



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Quarter Ended 30 September 2013 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013
Condensed Consolidated Statement of Financial Position

	Unaudited As at 30 September 2013 RM'000	Audited As at 31 December 2012 RM'000
ASSETS:		
Non-Current Assets:		
Property, plant and equipment	3,485	3,579
Investment properties	63,719	58,644
Land held for development	73,007	68,235
Investment in an associate company	6,210	5,043
Investment in a jointly controlled entity	23	-
Deferred tax assets	1,316	1,224
	<u>147,760</u>	<u>136,725</u>
Current Assets		
Inventories	-	253
Property development costs	129,592	138,957
Trade and other receivables	83,767	70,577
Current tax assets	957	1,389
Cash and bank balances	148,158	95,972
	<u>362,474</u>	<u>307,148</u>
TOTAL ASSETS	<u>510,234</u>	<u>443,873</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	168,030	155,422
Share premium	19,549	6,525
Option reserve	167	49
Warrant reserve	749	884
Capital redemption reserve	200	200
Retained profits	85,218	60,135
	<u>273,913</u>	<u>223,215</u>
Non-controlling interests	51,349	38,702
Total Equity	<u>325,262</u>	<u>261,917</u>
Non-Current Liabilities:		
Long-term bank borrowings	73,821	77,118
Deferred taxation	1,527	1,765
	<u>75,348</u>	<u>78,883</u>
Current Liabilities:		
Trade and other payables	74,524	93,034
Short-term bank borrowings	26,445	6,708
Current tax liabilities	8,655	3,331
	<u>109,624</u>	<u>103,073</u>
TOTAL LIABILITIES	<u>184,972</u>	<u>181,956</u>
TOTAL EQUITY AND LIABILITIES	<u>510,234</u>	<u>443,873</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)	<u>0.82</u>	<u>0.72</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 2012 and the accompanying explanatory notes attached to this interim financial report.
- 2 Based on the issued and paid-up share capital of 336,060,000 (2012: 310,844,000) ordinary shares of RM0.50 each in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013
Condensed Consolidated Statement of Comprehensive Income

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		30-Sep-2013	30-Sep-2012	30-Sep-2013	30-Sep-2012
		RM'000	RM'000	RM'000	RM'000
Revenue		97,054	76,640	257,980	221,474
Cost of sales		(60,504)	(49,887)	(161,696)	(146,150)
Gross profit		36,550	26,753	96,284	75,324
Other income	B14	722	586	2,669	1,010
Sales and marketing expenses		(2,690)	(1,541)	(7,922)	(7,872)
Administrative expenses	B15	(2,609)	(3,410)	(8,120)	(9,112)
Profit from operations		31,973	22,388	82,911	59,350
Finance costs		(1,209)	(506)	(2,628)	(1,385)
Share of profit of an associate		414	228	1,167	183
Share of loss of a jointly controlled entity		(3)	-	(3)	-
Profit before tax		31,175	22,110	81,447	58,148
Income tax expense		(7,650)	(6,392)	(21,931)	(16,592)
Profit for the period		23,525	15,718	59,516	41,556
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income for the period		23,525	15,718	59,516	41,556
Profit attributable to :					
Equity holders of the Company		17,208	10,911	42,919	29,562
Non-controlling interests		6,317	4,807	16,597	11,994
		23,525	15,718	59,516	41,556
Total comprehensive income attributable to :					
Equity holders of the Company		17,208	10,911	42,919	29,562
Non-controlling interests		6,317	4,807	16,597	11,994
		23,525	15,718	59,516	41,556
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B12	5.22	3.52	13.49	11.33
Diluted (sen)	B12	4.88	3.49	12.74	11.30

Note :

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 2012 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company																																																																																								
	Non-distributable					Distributable		Non-controlling Interests	Total Equity																																																																																
	Share Capital	Share Premium	Option Reserve	Warrant Reserve	Capital	Retained Profits	Total																																																																																		
					Redemption Reserve																																																																																				
RM'000					RM'000					RM'000	RM'000	RM'000	RM'000																																																																												
At 1 January 2013	155,422	6,525	49	884	200	60,135	223,215	38,702	261,917																																																																																
Profit for the period	-	-	-	-	-	42,919	42,919	16,597	59,516																																																																																
Total comprehensive income	-	-	-	-	-	42,919	42,919	16,597	59,516																																																																																
Transactions with owners																																																																																									
Issuance of ordinary shares	<table border="1"> <tbody> <tr> <td>- exercise of Employee share option scheme ("ESOS")</td> <td>1,738</td> <td>220</td> <td>(74)</td> <td>-</td> <td>-</td> <td>-</td> <td>1,884</td> <td>-</td> <td>1,884</td> </tr> <tr> <td>- exercise of warrants</td> <td>3,370</td> <td>809</td> <td>-</td> <td>(135)</td> <td>-</td> <td>-</td> <td>4,044</td> <td>-</td> <td>4,044</td> </tr> <tr> <td>- placement</td> <td>7,500</td> <td>12,300</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>19,800</td> <td>-</td> <td>19,800</td> </tr> <tr> <td>Share issue expenses</td> <td>-</td> <td>(305)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>(305)</td> <td>-</td> <td>(305)</td> </tr> <tr> <td>Options grant under ESOS</td> <td>-</td> <td>-</td> <td>192</td> <td>-</td> <td>-</td> <td>-</td> <td>192</td> <td>-</td> <td>192</td> </tr> <tr> <td>Dividends</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>(17,836)</td> <td>(17,836)</td> <td>(3,950)</td> <td>(21,786)</td> </tr> <tr> <td>Total transactions with owners</td> <td>12,608</td> <td>13,024</td> <td>118</td> <td>(135)</td> <td>-</td> <td>(17,836)</td> <td>7,779</td> <td>(3,950)</td> <td>3,829</td> </tr> </tbody> </table>									- exercise of Employee share option scheme ("ESOS")	1,738	220	(74)	-	-	-	1,884	-	1,884	- exercise of warrants	3,370	809	-	(135)	-	-	4,044	-	4,044	- placement	7,500	12,300	-	-	-	-	19,800	-	19,800	Share issue expenses	-	(305)	-	-	-	-	(305)	-	(305)	Options grant under ESOS	-	-	192	-	-	-	192	-	192	Dividends	-	-	-	-	-	(17,836)	(17,836)	(3,950)	(21,786)	Total transactions with owners	12,608	13,024	118	(135)	-	(17,836)	7,779	(3,950)	3,829										
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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																																																																																
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-right issue with warrants										44,200	-	-	-	-	-	44,200	-	44,200																																																																							
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Note :

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 2012 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013
Condensed Consolidated Statement of Cash Flows

	9 months ended 30-Sep-2013 RM'000	9 months ended 30-Sep-12 RM'000
Profit before taxation	81,447	58,148
Adjustments for:-		
Non-cash items	(7,016)	2,187
Non-operating items	(65)	1,606
Operating profit before changes in working capital	74,366	61,941
Net Change in current assets	(8,344)	(7,249)
Net Change in current liabilities	(18,510)	9,930
Cash used in operations	47,512	64,622
Interest received	1,529	773
Tax paid	(16,505)	(9,792)
Net cash generated from operating activities	32,536	55,603
Investing Activities		
Purchase of property, plant and equipment	(315)	(1,815)
Addition in investment property	(4,329)	-
Proceeds from disposal of property, plant and equipment	123	31
Payment for investment in a jointly controlled entity	(26)	-
Payment for investment in associate company	-	(2,900)
Net cash used in investing activities	(4,547)	(4,684)
Financing Activities		
Changes of fixed deposits pledged to licensed banks	282	(2,115)
Dividend paid	(11,088)	(11,796)
Dividends paid to non-controlling interests of subsidiary companies	(3,950)	(5,867)
Drawdown of term loans, bridging loans & revolving credit	40,430	381
Proceeds from issuance of shares pursuant to:		
- ESOS	1,884	514
- exercise of warrants	4,044	-
- rights issue with warrants	-	44,200
- placement	19,800	-
Repayment of term loans, bridging loans & revolving credit	(23,915)	(9,649)
Repayment of hire purchase	(75)	-
Payment for redemption of RPS in subsidiary company	-	(2,200)
Payment of share issue expenses	(305)	-
Expenses incurred in relation to right issue with warrants	-	(1,177)
Interest paid	(2,628)	(1,385)
Net cash generated from financing activities	24,479	10,906
Net changes in cash and cash equivalents	52,468	61,825
Cash and cash equivalents at 1 January 2013/2012	89,474	37,614
Cash and cash equivalents at 30 September 2013/2012	141,942	99,439

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

Fixed deposits with licensed banks	20,414	21,142
Cash and bank balances	103,828	61,049
Short term deposit	23,916	20,180
	148,158	102,371
Less: Fixed deposits pledged to licensed banks	(6,216)	(2,932)
	141,942	99,439

Note :

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 2012 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013

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 2013, 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 2012 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 2012 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 2013:

FRSs, amendments to FRSs and IC Interpretations

Amendments to FRS 1, FRS 101, FRS 116, FRS 132, FRS 134	Improvements to FRSs
Amendments to FRS 7	Disclosures- Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 & FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 13	Fair Value Measurement
Amendments to FRS 119	Employee Benefits
Amendments to FRS 127	Separate Financial Statements
Amendments to FRS 128	Investment in Associates and Joint Ventures
Amendments to IC Interpretation 2	Members' Shares in Co-operative
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

Adoption of the above standards and interpretations where applicable 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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013

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) Issuance of 2,150,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.54	0.65	0.85
No. of shares issued	('000)	2,893	20	262	302

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM1,884,300; and

(b) Issuance of 6,739,081 new ordinary shares of RM0.50 each pursuant to the exercise of warrants at RM0.60 per share. The total cash proceeds arising from the exercise of warrants during the current financial period amounted to RM4,043,449; and

(c) Issuance of 15,000,000 new ordinary shares of RM0.50 each pursuant to placement at an issue price of RM1.32 per ordinary share. The total cash proceeds arising from the Placement during the current financial period amount to RM19,800,000.

A7. Dividend Paid

On 12 September 2013, the Company paid final dividend of 3.3 sen per ordinary share of RM0.50 each amounting to RM11,088,475 in respect of the financial year ended 31 December 2012.

A8. Operating Segment

The segmental analysis for the financial year ended 30 September 2013 is 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	249,226	8,305	449	-	257,980
Inter-segment revenues	-	8,605	6,725	(15,330)	-
	<u>249,226</u>	<u>16,910</u>	<u>7,174</u>	<u>15,330</u>	<u>257,980</u>
Results					
Profit from operations	81,109	4,074	8,305	(10,867)	82,621
Unallocated amount: corporate expenses					(1,174)
Profit before tax					<u>81,447</u>
Tax expense					(21,931)
Profit for the year					<u>59,516</u>
Other information					
Capital expenditure	4,807	280	1,103	-	6,190
Depreciation	22	283	59	-	364

A9. Subsequent Events

Save as disclosed in B7, there were no material events subsequent to the financial quarter ended 30 September 2013 till 12 November 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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013

A10. Changes in the Composition of the Group

There was no change in the composition of the Group for the current quarter and financial period to-date, except for the following:

Palmington Sdn Bhd ("Palmington"), a 60%-owned subsidiary of Tambun Indah, had on 28 May 2013 acquired one (1) ordinary share of RM1.00 each, representing 50% of the entire issued and paid up share capital of the new company ("NewCo"), a shelf company known as TNC Capital Sdn. Bhd. ("TNC").

A11. Capital Commitments

The amount of capital commitments not provided for in the financial quarter ended 30 September 2013 was as follows:

	RM'000
Acquisition of Palmington and Tambun Indah Development as stated in Note B7 C	88,194
Contractual commitments for purchase of development lands	110,959
	<u>199,153</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:

	9 months ended 30-Sep-2013 RM'000
Rental paid to a company in which a Director has interest	69
Progress claimed charged to an associate company	9,337
Sales of development property to a company in which a director of the company has interest	797
Sales of development property to a director of the company	638
Sales of development properties to immediate family members of the directors	<u>3,620</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's revenue and profit before tax of RM97.05 million and RM31.18 million represented a 26.6% increase in revenue and 41.0% increase in profit before tax over same quarter of preceding year.

The favourable increase in revenue was mainly attributed to the property development segment as a result of the higher take-up rates for the on-going projects for the current quarter. Given the higher revenue recorded, profit before tax also increased when compared to the same quarter of preceding year.

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

	Current	Preceding Year	Variances	
	30-Sep-2013 RM'000	30-Sep-2012 RM'000	%	RM'000
Revenue				
Property development	92,454	74,470	24.1%	17,984
Construction and project management	4,451	2,018	120.6%	2,433
Investment holdings	149	152	-2.0%	(3)
	97,054	76,640	26.6%	20,414
Profit before tax	31,175	22,110	41.0%	9,065

Property development

The revenue from property development activities increased by 24.1%. The improvement in revenue was mainly contributed by residential and commercial properties development in Pearl City, Simpang Ampat which contributed approximately 72.3% of the total revenue in the segment for current quarter in review.

The Group's ongoing property development projects are *Capri Park*, *Dahlia Park*, *Tanjung Heights* and *Carissa Villas* in Butterworth; *BM Residence* in Bukit Mertajam; *New Juru Industrial Park* in Juru; *Pearl Villas*, *Pearl Square 1*, *Pearl Square 2*, *Pearl Indah 1*, *Pearl Indah 2*, *Pearl Indah 3*, *Pearl Residence*, *Pearl Impian* and *Pearl Avenue* in Pearl City, Simpang Ampat and *Straits Garden* in Penang Island.

Construction and project management

Although small relative to the Group's total, revenue from the construction and project management segment was higher in the current quarter, as compared to the previous corresponding quarter, due to higher construction progress achieved.

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 and profit before tax for the current quarter increased by RM14.45 million to RM97.05 million, and RM4.88 million to RM31.17 million respectively as compared to that of the preceding quarter ended 30 June 2013. The favourable numbers were mainly due to higher take-up rates for on-going projects in current quarter and generally higher revenue recognition with better site progress of the projects.

	Current	Preceding	Variances	
	30-Sep-2013 RM'000	30-Jun-2013 RM'000	%	RM'000
Revenue	97,054	82,602	17.5%	14,452
Profit before tax	31,175	26,294	18.6%	4,881
Sales and marketing expenses	2,690	1,768	52.1%	922

B3. Prospects for the current financial year

As at 30 September 2013, the Group achieved an average take-up rate of 81.1% on its ongoing projects, with a total Gross Development Value of RM1.35 billion; and unbilled sales of approximately RM518.5 million. These should contribute positively to the Group's earnings for the next two to three years.

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

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

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

B5. Statement by Board of Directors

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

B6. Income Tax

Income Tax comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-2013 RM'000	Preceding Year Corresponding Quarter 30-Sep-2012 RM'000	Current Year- To-Date 30-Sep-2013 RM'000	Preceding Year Corresponding Period 30-Sep-2012 RM'000
Current income tax	9,877	5,958	22,145	17,176
Under/(Over) provision of taxation in respect of prior year	104	(89)	116	(159)
Deferred taxation	(2,331)	523	(330)	(425)
	7,650	6,392	21,931	16,592

The Group's effective tax rate for the financial year-to-date under review was higher than the statutory tax 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.

B7. Status of Corporate Proposals (Continued)

(b) Palmington and Tambun Indah Development acquisition

On 21 June 2013, the Company entered into a share purchase agreement (“SPA”) with Pembangunan Bandar Mutiara Sdn Bhd, a wholly-owned subsidiary of Nadayu Properties Berhad (“Vendor” or “PBM”) to acquire the following:

- (i) the remaining 2,302,400 ordinary shares of RM1.00 each in Palmington not held by Tambun Indah, representing 40.0% of the total issued and paid up share capital of Palmington (“Proposed Palmington Acquisition”); and
- (ii) the remaining 300,000 ordinary shares of RM1.00 each and 8,040,000 redeemable preference shares series C of RM1.00 each in Tambun Indah Development Sdn. Bhd. (“TI Development”) not held by Tambun Indah, representing 30.0% of the total issued and paid up share capital of TI Development (“Proposed TI Development Acquisition”)

On 29 August 2013, the Company had entered a supplemental SPA with the Vendor whereby Tambun and the Vendor mutually agreed to vary and amend some of the terms of the SPA in relation to the Proposed Palmington Acquisition and Proposed TI Development Acquisition (“Proposed Acquisitions”).

The total indicative consideration for the proposed acquisition is RM88,194,216 which will be satisfied via a combination of the following:

- (i) RM16,694,216 by cash; and
- (ii) RM71,500,000 by way of issuance of 55,000,000 new Tambun Indah shares at an issue price of RM1.30 per Tambun Indah share.

On 3 October 2013, the Bursa Malaysia Securities Berhad (“Bursa Securities”) approved the listing of up to 55,000,000 new Tambun Shares to be issued pursuant to the Proposed Acquisitions, subject to the following conditions:

- (i) the Company and AFFIN Investment Bank Berhad (“AFFIN”) must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Acquisitions;
- (ii) the Company and AFFIN to inform Bursa Securities upon the completion of the Proposed Acquisitions;
- (iii) the Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Acquisitions are completed; and
- (iv) to incorporate Bursa Securities’ comments in the Approval Letter, in respect of the draft circular to shareholders of the Company in relation to the Proposed Acquisitions .

The shareholders of the Company had at the Extraordinary General Meeting held on 31 October 2013, approved the proposal.

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 30.09.13	Reallocation	Timeframe for utilisation	Balance unutilised	
	RM'000	RM'000			RM'000	RM'000
Property development	43,000	41,248	23	by 30.11.13	1,775	4.13%
Corporate exercise expenses	1,200	1,177	(23)	by 30.8.12	-	0.00%
Total	44,200	42,425	-		1,775	

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 2013 were as follows:

	Secured RM'000
<i>Long term borrowings:</i>	
Hire purchase payables	305
Term loans	73,516
	<u>73,821</u>
<i>Short term borrowings:</i>	
Bridging loans	10,940
Hire purchase payables	105
Revolving credit	5,500
Term loans	9,900
	<u>26,445</u>
Total	<u><u>100,266</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 interim dividend approved and declared by the Board of Directors are as follows:

Interim Dividend for the financial year	31 December 2013
Amount per shares (single tier)	2 sen
Previous corresponding period	2 sen
Approved and declared on	19 November 2013
Record of Depositors as at	21 January 2014
Date of payment	18 February 2014

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-2013	Preceding Year Corresponding Quarter 30-Sep-2012	Current Year- To-Date 30-Sep-2013	Preceding Year Corresponding Period 30-Sep-2012
Profit for the period attributable to equity holders of the Company	17,208	10,911	42,919	29,562
Weighted average number of ordinary shares in issue ('000)	329,535	310,037	318,259	260,897
Basic Earnings Per Share (sen)	5.22	3.52	13.49	11.33

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

	Current Quarter 30-Sep-2013 '000	Preceding Year Corresponding Quarter 30-Sep-2012 '000	Current Year- To-Date 30-Sep-2013 '000	Preceding Year Corresponding Period 30-Sep-2012 '000
Number of ordinary shares at beginning of the period/year	310,843	221,000	310,843	221,000
Effect of shares issued pursuant to:				
- right issue with warrants	-	88,400	-	39,683
- exercise of ESOS	2,488	637	1,480	214
- exercise of warrants	6,095	-	2,529	-
- placement	10,109		3,407	
Weighted average number of ordinary shares	329,535	310,037	318,259	260,897

(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-2013	Preceding Year Corresponding Quarter 30-Sep-2012	Current Year- To-Date 30-Sep-2013	Preceding Year Corresponding Period 30-Sep-2012
Profit for the period/year attributable to equity holders of the Company (RM'000)	17,208	10,911	42,919	29,562
Weighted average number of ordinary shares ('000)	352,360	312,561	336,946	261,611
Diluted Earnings Per Share (sen)	4.88	3.49	12.74	11.30

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

	Current Quarter 30-Sep-2013 '000	Preceding Year Corresponding Quarter 30-Sep-2012 '000	Current Year- To-Date 30-Sep-2013 '000	Preceding Year Corresponding Period 30-Sep-2012 '000
Weighted average number of ordinary shares as per basic earnings per share	329,535	310,037	318,259	260,897
Effect of potential exercise of ESOS/warrants				
- ESOS	1,932	1,098	1,364	437
- Warrants	20,893	1,426	17,323	278
Weighted average number of ordinary shares	352,360	312,561	336,946	261,611

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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 2012.

B14. Other income

	Current quarter 30-Sep-2013 RM'000	Financial year to-date 30-Sep-2013 RM'000
Interest income	653	1,529
Miscellaneous income	69	1,140
	<u>722</u>	<u>2,669</u>

The Group did not receive any other income including investment income for the financial quarter ended 30 September 2013.

B15. Administrative expenses

	Current quarter 30-Sep-2013 RM'000	Financial year to-date 30-Sep-2013 RM'000
Depreciation	126	363
Loss on disposal of property, plant and equipment	-	1
	<u>-</u>	<u>1</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 quarter ended 30 September 2013.

B16. Disclosure of realised and unrealised profits/losses

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

	30-Sep-2013 RM'000	31-Dec-2012 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	186,093	134,116
- unrealised	16,991	15,916
	<u>203,084</u>	<u>150,032</u>
Total retained profits from jointly controlled entity:		
- realised	(3)	-
Total share of retained profits from an associate:		
- realised	1,821	579
- unrealised	(182)	(107)
	<u>204,720</u>	<u>150,504</u>
Less: Consolidation adjustments	(119,502)	(90,369)
Total Group retained profits as per consolidated accounts	<u>85,218</u>	<u>60,135</u>

B17. Authority 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 19 November 2013.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
19 November 2013