



**TAMBUN INDAH LAND BERHAD**

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Quarter Ended 30 September 2012 (Unaudited)

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

	<b>Unaudited As at 30 September 2012 RM'000</b>	<b>Audited As at 31 December 2011 RM'000</b>
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		
Property, plant and equipment	3,438	1,266
Investment properties	7,110	9,085
Land held for development	87,275	85,774
Investment in an associate company	979	1,636
Other Investment	3,740	-
Goodwill on consolidation	-	1,766
Deferred tax assets	1,388	640
	<u>103,930</u>	<u>100,167</u>
<b>Current Assets</b>		
Inventories	567	2,780
Property development costs	107,730	113,310
Trade and other receivables	80,138	65,295
Current tax assets	614	1,343
Short term deposit	20,180	-
Cash and bank balances	82,191	39,290
	<u>291,420</u>	<u>222,018</u>
<b>TOTAL ASSETS</b>	<u>395,350</u>	<u>322,185</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	155,213	110,500
Share premium	6,484	6,400
Option reserve	53	-
Warrant reserve	2,652	-
Capital redemption reserve	200	-
Retained profits	53,345	38,431
	<u>217,947</u>	<u>155,331</u>
Non-controlling interests	35,960	32,033
<b>Total Equity</b>	<u>253,907</u>	<u>187,364</u>
<b>Non-Current Liabilities:</b>		
Long-term bank borrowings	61,536	71,938
Deferred taxation	3,216	2,894
	<u>64,752</u>	<u>74,832</u>
<b>Current Liabilities:</b>		
Trade and other payables	60,330	50,400
Short-term bank borrowings	6,289	6,014
Current tax liabilities	10,072	3,575
	<u>76,691</u>	<u>59,989</u>
<b>TOTAL LIABILITIES</b>	<u>141,443</u>	<u>134,821</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>395,350</u>	<u>322,185</u>
<b>Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)</b>	<u>0.70</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 310,426,000 (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 SEPTEMBER 2012**  
**Condensed Consolidated Statements of Comprehensive Income**

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		30-Sep-2012	30-Sep-2011	30-Sep-2012	30-Sep-2011
		RM'000	RM'000	RM'000	RM'000
Revenue		76,640	47,350	221,474	135,748
Cost of sales		(49,887)	(32,589)	(146,150)	(95,316)
<b>Gross profit</b>		<b>26,753</b>	<b>14,761</b>	<b>75,324</b>	<b>40,432</b>
Other income	B14	586	281	1,010	989
Sales and marketing expenses		(1,541)	(1,660)	(7,872)	(3,519)
Administrative expenses	B15	(3,410)	(4,120)	(9,112)	(6,881)
Profit from operations		22,388	9,262	59,350	31,021
Finance costs		(506)	(497)	(1,385)	(497)
Share of profit/(loss) of an associate		228	(4)	183	(4)
Profit before tax		22,110	8,761	58,148	30,520
Income tax expense		(6,392)	(2,978)	(16,592)	(8,748)
<b>Profit for the period</b>		<b>15,718</b>	<b>5,783</b>	<b>41,556</b>	<b>21,772</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>15,718</b>	<b>5,783</b>	<b>41,556</b>	<b>21,772</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		10,911	3,260	29,562	14,381
Non-controlling interests		4,807	2,523	11,994	7,391
		<b>15,718</b>	<b>5,783</b>	<b>41,556</b>	<b>21,772</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		10,911	3,260	29,562	14,381
Non-controlling interests		4,807	2,523	11,994	7,391
		<b>15,718</b>	<b>5,783</b>	<b>41,556</b>	<b>21,772</b>
<b>Earnings per share attributable to the equity holders of the Company</b>					
Basic (sen)	B12	3.52	1.48	11.33	6.57
Diluted (sen)	B12	3.49	1.48	11.30	6.57

**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 SEPTEMBER 2012**  
**Condensed Consolidated Statement of Changes In Equity**

	<b>Attributable to Equity Holders of the Company</b>								
	<b>Non-distributable</b>					<b>Distributable</b>		<b>Non-controlling Interests</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Option Reserve</b>	<b>Warrant Reserve</b>	<b>Capital Redemption Reserve</b>	<b>Retained Profits</b>	<b>Total</b>		
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>At 1 January 2012</b>	110,500	6,400	-	-	-	38,431	155,331	32,033	187,364
Profit for the period	-	-	-	-	-	29,562	29,562	11,994	41,556
Total comprehensive income	-	-	-	-	-	29,562	29,562	11,994	41,556
<b>Transactions with owners</b>									
Dividend paid to a non-interest of a subsidiary company	-	-	-	-	-	-	-	(5,867)	(5,867)
Issuance of ordinary shares -right issue with warrants - exercise of Employee share option scheme ("ESOS")	44,200	-	-	-	-	-	44,200	-	44,200
	513	84	(10)	-	-	-	587	-	587
Issuance of warrants	-	-	-	2,652	-	(2,652)	-	-	-
Options grant under ESOS	-	-	63	-	-	-	63	-	63
Redemption of redeemable preference shares ("RPS") acquired by - non-controlling interest of a subsidiary company - subsidiaries companies	-	-	-	-	-	-	-	(2,200)	(2,200)
	-	-	-	-	200	(200)	-	-	-
Dividend paid	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Total transactions with owners	44,713	84	53	2,652	200	(14,648)	33,054	(8,067)	24,987
<b>At 30 September 2012</b>	<b>155,213</b>	<b>6,484</b>	<b>53</b>	<b>2,652</b>	<b>200</b>	<b>53,345</b>	<b>217,947</b>	<b>35,960</b>	<b>253,907</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	-	-	-	-	22,400	-	22,400
RPS 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>-</b>	<b>-</b>	<b>-</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.

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

	<b>9 months ended 30-Sep-2012 RM'000</b>	<b>9 months ended 30-Sep-2011 RM'000</b>
Profit before taxation	58,148	30,520
Adjustments for:-		
Non-cash items	2,187	2,799
Non-operating items	1,606	(634)
Operating profit before changes in working capital	61,941	32,685
Net Change in current assets	(7,249)	(6,655)
Net Change in current liabilities	9,930	(38,111)
Cash used in operations	64,622	(12,081)
Interest received	773	638
Tax paid	(9,792)	(5,602)
<b>Net cash generated from/(used in) operating activities</b>	<b>55,603</b>	<b>(17,045)</b>
<b>Investing Activities</b>		
Acquisition of a subsidiary company	-	(3,559)
Payment for investment in associate company	(2,900)	(2,218)
Purchase of property, plant and equipment	(1,815)	(351)
Proceeds from disposal of property, plant and equipment	31	-
<b>Net cash used in investing activities</b>	<b>(4,684)</b>	<b>(6,128)</b>
<b>Financing Activities</b>		
Interest paid	(1,385)	-
Dividend paid	(11,796)	(10,166)
Dividends paid to non-controlling interests of a subsidiary company	(5,867)	-
Issuance of share by a subsidiary company to non-controlling interests	-	5,250
Listing expenses	-	(2,674)
Payment for redemption of RPS in subsidiary company	(2,200)	-
Proceeds from issuance of shares pursuant to rights issue with warrants	44,200	-
Proceeds from issuance of shares pursuant to ESOS	514	-
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	(9,649)	(12,115)
Changes of fixed deposits pledged to a licensed bank	(2,115)	(5)
<b>Net cash generated from financing activities</b>	<b>10,906</b>	<b>30,690</b>
Net changes in cash and cash equivalents	61,825	7,517
Cash and cash equivalents at 1 January 2012/2011	37,614	23,950
<b>Cash and cash equivalents at 30 September 2012/2011</b>	<b>99,439</b>	<b>31,467</b>
<b>Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-</b>		
Fixed deposits with licensed banks	21,142	8,378
Cash and bank balances	61,049	25,658
Short term deposit	20,180	-
Bank overdrafts	-	(2,440)
	102,371	31,596
Less: Fixed deposits pledged to a licensed bank	(2,932)	(129)
	99,439	31,467

**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 had 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.

(a) On 4 June 2012, the Company 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 were raised.

(b) Issuance of 1,026,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.54
No. of shares issued	('000)	1,000	26

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM514,040.

**A7. Dividend Paid**

On 14 September 2012, the Company paid first and final dividend of 3.8 sen per ordinary share of RM0.50 each amounting to RM11,796,188 in respect of the financial year ended 31 December 2011.

**A8. Operating Segment**

(a) The segment revenue by activities for the financial quarter ended 30 September 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	215,864	5,156	454	-	221,474
Inter-segment revenues	-	10,922	26,111	(37,033)	-
	<u>215,864</u>	<u>16,078</u>	<u>26,565</u>	<u>37,033</u>	<u>221,474</u>

(b) The segment result by activities for the financial quarter ended 30 September 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	62,302	2,340	377	(4,082)	60,937
Share of loss of an associate					183
Finance costs					(1,385)
Unallocated amount: corporate expenses					<u>(1,587)</u>
Profit before tax					58,148
Tax expense					<u>(16,592)</u>
Profit for the year					<u>41,556</u>

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

	RM'000
Property development	344,507
Construction and project management	40,720
Investment holdings	<u>10,123</u>
Total	<u>395,350</u>

**A9. Subsequent Events**

Save as disclosed in B7, there were no material events subsequent to the financial quarter ended 30 September 2012 till 20 November 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 change in the composition of the Group for the financial quarter ended 30 September 2012.

**A11. Capital Commitments**

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

	<b>RM'000</b>
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:*

	<b>9 months ended 30-Sep-2012 RM'000</b>
Rental paid to a company in which a Director has interest	48
Progress claimed charged to associate company	<u>4,073</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 RM76.64 million and RM22.11 million represented a 61.9% increase in revenue and 152.4% increase in profit before tax over same quarter of 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 RM27.86 million or 60.0% in revenue compared to preceding corresponding quarter. Also the construction and project management segment reported an increase in revenue of RM1.42 million, arising from an additional construction contract in the current quarter.

Corresponding to the increase in revenue, profit before tax in the current quarter increased to RM22.11 million, or an increase of 152.4%.

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

	Current	Preceding Year	Variances	
	30-Sep-2012 RM'000	30-Sep-2011 RM'000	%	RM'000
<b>Revenue</b>				
Property development	74,470	46,605	60%	27,865
Construction and project management	2,018	594	240%	1,424
Investment holdings	152	151	1%	1
	76,640	47,350	62%	29,290
Profit before tax	22,110	8,761	152%	13,349

Property development

The property development segment recorded an increase of 60.0% in revenue for the current quarter over the same quarter in preceding year. The increase in revenue was mainly from higher revenue recognition from residential and commercial properties development in Simpang Ampat and Butterworth.

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

Construction and project

The Group's construction and project management segment returned higher revenue in the current quarter, compared to the previous corresponding quarter, on account of an additional construction contract.

Investment holdings

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

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

The Group's revenue for the current quarter dropped slightly by RM2.20 million to RM76.64 million. Despite this, profit before tax increased by RM4.23 million or 23.6%, compared to the preceding quarter ended 30 June 2012. The lower revenue was due to less construction work progress achieved, a consequence of fewer working days in current quarter. However, lower sales and marketing expenses in the current quarter and increase in Gross Profit margin from 32.99% in the preceding quarter to 34.91% in the current quarter contributed to the increase in profit before tax.

	Current	Preceding	Variances	
	30-Sep-2012 RM'000	30-Jun-2012 RM'000	%	RM'000
Revenue	76,640	78,847	-2.80%	(2,207)
Profit before tax	22,110	17,884	23.63%	4,226
Sales & marketing expenses	(1,541)	(4,961)	-68.94%	3,420

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

As at 30 September 2012, the Group achieved an average take-up rate of 79.5% on all its ongoing projects with a total GDV of RM849.82 million with total unbilled sales stood at RM261.96 million, this will contribute to the Group's earnings over the next three (3) years.

Following the successful launches of the *Pearl Indah*, *Carissa Villa*, *Straits Garden- Suites*, *Straits Garden- Condo* and *BM Residence*, the Group will launch *Pearl Residence* and *Pearl Impian*, both within its flagship Pearl City project, in the forth quarter of 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 comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year 30-Sep-2012 RM'000	Preceding Year Corresponding Quarter 30-Sep-2011 RM'000	Current Year- To-Date 30-Sep-2012 RM'000	Preceding Year Corresponding Period 30-Sep-2011 RM'000
Current income tax	5,869	3,333	17,017	7,988
Deferred taxation	523	(355)	(425)	760
	6,392	2,978	16,592	8,748

The Group's effective taxation rate for the current quarter and financial period-to-date under review of 28.91% was higher than the statutory taxation rate of 25% mainly due to certain non-tax deductible expenses of the Group.

**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.

Palmington had on 10 August 2012 entered into a Supplemental Agreement with Pembangunan Mutiara to vary the order of completion of Parcel R2 and Parcel R3 in respect of the Proposed Acquisitions.

Pursuant to the Master Agreement, Parcel R2 SPA and Parcel R3 SPA dated 4 May 2011, Parcel R2 SPA would complete ahead of Parcel R3 SPA, whereby the balance of the purchase consideration for Parcel R2 and Parcel R3 would be paid by Palmington to Pembangunan Mutiara on or before 18 months and 33 months from the date of the Agreements respectively.

Pursuant to the Supplemental Agreement, Parcel R3 SPA will be completed first, followed by Parcel R2 SPA.

The balance of the Parcel R3 Purchase Price shall be paid by Palmington to Pembangunan Mutiara or the Pembangunan Mutiara's Solicitors as stakeholders, on or before 18 months from the date of the Master Agreement and Parcel R3 SPA, instead of 33 months.

The balance of the Parcel R2 Purchase Price shall be paid by Palmington to Pembangunan Mutiara or the Pembangunan Mutiara's Solicitors as stakeholders, on or before 33 months from the date of the Master Agreement and Parcel R2 SPA, instead of 18 months.

The acquisition of Amenities Land was completed on 10 August 2012.

On 29 October 2012, Palmington and Pembangunan Mutiara had mutually agreed to extend the completion date in respect of the acquisition of Parcel R3 from 03 November 2012 to a further period of three (3) months ("Extended Completion Date") with interest on the number of days of extension at the rate of eight per centum (8%) per annum on the balance purchase price or the amount outstanding. The extension of time was mainly due to the loan documentation of Palmington not been able to be completed in time. Palmington had paid the differential sum to Pembangunan Mutiara being the difference between the purchase consideration and financing amount for Parcel R3.

Save for the Extended Completion Date, all other terms and conditions of SPA, all dated 04 May 2011 entered between Palmington and Pembangunan Mutiara for the aforesaid Proposed Acquisition shall remain unchanged.

**(b) 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 expense of Palmington and subsequently to lease the premises to SIS Charter.

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

On 19 October 2012, Palmington and SIS Charter mutually agreed that the MOU be extended and continued to be in force for a further period of one (1) month to 19 November 2012.

On 19 November 2012, Palmington and SIS Charter further agreed that the MOU be extended for a period of 3 months to 19 February 2013. It was also agreed that SIS Charter's rights and obligations under the MOU be assigned to its subsidiary, PC Straits International Education Sdn Bhd.

**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 were intended to be utilised in the following manner:

Purpose	Proposed utilisation	Actual utilisation to 30.9.12	Reallocation	Timeframe for utilisation	Deviation	
	RM'000	RM'000			RM'000	RM'000
Property development expenditure	43,000	17,948	23	18 months ending 30.11.13	25,075	58.31%
Corporate exercise expenses	1,200	1,177	(23)	3 months ended 30.8.12	-	0.00%
Total	44,200	19,125	-		25,075	

Management had decided to reallocate the balance of unutilised proceeds for Corporate Exercise Expenses amounting to approximately RM23,000 to Property Development Expenditure.

**B9. Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 September 2012 were as follows:

	Secured RM'000
<i>Long term borrowings:</i>	
Term loans	61,295
Hire purchase payables	241
	61,536
<i>Short term borrowings:</i>	
Term loans	6,226
Hire purchase payables	63
	6,289
<b>Total</b>	67,825

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

Interim Dividend for the financial year	31 December 2012
Amount per shares (single tier)	2 sen
Previous corresponding period	Nil
Approved and declared on	27 November 2012
Record of Depositors as at	28 January 2013
Date of payment	26 February 2013

**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 had 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-Sep-2012	Preceding Year Corresponding Quarter 30-Sep-2011	Current Year- To-Date 30-Sep-2012	Preceding Year Corresponding Period 30-Sep-2011
Profit for the period attributable to equity holders of the Company	10,911	3,260	29,562	14,381
Weighted average number of ordinary shares in issue ('000)	310,037	221,000	260,897	218,890
<b>Basic Earnings Per Share (sen)</b>	<b>3.52</b>	<b>1.48</b>	<b>11.33</b>	<b>6.57</b>

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

	Current Quarter 30-Sep-2012 '000	Preceding Year Corresponding Quarter 30-Sep-2011 '000	Current Year- To-Date 30-Sep-2012 '000	Preceding Year Corresponding Period 30-Sep-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:				
- right issue with warrants	88,400	-	39,683	-
- exercise of ESOS	637	-	214	-
- public issue	-	32,000	-	29,890
Weighted average number of ordinary shares	310,037	221,000	260,897	218,890

**(b) Diluted Earnings per share**

The diluted earnings per share had 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-Sep-2012	Preceding Year Corresponding Quarter 30-Sep-2011	Current Year- To-Date 30-Sep-2012	Preceding Year Corresponding Period 30-Sep-2011
Profit for the period/year attributable to equity holders of the Company (RM'000)	10,911	3,260	29,562	14,381
Weighted average number of ordinary shares	312,561	221,000	261,611	218,890
<b>Diluted Earnings Per Share (sen)</b>	<b>3.49</b>	<b>1.48</b>	<b>11.30</b>	<b>6.57</b>

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

	Current Quarter 30-Sep-2012 '000	Preceding Year Corresponding Quarter 30-Sep-2011 '000	Current Year- To-Date 30-Sep-2012 '000	Preceding Year Corresponding Period 30-Sep-2011 '000
Weighted average number of ordinary shares as per basic earnings per share	310,037	221,000	260,897	218,890
Effect of potential exercise of ESOS/warrants	2,524	-	714	-
Weighted average number of ordinary shares	312,561	221,000	261,611	218,890

**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-Sep-2012 RM'000	Financial year to-date 30-Sep-2012 RM'000
Interest income	488	773
Miscellaneous income	98	237
	<u>586</u>	<u>1,010</u>

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

**B15. Administrative expenses**

	Current quarter 30-Sep-2012 RM'000	Financial year to-date 30-Sep-2012 RM'000
Depreciation	107	302
Gain on disposal of property, plant and equipment	-	(20)
Goodwill written off	1,766	-
Property, plant and equipment written off	-	3
	<u>-</u>	<u>3</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 30 September 2012.

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

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

	30-Sep-2012 RM'000	31-Dec-2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	134,705	76,822
- unrealised	<u>12,610</u>	<u>15,173</u>
	147,315	91,995
Total share of retained profits from an associate:		
- realised	99	(35)
- unrealised	<u>49</u>	<u>-</u>
	147,463	91,960
Less: Consolidation adjustments	<u>(94,118)</u>	<u>(53,529)</u>
Total Group retained profits as per consolidated accounts	<u>53,345</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 27 November 2012.

By order of the Board of Directors  
 Lee Peng Loon  
 Company Secretary  
 27 November 2012