



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Third Quarter Ended 30 September 2014 (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 - 12

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014
Condensed Consolidated Statement of Financial Position

	Unaudited As at 30 September 2014 RM'000	Audited As at 31 December 2013 RM'000
ASSETS:		
Non-Current Assets:		
Property, plant and equipment	3,252	3,365
Investment properties	65,564	64,185
Land held for development	188,066	78,536
Investment in an associate company	4,235	7,087
Investment in jointly controlled entity	-	-
Deferred tax assets	15,023	3,957
	<u>276,140</u>	<u>157,130</u>
Current Assets		
Inventories	340	340
Property development costs	83,931	125,141
Trade and other receivables	116,979	86,608
Current tax assets	1,779	1,751
Short term fund	8,837	14,546
Cash and bank balances	148,842	111,393
	<u>360,708</u>	<u>339,779</u>
TOTAL ASSETS	<u>636,848</u>	<u>496,909</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	205,651	197,113
Share premium	66,202	63,920
Option reserve	174	214
Warrant reserve	406	704
Capital redemption reserve	468	468
Retained profits	104,993	47,648
	<u>377,894</u>	<u>310,067</u>
Non-controlling interests	2,321	3,515
Total Equity	<u>380,215</u>	<u>313,582</u>
Non-Current Liabilities:		
Long-term bank borrowings	133,202	73,323
Deferred taxation	2,602	496
	<u>135,804</u>	<u>73,819</u>
Current Liabilities:		
Trade and other payables	93,105	81,059
Short-term bank borrowings	13,843	24,845
Current tax liabilities	13,881	3,604
	<u>120,829</u>	<u>109,508</u>
TOTAL LIABILITIES	<u>256,633</u>	<u>183,327</u>
TOTAL EQUITY AND LIABILITIES	<u>636,848</u>	<u>496,909</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)	<u>0.92</u>	<u>0.79</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 2013 and the accompanying explanatory notes attached to this interim financial report.

2 Based on the issued and paid-up share capital of 411,302,169 (2013: 394,225,781) ordinary shares of RM0.50 each in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		30-Sep-2014	30-Sep-2013	30-Sep-2014	30-Sep-2013
		RM'000	RM'000	RM'000	RM'000
Revenue		116,774	97,054	356,755	257,980
Cost of sales		(72,968)	(60,504)	(234,997)	(161,696)
Gross profit		43,806	36,550	121,758	96,284
Other income	B13	1,062	722	3,173	2,669
Sales and marketing expenses		(3,240)	(2,690)	(7,527)	(7,922)
Administrative expenses	B14	(4,957)	(2,609)	(10,522)	(8,120)
Profit from operations		36,671	31,973	106,882	82,911
Finance costs		(2,005)	(1,209)	(4,868)	(2,628)
Share of profit of an associate		91	414	1,097	1,167
Share of loss of a jointly controlled entity		-	(3)	-	(3)
Profit before tax		34,757	31,175	103,111	81,447
Income tax expense		(9,001)	(7,650)	(26,242)	(21,931)
Profit for the period		25,756	23,525	76,869	59,516
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income for the period		25,756	23,525	76,869	59,516
Profit attributable to :					
Equity holders of the Company		25,535	17,208	76,263	42,919
Non-controlling interests		221	6,317	606	16,597
		25,756	23,525	76,869	59,516
Total comprehensive income attributable to :					
Equity holders of the Company		25,535	17,208	76,263	42,919
Non-controlling interests		221	6,317	606	16,597
		25,756	23,525	76,869	59,516
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	6.22	5.22	18.96	13.49
Diluted (sen)	B11	5.98	4.88	18.28	12.74

Note :
The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014
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 Redemption Reserve	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2014	197,113	63,920	214	704	468	47,648	310,067	3,515	313,582
Profit for the period	-	-	-	-	-	76,263	76,263	606	76,869
Total comprehensive income	-	-	-	-	-	76,263	76,263	606	76,869
Transactions with owners									
Issuance of ordinary shares									
- exercise of Employee share option scheme ("ESOS")									
- exercise of warrants									
	1,087	494	(173)	-	-	-	1,408	-	1,408
	7,451	1,788	-	(298)	-	-	8,941	-	8,941
Options grant under ESOS	-	-	133	-	-	-	133	-	133
Dividends	-	-	-	-	-	(18,918)	(18,918)	(1,800)	(20,718)
Total transactions with owners	8,538	2,282	(40)	(298)	-	(18,918)	(8,436)	(1,800)	(10,236)
At 30 September 2014	205,651	66,202	174	406	468	104,993	377,894	2,321	380,215
At 1 January 2013	155,422	6,525	49	884	200	60,135	223,215	38,702	261,917
Profit for the period	-	-	-	-	-	64,986	64,986	22,770	87,756
Total comprehensive income	-	-	-	-	-	64,986	64,986	22,770	87,756
Transactions with owners									
Issuance of ordinary shares									
- exercise of ESOS									
- exercise of warrants									
	2,199	322	(120)	-	-	-	2,401	-	2,401
	4,492	1,078	-	(180)	-	-	5,390	-	5,390
- placement	7,500	12,300	-	-	-	-	19,800	-	19,800
- acquisition of additional equity interest in subsidiary companies	27,500	44,000	-	-	-	(58,227)	13,273	(29,967)	(16,694)
Share issue expenses	-	(305)	-	-	-	-	(305)	-	(305)
Options grant under ESOS	-	-	285	-	-	-	285	-	285
Redemption of RPS by:									
- subsidiary companies									
	-	-	-	-	268	(268)	-	-	-
- non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	(8,040)	(8,040)
Dividends	-	-	-	-	-	(18,978)	(18,978)	(19,950)	(38,928)
Total transactions with owners	41,691	57,395	165	(180)	268	(77,473)	21,866	(57,957)	(36,091)
At 31 December 2013	197,113	63,920	214	704	468	47,648	310,067	3,515	313,582

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 2013 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014
Condensed Consolidated Statement of Cash Flows

	9 months ended 30-Sep-2014 RM'000	9 months ended 30-Sep-13 RM'000
Profit before taxation	103,111	81,447
Adjustments for:-		
Non-cash items	(161)	(7,016)
Non-operating items	1,946	(65)
Operating profit before changes in working capital	104,896	74,366
Net Change in current assets	(98,691)	(8,344)
Net Change in current liabilities	19,936	(18,510)
Cash used in operations	26,141	47,512
Interest received	1,825	1,529
Tax paid	(24,953)	(16,505)
Net cash generated from operating activities	3,013	32,536
Investing Activities		
Purchase of property, plant and equipment	(281)	(315)
Addition in investment property	(12,723)	(4,329)
Payment for investment in a jointly controlled entity	-	(26)
Changes of deposits pledged with licensed banks	5,532	282
Proceeds from disposal of property, plant and equipment	27	123
Dividend income from associate company	209	-
Proceeds from disposal of investment properties	12,005	-
Redemption of redeemable preference shares in an associate company	3,740	-
Net cash generated from/(used in) investing activities	8,509	(4,265)
Financing Activities		
Dividend paid	(26,808)	(11,088)
Dividends paid to non-controlling interests of subsidiary companies	(1,800)	(3,950)
Drawdown of term loans, bridging loans & revolving credit	132,259	40,430
Proceeds from issuance of shares pursuant to:		
- ESOS	1,408	1,884
- exercise of warrants	8,941	4,044
- placement	-	19,800
Repayment of term loans, bridging loans & revolving credit	(83,303)	(23,915)
Repayment of hire purchase	(79)	(75)
Payment of share issue expenses	-	(305)
Interest paid	(4,868)	(2,628)
Net cash generated from financing activities	25,750	24,197
Net changes in cash and cash equivalents	37,272	52,468
Cash and cash equivalents at 1 January 2014/2013	113,799	89,474
Cash and cash equivalents at 30 September 2014/2013	151,071	141,942
Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-		
Short term funds placed with financial institutions	8,837	23,916
Cash and bank balances	128,316	103,828
Deposits placed with licensed banks	20,526	20,414
	157,679	148,158
Less: Deposits pledged with licensed banks	(6,608)	(6,216)
	151,071	141,942

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 2013 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

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 2015.

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 2015. For the financial year ending 31 December 2014, 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 2013 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 2013 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 2014:

FRSs, amendments to FRSs and IC Interpretations

Amendments to FRS 10, FRS 12 & FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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 quarter 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 quarter-to-date.

A5. Changes in Estimates

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

A6. Debt and Equity Securities

For the financial quarter 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 1,701,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.65	0.85	1.27	1.75	2.20
No. of shares issued	('000)	1,536	9	462	119	33	15

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM1,408,430; and

(b) Issuance of 14,902,388 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 year amounted to RM8,941,433.

A7. Dividend Paid

On 19 September 2014, the Company paid final dividend (single tier) of 4.6 sen per ordinary share of RM0.50 each amounting to RM18,918,014 in respect of the financial year ended 31 December 2013.

A8. Operating Segment

The segmental analysis for the financial period ended 30 September 2014 is as follow:

	Property development and property management 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	355,052	3,356	436	-	358,844
Inter-segment revenues	8,438	11,829	39,100	(59,367)	-
	<u>363,490</u>	<u>15,185</u>	<u>39,536</u>	<u>59,367</u>	<u>358,844</u>
Results					
Profit from operations	134,135	2,099	39,258	(72,064)	103,428
Unallocated amount: corporate expenses					(317)
Profit before tax					<u>103,111</u>
Tax expense					<u>(26,242)</u>
Profit for the year					<u>76,869</u>
Other information					
Capital expenditure	145,078	171	12,723	-	157,972
Depreciation	40	241	107	-	388

A9. Subsequent Events

Save as disclosed in B7, there were no material events subsequent to the financial period ended 30 September 2014 till 11 November 2014 (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 SECOND QUARTER ENDED 30 SEPTEMBER 2014

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.

A11. Capital Commitments

The amount of capital commitments not provided for in the financial period ended 30 September 2014 was as follows:

	RM'000
Contractual commitments for purchase of development lands	<u>144,603</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-2014 RM'000
Rental paid to companies in which a Director has interest	111
Progress claims charged to an associate company	2,906
Sale of investment property to immediate family members of the directors	<u>1,200</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

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 RM116.77 million and RM34.76 million represented a 20.3% increase in revenue and 11.5% increase in profit before tax over same quarter of the preceding year.

The favourable increase in revenue was mainly attributed to the property development segment as a result of increase in billings, higher take-up rates for on-going projects as well as higher percentage of project completions. As a result of the higher revenue recorded, profit before tax also increased.

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

	Current	Preceding Year	Variances	
	30-Sep-2014 RM'000	30-Sep-2013 RM'000	%	RM'000
Revenue				
Property development and property management	116,357	92,454	25.9%	23,903
Construction and project management	269	4,451	-94.0%	(4,182)
Investment holdings	148	149	-0.7%	(1)
	116,774	97,054	20.3%	19,720
Profit before tax	34,757	31,175	11.5%	3,582

Property development & property management

The revenue from property development and property management activities increased by 25.9%. The improvement in revenue was mainly contributed by residential and commercial properties development in Pearl City, Simpang Ampat which accounted for approximately 67.8% of the total revenue in the segment for current quarter in review.

The Group's ongoing property development projects are *Capri Park*, *Carissa Villas* and *Camellia Park* in Butterworth; *BM Residence*, *Permai Residence* and *Residensi Bukit Kecil* in Bukit Mertajam; *Pearl Residence*, *Pearl Indah 3*, *Pearl Impian*, *Pearl Avenue* and *Pearl Harmoni* in Pearl City, Simpang Ampat and *Straits Garden* in Penang Island.

Construction and project management

Revenue from the construction and project management segment declined in the current quarter due to lower recognition rate.

Investment holdings

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

B2. Comparison of results against immediate preceding quarter

Revenue declined by 8.7% over the preceding quarter. However, profit before tax recorded for the quarter was RM34.8 million compared to RM33.1 million recorded in the preceding quarter, an increase of 5.1%. The lower revenue was due to reduced new project launches in the current quarter. However profit before tax was higher because in the immediate preceding quarter a one-off provision was made for supplemental development cost of low cost housing projects.

	Current	Preceding	Variances	
	30-Sep-2014 RM'000	30-Jun-2014 RM'000	%	RM'000
Revenue	116,774	127,962	-8.7%	(11,188)
Profit before tax	34,757	33,071	5.1%	1,686

B3. Prospects for the current financial year

As at 30 September 2014, the Group achieved an average take-up rate of 86.9% for its ongoing projects, with a total Gross Development Value of RM1.20 billion; and unbilled sales of approximately RM457.29 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 quarter-to-date.

B6. Income Tax

Income Tax comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-2014 RM'000	Preceding Year Corresponding Quarter 30-Sep-2013 RM'000	Current Year- To-Date 30-Sep-2014 RM'000	Preceding Year Corresponding Period 30-Sep-2013 RM'000
Current income tax	9,912	9,877	35,625	22,145
Under provision of taxation in respect of prior year	315	104	313	116
Deferred taxation	(1,226)	(2,331)	(8,961)	(330)
	<u>9,001</u>	<u>7,650</u>	<u>26,977</u>	<u>21,931</u>

The Group's effective tax rate for the financial year-to-date under review was higher than the statutory tax rate mainly due to certain non-tax deductible expenses of the Group.

B7. Status of Corporate Proposals

The Proposed Acquisition

Palmington Sdn. Bhd. ("Palmington"), a wholly-owned subsidiary of the Group, had on 4 June 2014, acknowledged a letter of acceptance of offer dated 27 May 2014 from TPPT Sdn Bhd ("TPPT"), in respect of the proposed acquisition by Palmington of 27 parcels of development land identified as lot nos. 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442 and 3407-3423, all located within Mukim 15, District of Seberang Perai Selatan, Pulau Pinang ("Subject Land") totaling 209.54 acres from TPPT for a total purchase consideration of RM150,000,000 to be wholly satisfied by way of cash ("Proposed Acquisition").

The Subject Land is freehold and located adjacent to the township currently developed by the Group, known as Bandar Tasek Mutiara (marketed as Pearl City) in the locality of Simpang Ampat, Seberang Perai Selatan, Pulau Pinang.

The Proposed Acquisition would be funded by the Group's internally generated funds and bank borrowings.

On 11 July 2014, Palmington had entered into a conditional sale and purchase agreement with TPPT for the Proposed Acquisition.

The shareholders of the Company had at the Extraordinary General Meeting held on 1 October 2014, approved the proposal.

The Proposed Acquisition had been terminated by Palmington (via a written notice dated 11 November 2014 issued by Palmington to TPPT to terminate the SPA) with immediate effect due to non-fulfillment of a condition precedent.

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 September 2014 were as follows:

	Secured RM'000
<i>Long term borrowings:</i>	
Hire purchase payables	196
Term loans	133,006
	<u>133,202</u>
<i>Short term borrowings:</i>	
Hire purchase payables	110
Term loans	13,733
	<u>13,843</u>
Total	<u><u>147,045</u></u>

The Group has no foreign currency borrowings.

B9. Material Litigation

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

B10. Dividend

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 2014
Amount per share (single tier)	3 sen
Previous corresponding period	2 sen
Approved and declared on	18 November 2014
Record of Depositors as at	30 January 2015
Date of payment	16 February 2015

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

B11. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current financial quarter and current financial year-to-date 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-2014	Preceding Year Corresponding Quarter 30-Sep-2013	Current Year- To-Date 30-Sep-2014	Preceding Year Corresponding Period 30-Sep-2013
Profit for the period attributable to equity holders of the Company	25,535	17,208	76,263	42,919
Weighted average number of ordinary shares in issue ('000)	410,493	329,535	402,225	318,259
Basic Earnings Per Share (sen)	6.22	5.22	18.96	13.49

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

	Current Quarter 30-Sep-2014 '000	Preceding Year Corresponding Quarter 30-Sep-2013 '000	Current Year- To-Date 30-Sep-2014 '000	Preceding Year Corresponding Period 30-Sep-2013 '000
Number of ordinary shares at beginning of the period/year	394,226	310,843	394,226	310,843
Effect of shares issued pursuant to:				
- exercise of ESOS	1,904	2,488	1,034	1,480
- exercise of warrants	14,363	6,095	6,965	2,529
- placement	-	10,109	-	3,407
Weighted average number of ordinary shares	410,493	329,535	402,225	318,259

(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-2014	Preceding Year Corresponding Quarter 30-Sep-2013	Current Year- To-Date 30-Sep-2014	Preceding Year Corresponding Period 30-Sep-2013
Profit for the period/year attributable to equity holders of the Company (RM'000)	25,535	17,208	76,263	42,919
Weighted average number of ordinary shares ('000)	426,666	352,360	417,256	336,946
Diluted Earnings Per Share (sen)	5.98	4.88	18.28	12.74

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

	Current Quarter 30-Sep-2014 '000	Preceding Year Corresponding Quarter 30-Sep-2013 '000	Current Year- To-Date 30-Sep-2014 '000	Preceding Year Corresponding Period 30-Sep-2013 '000
Weighted average number of ordinary shares	410,493	329,535	402,225	318,259
Effect of potential exercise of ESOS/warrants				
- ESOS	748	1,932	571	1,364
- Warrants	15,425	20,893	14,460	17,323
Weighted average number of ordinary shares	426,666	352,360	417,256	336,946

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

B12. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2013.

B13. Other income

	Current quarter 30-Sep-2014 RM'000	Financial year to-date 30-Sep-2014 RM'000
Interest income	627	1,825
Miscellaneous income	435	1,348
	<u>1,062</u>	<u>3,173</u>

The Group did not receive any other income including investment income for the financial period ended 30 September 2014.

B14. Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements:

	Current quarter 30-Sep-2014 RM'000	Financial year to-date 30-Sep-2014 RM'000
Depreciation	142	388
Loss on disposal of property, plant and equipment	-	2

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 period ended 30 September 2014.

B15. Disclosure of realised and unrealised profits/losses

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

	30-Sep-2014 RM'000	31-Dec-2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	368,047	255,825
- unrealised	29,818	20,396
	<u>397,865</u>	<u>276,221</u>
Total accumulated loss from a joint venture:		
- realised	#	#
Total share of retained profits from an associate:		
- realised	3,417	2,862
- unrealised	196	(345)
	<u>401,478</u>	<u>278,738</u>
Less: Consolidation adjustments	(296,485)	(231,090)
Total Group retained profits as per consolidated accounts	<u>104,993</u>	<u>47,648</u>

Denotes RM1 deficit

B16. 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 18 November 2014.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
18 November 2014