



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Year Ended 31 December 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 - 13

TAMBUN INDAH LAND BERHAD (Company No: 810446-U)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2012
Condensed Consolidated Statements of Financial Position

	Unaudited As at 31 December 2012 RM'000	Audited As at 31 December 2011 RM'000
ASSETS:		
Non-Current Assets:		
Property, plant and equipment	3,579	1,266
Investment properties	58,644	9,085
Land held for development	77,951	85,774
Investment in an associate company	5,043	1,636
Goodwill on consolidation	-	1,766
Deferred tax assets	1,224	640
	<u>146,441</u>	<u>100,167</u>
Current Assets		
Inventories	253	2,780
Property development costs	129,241	113,310
Trade and other receivables	70,577	65,295
Current tax assets	1,389	1,343
Cash and bank balances	95,972	39,290
	<u>297,432</u>	<u>222,018</u>
TOTAL ASSETS	<u>443,873</u>	<u>322,185</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	155,422	110,500
Share premium	6,525	6,400
Option reserve	49	-
Warrant reserve	884	-
Capital redemption reserve	200	-
Retained profits	60,135	38,431
	<u>223,215</u>	<u>155,331</u>
Non-controlling interests	38,702	32,033
Total Equity	<u>261,917</u>	<u>187,364</u>
Non-Current Liabilities:		
Long-term bank borrowings	77,118	71,938
Deferred taxation	1,765	2,894
	<u>78,883</u>	<u>74,832</u>
Current Liabilities:		
Trade and other payables	93,034	50,400
Short-term bank borrowings	6,708	6,014
Current tax liabilities	3,331	3,575
	<u>103,073</u>	<u>59,989</u>
TOTAL LIABILITIES	<u>181,956</u>	<u>134,821</u>
TOTAL EQUITY AND LIABILITIES	<u>443,873</u>	<u>322,185</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)	<u>0.72</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 310,844,000 (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 YEAR ENDED 31 DECEMBER 2012
Condensed Consolidated Statements of Comprehensive Income

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		12 months ended	
		31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
		RM'000	RM'000	RM'000	RM'000
Revenue		75,471	56,096	296,945	191,844
Cost of sales		(47,282)	(35,285)	(193,432)	(130,601)
Gross profit		28,189	20,811	103,513	61,243
Other income	B14	648	385	1,658	1,374
Sales and marketing expenses		(5,594)	(2,305)	(13,466)	(5,824)
Administrative expenses	B15	(1,917)	(2,341)	(11,029)	(9,222)
Profit from operations		21,326	16,550	80,676	47,571
Finance costs		(812)	(278)	(2,197)	(775)
Share of profit/(loss) of an associate		324	(31)	507	(35)
Profit before tax		20,838	16,241	78,986	46,761
Income tax expense		(5,345)	(4,318)	(21,937)	(13,066)
Profit for the period		15,493	11,923	57,049	33,695
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income for the period		15,493	11,923	57,049	33,695
Profit attributable to :					
Equity holders of the Company		11,251	8,998	40,813	23,379
Non-controlling interests		4,242	2,925	16,236	10,316
		15,493	11,923	57,049	33,695
Total comprehensive income attributable to :					
Equity holders of the Company		11,251	8,998	40,813	23,379
Non-controlling interests		4,242	2,925	16,236	10,316
		15,493	11,923	57,049	33,695
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B12	3.62	4.07	14.93	10.65
Diluted (sen)	B12	3.51	4.07	14.81	10.65

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 YEAR ENDED 31 DECEMBER 2012
Condensed Consolidated Statement of Changes In Equity

Attributable to Equity Holders of the Company

	Non-distributable					Distributable		Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Option Reserve RM'000	Warrant Reserve RM'000	Capital Redemption 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	-	-	-	-	-	40,813	40,813	16,236	57,049
Total comprehensive income	-	-	-	-	-	40,813	40,813	16,236	57,049
Transactions with owners									
Issuance of ordinary shares									
- right issue with warrants	44,200	-	-	-	-	-	44,200	-	44,200
- exercise of Employee share option scheme ("ESOS")	722	125	(123)	-	-	-	724	-	724
Issuance of warrants	-	-	-	884	-	(884)	-	-	-
Options grant under ESOS	-	-	172	-	-	-	172	-	172
Redemption of redeemable preference shares ("RPS") acquired by non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	(6,867)	(6,867)
Redemption of RPS by subsidiary companies	-	-	-	-	200	(200)	-	-	-
Dividends	-	-	-	-	-	(18,025)	(18,025)	(2,700)	(20,725)
Total transactions with owners	44,922	125	49	884	200	(19,109)	27,071	(9,567)	17,504
At 31 December 2012	155,422	6,525	49	884	200	60,135	223,215	38,702	261,917
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
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
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 YEAR ENDED 31 DECEMBER 2012
Condensed Consolidated Statements of Cash Flows

	12 months ended 31-Dec-2012 RM'000	12 months ended 31-Dec-2011 RM'000
Profit before taxation	78,986	46,761
Adjustments for:-		
Non-cash items	2,280	614
Non-operating items	1,641	2,642
Operating profit before changes in working capital	82,907	50,017
Net Change in current assets	(12,516)	(69,943)
Net Change in current liabilities	36,405	(15,962)
Cash used in operations	106,796	(35,888)
Interest received	1,226	842
Tax paid	(25,440)	(9,549)
Tax refunded	1,500	-
Net cash generated from/(used in) operating activities	84,082	(44,595)
Investing Activities		
Acquisition of RPS in an associate company	(2,900)	-
Purchase of property, plant and equipment	(1,350)	(781)
Purchase of investment property	(48,702)	-
Proceeds from disposal of property, plant and equipment	32	-
Acquisition of subsidiary companies	-	(3,745)
Acquisition of an associate company	-	(1,671)
Net cash used in investing activities	(52,920)	(6,197)
Financing Activities		
Changes of fixed deposits pledged to licensed banks	(5,681)	(694)
Dividend paid	(11,796)	(10,166)
Dividends paid to non-controlling interests of subsidiary companies	(2,700)	-
Drawdown of term loans & bridging loan	22,697	72,018
Payment for redemption of RPS acquired by non-controlling interest of a subsidiary company	(6,867)	-
Proceeds from issuance of shares pursuant to rights issue with warrants	44,200	-
Proceeds from issuance of shares pursuant to ESOS	723	-
Repayment of term loans and bridging loan	(16,449)	(20,903)
Repayment of hire purchase	(55)	-
Right issue expenses	(1,177)	-
Listing expenses	-	(2,674)
Proceeds from public issue	-	22,400
RPS acquired by non-controlling interest of a subsidiary company	-	5,250
Interest paid	(2,197)	(775)
Net cash generated from financing activities	20,698	64,456
Net changes in cash and cash equivalents	51,860	13,664
Cash and cash equivalents at 1 January 2012/2011	37,614	23,950
Cash and cash equivalents at 31 December 2012/2011	89,474	37,614
Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-		
Fixed deposits with licensed banks	13,424	5,415
Cash and bank balances	68,435	33,875
Short term deposit	14,113	-
Bank overdrafts	-	(859)
	95,972	38,431
Less: Fixed deposits pledged to licensed banks	(6,498)	(817)
	89,474	37,614

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 1,443,000 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)	1,397	46

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM723,340.

A7. Dividend Paid

No dividend was paid in the current financial period under review.

A8. Operating Segment

The segmental analysis for the financial year ended 31 December 2012 are as follow:

	Property development RM'000	Construction and project management RM'000	Investment holdings RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue					
Revenue from external customers	288,584	7,519	842	-	296,945
Inter-segment revenues	-	14,107	29,690	(43,797)	-
	<u>288,584</u>	<u>21,626</u>	<u>30,532</u>	<u>43,797</u>	<u>296,945</u>
Results					
Profit from operations	78,082	3,869	29,868	(29,593)	82,226
Unallocated amount:					
corporate expenses					(1,474)
Goodwill on consolidation written off					(1,766)
Profit before tax					<u>78,986</u>
Tax expense					(21,937)
Profit for the year					<u>57,049</u>
Other information					
Capital expenditure	189	812	49,591	-	50,592
Depreciation	29	307	136	-	472

A9. Subsequent Events

Save as disclosed in B7, there were no material events subsequent to the financial year ended 31 December 2012 till 14 February 2013 (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 year ended 31 December 2012.

A11. Capital Commitments

The amount of capital commitments not provided for in the financial year ended 31 December 2012 were as follows:

	RM'000
Contractual commitments for purchase of development lands	110,959
	<u>110,959</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:

	12 months ended 31-Dec-2012 RM'000
Rental paid to a company in which a Director has interest	63
Progress claimed charged to an associate company	6,010
	<u>6,073</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 RM75.47 million and RM20.84 million represented a 34.5% increase in revenue and 28.3% 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 RM17.22 million or 31.0% in revenue compared to preceding corresponding quarter. Also the construction and project management segment reported an increase in revenue of RM1.92 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 RM4.60 million, or an increase of 28.3%.

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

	Current	Preceding Year	Variances	
	31-Dec-2012 RM'000	31-Dec-2011 RM'000	%	RM'000
Revenue				
Property development	72,720	55,502	31.0%	17,218
Construction and project management	2,363	448	427.5%	1,915
Investment holdings	388	146	165.8%	242
	75,471	56,096	34.5%	19,375
Profit before tax	20,838	16,241	28.3%	4,597

Property development

The property development segment recorded an increase of 31.0% 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, Penang.

Ongoing projects which contributed to the profit and revenue achieved include *Pearl Villas*, *Pearl Square 1*, *Pearl Square 2*, *Pearl Indah 1*, *Pearl Indah 2* and *Pearl Indah 3* in Pearl City, Simpang Ampat; *Straits Garden* in Penang Island; *Dahlia Park*, *Carissa Villas*, *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

The increase in revenue in the investment holdings segment was due to dividend received from the investment in redeemable preference shares in an associate company.

B2. Comparison of results against immediate preceding quarter

The Group's revenue for the current quarter dropped slightly by RM1.17 million to RM75.47 million. Simultaneously, profit before tax decreased by RM1.27 million or 5.8%, compared to the preceding quarter ended 30 September 2012. In the current quarter, sales and marketing expenses were substantially higher, a consequence of promotional packages offered to purchasers of newly launched projects.

	Current	Preceding	Variances	
	31-Dec-2012 RM'000	30-Sept-2012 RM'000	%	RM'000
Revenue	75,471	76,640	-1.5%	(1,169)
Profit before tax	20,838	22,110	-5.8%	(1,272)
Sales & marketing expenses	(5,594)	(1,541)	263.0%	(4,053)

B3. Prospects for the next financial year

The Board is pleased to report that as at 31 December 2012, the Group is enjoying an average take up rate of 71.3% on all its ongoing projects with a total Gross Development Value ("GDV") of RM984.2 million with total unbilled sales at RM327.34 million. The Group is optimistic to achieve good demand for the Group's new projects to be launched in the financial year ending 2013.

Launches planned for 2013 include new projects such as *Pearl Avenue* in Pearl City, Simpang Ampat; *Camellia Park* in Butterworth and *Taman Bukit Residence* and *Seri Permai* in Bukit Mertajam.

Barring unforeseen circumstances, the Group expects to sustain its performance in FYE 2013.

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 Quarter 31-Dec-2012 RM'000	Preceding Year Corresponding Quarter 31-Dec-2011 RM'000	Current Year- To-Date 31-Dec-2012 RM'000	Preceding Year Corresponding Period 31-Dec-2011 RM'000
Current income tax	6,632	3,894	23,649	11,882
Deferred taxation	(1,287)	424	(1,712)	1,184
	5,345	4,318	21,937	13,066

The Group's effective taxation rate for the current quarter and financial period-to-date under review was higher compared to the statutory taxation rate mainly due to 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, had 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.

The acquisition of Parcel R3 was completed on 15 January 2013.

(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.

On 20 February 2012, the MOU between Palmington and SIS Charter had lapsed.

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 31.12.12	Reallocation	Timeframe for utilisation	Deviation	
	RM'000	RM'000			RM'000	RM'000
Property development expenditure	43,000	27,934	23	18 months ending 30.11.13	15,089	35.09%
Corporate exercise expenses	1,200	1,177	(23)	3 months ended 30.8.12	-	0.00%
Total	44,200	29,111	-		15,089	

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 31 December 2012 were as follows:

	Secured RM'000
<i>Long term borrowings:</i>	
Term loans	76,734
Hire purchase payables	384
	77,118
<i>Short term borrowings:</i>	
Term loans	6,607
Hire purchase payables	101
	6,708
Total	83,826

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

- (a) (i) The Board of Directors has recommended a final dividend in respect of the financial year ended 31 December 2012;
 (ii) Amount per share (single tier) : 3.3 sen;
 (iii) Previous corresponding period (single tier) : 3.8 sen;
 (iv) Date payable will be announced at a later date; and
 (v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be announced at a later date.
- (b) Total dividend for the current financial year (single tier) : 5.3 sen per share
 Total dividend for the financial year ended 31 December 2011 (single tier) : 3.8 sen per share

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 31-Dec-2012	Preceding Year Corresponding Quarter 31-Dec-2011	Current Year- To-Date 31-Dec-2012	Preceding Year Corresponding Period 31-Dec-2011
Profit for the period attributable to equity holders of the Company	11,251	8,998	40,813	23,379
Weighted average number of ordinary shares in issue ('000)	310,510	221,000	273,368	219,422
Basic Earnings Per Share (sen)	3.62	4.07	14.93	10.65

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

	Current Quarter 31-Dec-2012 '000	Preceding Year Corresponding Quarter 31-Dec-2011 '000	Current Year- To-Date 31-Dec-2012 '000	Preceding Year Corresponding Period 31-Dec-2011 '000
Number of ordinary shares at beginning of the period/year	310,426	189,000	221,000	189,000
Effect of shares issued pursuant to:				
- right issue with warrants	-	-	51,929	-
- exercise of ESOS	84	-	439	-
- public issue	-	32,000	-	30,422
Weighted average number of ordinary shares	310,510	221,000	273,368	219,422

(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 31-Dec-2012	Preceding Year Corresponding Quarter 31-Dec-2011	Current Year- To-Date 31-Dec-2012	Preceding Year Corresponding Period 31-Dec-2011
Profit for the period/year attributable to equity holders of the Company (RM'000)	11,251	8,998	40,813	23,379
Weighted average number of ordinary shares	320,319	221,000	275,614	219,422
Diluted Earnings Per Share (sen)	3.51	4.07	14.81	10.65

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

	Current Quarter 31-Dec-2012 '000	Preceding Year Corresponding Quarter 31-Dec-2011 '000	Current Year- To-Date 31-Dec-2012 '000	Preceding Year Corresponding Period 31-Dec-2011 '000
Weighted average number of ordinary shares as per basic earnings per share	310,510	221,000	273,368	219,422
Effect of potential exercise of ESOS/warrants	9,809	-	2,246	-
Weighted average number of ordinary shares	320,319	221,000	275,614	219,422

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 31-Dec-2012 RM'000	Financial year to-date 31-Dec-2012 RM'000
Interest income	453	1,226
Miscellaneous income	195	432
	<u>648</u>	<u>1,658</u>

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

B15. Administrative expenses

	Current quarter 31-Dec-2012 RM'000	Financial year to-date 31-Dec-2012 RM'000
Depreciation	170	472
Loss on disposal of property, plant and equipment	22	2
Goodwill written off	1,766	1,766
Property, plant and equipment written off	-	3
	<u>-</u>	<u>3</u>

There was 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 year ended 31 December 2012.

B16. Disclosure of realised and unrealised profits/losses

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

	31-Dec-2012 RM'000	31-Dec-2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	144,574	76,822
- unrealised	15,743	15,173
	<u>160,317</u>	<u>91,995</u>
Total share of retained profits from an associate:		
- realised	579	(35)
- unrealised	(107)	-
	<u>160,789</u>	<u>91,960</u>
Less: Consolidation adjustments	(100,654)	(53,529)
Total Group retained profits as per consolidated accounts	<u>60,135</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 21 February 2013.

By order of the Board of Directors
 Lee Peng Loon
 Company Secretary
 21 February 2013