue	-	32,000	-	28,818
Weighted average number of ordinary shares	<u>251,114</u>	<u>221,000</u>	<u>236,057</u>	<u>217,818</u>

B12. Earnings Per Share (Continued)

(b) Diluted Earnings per share

The diluted earnings per share has been calculated by dividing the Group's profit for the period attributable to the equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the warrants and ESOS granted, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	Current Quarter 30-Jun-2012	Preceding Year Corresponding Quarter 30-Jun-2011	Current Year- To-Date 30-Jun-2012	Preceding Year Corresponding Period 30-Jun-2011
Profit for the period/year attributable to equity holders of the Company (RM'000)	9,492	4,735	18,651	11,121
Weighted average number of ordinary shares ('000)	251,328	221,000	236,261	217,818
Diluted Earnings Per Share (sen)	3.78	2.14	7.89	5.11

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

	Current Quarter 30-Jun-2012 '000	Preceding Year Corresponding Quarter 30-Jun-2011 '000	Current Year- To-Date 30-Jun-2012 '000	Preceding Year Corresponding Period 30-Jun-2011 '000
Weighted average number of ordinary shares as per basic earnings per share	251,114	221,000	236,057	217,818
Effect of potential exercise of ESOS/warrants	214	-	204	-
Weighted average number of ordinary shares	251,328	221,000	236,261	217,818

B13. 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.

B14. Other income

	Current quarter 30-Jun-2012 RM'000	Financial year to-date 30-Jun-2012 RM'000
Interest income	196	285
Miscellaneous income	116	139
	<u>312</u>	<u>424</u>

The Group did not receive any other income including investment income for the financial quarter ended 30 June 2012.

B15. Administrative expenses

	Current quarter 30-Jun-2012 RM'000	Financial year to-date 30-Jun-2012 RM'000
Depreciation	119	195
Gain on disposal of property, plant and equipment	(21)	(20)
Property, plant and equipment written off	3	3

There were no provision for and write off of receivables 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 30 June 2012.

B16. Disclosure of realised and unrealised profits/losses

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

	30-Jun-2012 RM'000	31-Dec-2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	115,469	76,822
- unrealised	13,406	15,173
	<u>128,875</u>	<u>91,995</u>
Total share of retained profits from an associate:		
- realised	(25)	(35)
- unrealised	(55)	-
	<u>128,795</u>	<u>91,960</u>
Less: Consolidation adjustments	(86,122)	(53,529)
Total Group retained profits as per consolidated accounts	<u>42,673</u>	<u>38,431</u>

B17. 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 16 August 2012.

By order of the Board of Directors
 Lee Peng Loon
 Company Secretary
 16 August 2012