



TAMBUN INDAH LAND BERHAD

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Fourth Quarter Ended 31 December 2016 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
Condensed Consolidated Statement of Financial Position

	Unaudited As at 31 December 2016 RM'000	Audited As at 31 December 2015 RM'000
ASSETS:		
Non-Current Assets:		
Property, plant and equipment	3,961	4,581
Investment properties	117,406	112,865
Land held for development	160,482	206,911
Investment in an associate company	1,329	2,690
Investment in a joint venture	26,052	19,494
Deferred tax assets	19,755	16,883
	<u>328,985</u>	<u>363,424</u>
Current Assets		
Inventories	1,378	2,964
Property development costs	203,636	125,135
Trade and other receivables	89,428	91,325
Current tax assets	4,889	7,193
Short term funds	37,561	4,325
Cash and bank balances	83,275	179,593
	<u>420,167</u>	<u>410,535</u>
TOTAL ASSETS	<u>749,152</u>	<u>773,959</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	213,676	212,074
Share premium	69,135	67,927
Option reserve	1,056	939
Warrant reserve	109	153
Capital redemption reserve	468	468
Retained profits	251,980	178,208
	<u>536,424</u>	<u>459,769</u>
Non-controlling interests	2,562	2,737
Total Equity	<u>538,986</u>	<u>462,506</u>
Non-Current Liabilities:		
Long-term bank borrowings	97,366	138,970
Deferred taxation	-	1,281
	<u>97,366</u>	<u>140,251</u>
Current Liabilities:		
Trade and other payables	70,419	116,062
Short-term bank borrowings	40,790	49,439
Current tax liabilities	1,591	5,701
	<u>112,800</u>	<u>171,202</u>
TOTAL LIABILITIES	<u>210,166</u>	<u>311,453</u>
TOTAL EQUITY AND LIABILITIES	<u>749,152</u>	<u>773,959</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)	<u>1.26</u>	<u>1.08</u>

Notes:

- 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 2015 and the accompanying explanatory notes attached to this interim financial report.*
- Based on the issued and paid-up share capital of 427,351,165 (2015: 424,147,815) ordinary shares of RM0.50 each in Tambun Indah ("Shares").*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
		RM'000	RM'000	RM'000	RM'000
Revenue		81,754	91,050	360,836	367,651
Cost of sales		(43,113)	(51,462)	(196,923)	(214,433)
Gross profit		38,641	39,588	163,913	153,218
Other income	B13	10,014	7,887	14,098	10,827
Sales and marketing expenses		(2,725)	(4,080)	(8,401)	(9,569)
Administrative expenses	B14	(7,034)	(3,224)	(18,636)	(15,430)
Profit from operations		38,896	40,171	150,974	139,046
Finance costs		(659)	(1,368)	(4,756)	(5,149)
Share of profit/(loss) of an associate		2	511	(11)	1,847
Share of profit of a joint venture		2,108	1	2,558	-
Profit before tax		40,347	39,315	148,765	135,744
Income tax expense		(5,233)	(8,947)	(35,537)	(33,799)
Profit for the period		35,114	30,368	113,228	101,945
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		35,114	30,368	113,228	101,945
Profit attributable to :					
Equity holders of the Company		34,793	30,348	112,203	101,118
Non-controlling interests		321	20	1,025	827
		35,114	30,368	113,228	101,945
Total comprehensive income attributable to :					
Equity holders of the Company		34,793	30,348	112,203	101,118
Non-controlling interests		321	20	1,025	827
		35,114	30,368	113,228	101,945
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	8.15	7.16	26.36	23.92
Diluted (sen)	B11	8.08	7.08	26.16	23.62

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 2015 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
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 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 2016	212,074	67,927	939	153	468	178,208	459,769	2,737	462,506									
Profit for the period	-	-	-	-	-	112,203	112,203	1,025	113,228									
Total comprehensive income	-	-	-	-	-	112,203	112,203	1,025	113,228									
Transactions with owners																		
Issuance of ordinary shares																		
- exercise of Employee share option scheme ("ESOS")										490	941	(243)	-	-	-	1,188	-	1,188
- exercise of warrants										1,112	267	-	(44)	-	-	1,335	-	1,335
Options granted under ESOS	-	-	360	-	-	-	360	-	360									
Dividends	-	-	-	-	-	(38,431)	(38,431)	(1,200)	(39,631)									
Total transactions with owners	1,602	1,208	117	(44)	-	(38,431)	(35,548)	(1,200)	(36,748)									
At 31 December 2016	213,676	69,135	1,056	109	468	251,980	536,424	2,562	538,986									
At 1 January 2015	210,390	67,395	289	217	468	118,233	396,992	2,409	399,401									
Profit for the year	-	-	-	-	-	101,117	101,117	828	101,945									
Total comprehensive income	-	-	-	-	-	101,117	101,117	828	101,945									
Transactions with owners																		
Issuance of ordinary shares																		
- exercise of ESOS										73	146	(44)	-	-	-	175	-	175
- exercise of warrants										1,611	386	-	(64)	-	-	1,933	-	1,933
Options granted under ESOS	-	-	694	-	-	-	694	-	694									
Dividends	-	-	-	-	-	(41,142)	(41,142)	(500)	(41,642)									
Total transactions with owners	1,684	532	650	(64)	-	(41,142)	(38,340)	(500)	(38,840)									
At 31 December 2015	212,074	67,927	939	153	468	178,208	459,769	2,737	462,506									

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 2015 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
Condensed Consolidated Statement of Cash Flows

	12 months ended 31-Dec-2016 RM'000	12 months ended 31-Dec-2015 RM'000
Cash Flows from Operating Activities		
Profit before taxation	148,765	135,744
Adjustments for:-		
Non-cash items	(4,096)	(5,463)
Non-operating items	(2,412)	(58)
Operating profit before changes in working capital	142,257	130,223
Net changes in land held for development	46,429	7,947
Net changes in current assets	(69,602)	(19,956)
Net changes in current liabilities	(45,752)	12,101
Net cash from operations	73,332	130,315
Interest received	4,621	3,360
Tax paid	(41,496)	(37,034)
Net cash from operating activities	36,457	96,641
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(121)	(1,885)
Addition in investment properties	(4,765)	(35,161)
Changes of deposits pledged with licensed banks	130	2,743
Proceeds from disposal of property, plant and equipment	5	241
Dividend income from associate company	1,350	3,600
Proceeds from disposal of investment properties	-	2,062
Acquisition of redeemable preference shares in a joint venture	(4,000)	(10,591)
Net cash used in investing activities	(7,401)	(38,991)
Cash Flows from Financing Activities		
Dividends paid	(38,322)	(41,049)
Dividends paid to non-controlling interests of subsidiary companies	(1,200)	(500)
Drawdown of term loans, bridging loans & revolving credit	15,800	101,423
Proceeds from issuance of shares pursuant to:		
- ESOS	1,188	176
- exercise of warrants	1,335	1,933
Repayment of term loans, bridging loans & revolving credit	(65,960)	(65,814)
Repayment of hire purchase	(93)	(156)
Interest paid	(4,756)	(5,149)
Net cash used in financing activities	(92,008)	(9,136)
Net changes in cash and cash equivalents	(62,952)	48,514
Cash and cash equivalents at 1 January 2016/2015	179,968	131,454
Cash and cash equivalents at 31 December 2016/2015	117,016	179,968
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	37,561	4,325
Cash and bank balances	67,148	144,474
Deposits placed with licensed banks	16,127	35,119
	120,836	183,918
Less: Deposits pledged with licensed banks	(3,820)	(3,950)
	117,016	179,968

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 2015 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

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 IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") and is referred to as a "Transitioning Entity" ("TE").

On 28 October 2015, the MASB issued another announcement that TEs would only be required to adopt the MFRS Framework for annual periods beginning on or after 1 January 2018.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2018. For the financial year ending 31 December 2016, 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 2015 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 2015 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 2016:

FRSs, amendments to FRSs and IC Interpretations

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRSs	Annual Improvements to 2012 - 2014 Cycle
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception

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 FOURTH QUARTER ENDED 31 DECEMBER 2016

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 979,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.85	1.25	1.27
No. of shares issued	('000)	35	30	798	116

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM1,187,820; and

(b) Issuance of 2,224,350 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 RM1,334,610.

A7. Dividend Paid

On 18 February 2016, the Company paid interim single tier dividend of 3.0 sen per ordinary share of RM0.50 each amounting to RM12,730,974 in respect of the financial year ended 31 December 2015.

On 17 August 2016, the Company paid final single tier dividend of 6.0 sen per ordinary share of RM0.50 each amounting to RM25,590,772 in respect of the financial year ended 31 December 2015.

On 16 February 2017, the Company paid interim single tier dividend of 3.0 sen per ordinary share of RM0.50 each amounting to RM12,839,906 in respect of the financial year ended 31 December 2016.

A8. Operating Segment

The segmental analysis for the financial period ended 31 December 2016 is as follows:

	Property development and property management RM'000	Investment holdings RM'000	Other operations RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue					
Revenue from external customers	356,550	4,267	19	-	360,836
Inter-segment revenues	140	38,591	172	(38,903)	-
	<u>356,690</u>	<u>42,858</u>	<u>191</u>	<u>(38,903)</u>	<u>360,836</u>
Results					
Profit from operations	144,950	39,245	(237)	(34,915)	149,043
Unallocated amount:					
- corporate expenses					(278)
Profit before tax					<u>148,765</u>
Tax expense					<u>(35,537)</u>
Profit for the year					<u><u>113,228</u></u>
Other information					
Capital expenditure	7,925	4,775	-	-	12,700
Depreciation	663	73	-	-	736

A9. Subsequent Events

There were no material events subsequent to the financial period ended 31 Dec 2016 until 16 Feb 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), that had not been reflected in the financial statements for the current quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

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. Changes in contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets since the end of the last annual reporting period.

A12. Capital Commitments

There were no outstanding capital commitments for the Group as at 31 December 2016.

A13. 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-2016 RM'000
Rental paid to companies in which a Director has interest	158
Progress claims charged to an associate company	17
Consultant fee charged to an associate company	<u>12</u>

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

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 RM81.75 million and RM40.34 million represented a 10.2% decrease in revenue and 2.6% increase in profit before tax over the same quarter of the preceding year.

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

	Current	Preceding Year	Variances	
	31-Dec-2016 RM'000	31-Dec-2015 RM'000	%	RM'000
Revenue				
Property development and property management	80,606	89,437	-9.9%	(8,831)
Investment holdings	1,146	565	102.8%	581
Other operations	2	1,048	-99.8%	(1,046)
	81,754	91,050	-10.2%	(9,296)
Profit before tax	40,347	39,315	2.6%	1,032

Property development & property management

Property development projects were on track and progressed as scheduled. Revenue was mainly contributed by residential and commercial property developments in Pearl City, Simpang Ampat which accounted for approximately 80.0% of the total revenue in the segment for the current quarter in review.

The Group's ongoing property development projects are *Camellia Park* in Butterworth; *Permai Residence* and *Residensi Bukit Kecil* in Bukit Mertajam; *Pearl Residence*, *Pearl Harmoni*, *Raintree Park 1*, *Pearl Avenue 2*, *Raintree Park 2*, *Avenue Garden* and *Pearl Tropika* in Pearl City, Simpang Ampat and *Straits Garden* in Penang Island.

The lower revenue in the current quarter as compared to the same quarter of the preceding year was mainly due to lower new property sales recorded.

The Group recorded new property sales of RM17.78 million in the current quarter (same quarter of preceding year 2015: RM70.27 million). In comparison, the higher new property sales recorded in the same quarter of the preceding year 2015 was due to a new project launched during the quarter, Raintree Park 2 which had a total Gross Development Value of RM221.8 million.

The new property sales recorded for the financial year ended 31 December 2016 was RM229.13 million (financial year ended 31 December 2015: RM263.41 million).

Investment holdings

The increase in revenue was mainly derived from additional rental received from newly completed investment properties.

The fair value gain on investment properties was RM8.9 million (Financial Year 2015: RM6.7 million) and the fair value loss was RM3.7 million (Financial Year 2015: RM Nil).

Other operations

Other operations covered construction activities.

B2. Comparison of results against immediate preceding quarter

Compared to the immediate preceding quarter, revenue was lower by 4.3%. Profit before tax however increased by 25.4%. The increase in profit before tax was mainly due to a net fair value gain on investment properties of approximately RM5.2 million recognised in the current quarter.

	Current	Preceding	Variances	
	31-Dec-2016 RM'000	30-Sep-2016 RM'000	%	RM'000
Revenue	81,754	85,435	-4.3%	(3,681)
Profit before tax	40,347	32,174	25.4%	8,173

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

B3. Prospects for the next financial year

The launches planned for 2017 includes *Pearl Saujana- Phase 1 and Pearl 28* in Pearl City, Simpang Ampat and *Palma Residence* in Alma.

With the Penang property market in 2016 generally subdued, the Group expects the property outlook for the financial year ending 2017 to be challenging. In view of this, the Group backed by its years of experience in property development shall continue to market a favourable product mix catering mainly to the affordable housing segment, supplemented by a managed cost structure and a sound financial position.

As at 31 December 2016, the Group achieved an average take-up rate of 80.3% for its ongoing projects, with a total Gross Development Value of RM1.44 billion; and unbilled sales of approximately RM196.9 million. These should contribute positively to the Group's earnings for the next two to three years.

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	Preceding Year	Current Year-	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
	RM'000	RM'000	RM'000	RM'000
Current income tax	6,543	12,486	34,111	39,415
Under provision of taxation in respect of prior year	-	-	5,579	117
Deferred taxation	(1,310)	(3,539)	(4,153)	(5,733)
	<u>5,233</u>	<u>8,947</u>	<u>35,537</u>	<u>33,799</u>

The Group's effective tax rate for the financial year-to-date under review was lower compared to the statutory taxation rate mainly due to certain income which was not subject to income tax.

B7. Status of Corporate Proposals

There were no corporate proposals that had been announced but not yet completed during the current financial quarter and financial period-to-date under review.

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 December 2016 were as follows:

	Secured RM'000
<i>Long term borrowings:</i>	
Hire purchase payables	-
Term loans	<u>97,366</u>
	<u>97,366</u>
<i>Short term borrowings:</i>	
Hire purchase payables	29
Term loans	<u>40,761</u>
	<u>40,790</u>
Total	<u><u>138,156</u></u>

The Group had 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

No dividend has been proposed for the current quarter.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

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 31-Dec-2016	Preceding Year Corresponding Quarter 31-Dec-2015	Current Year- To-Date 31-Dec-2016	Preceding Year Corresponding Period 31-Dec-2015
Profit for the period attributable to equity holders of the Company (RM'000)	34,793	30,348	112,203	101,118
Weighted average number of ordinary shares in issue ('000)	426,989	424,071	425,635	422,816
Basic Earnings Per Share (sen)	8.15	7.16	26.36	23.92

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

	Current Quarter 31-Dec-2016 '000	Preceding Year Corresponding Quarter 31-Dec-2015 '000	Current Year- To-Date 31-Dec-2016 '000	Preceding Year Corresponding Period 31-Dec-2015 '000
Number of ordinary shares at beginning of the period/year	424,148	420,779	424,148	420,779
Effect of shares issued pursuant to:				
- exercise of ESOS	823	122	318	62
- exercise of warrants	2,018	3,170	1,169	1,975
Weighted average number of ordinary shares	426,989	424,071	425,635	422,816

(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-2016	Preceding Year Corresponding Quarter 31-Dec-2015	Current Year- To-Date 31-Dec-2016	Preceding Year Corresponding Period 31-Dec-2015
Profit for the period attributable to equity holders of the Company (RM'000)	34,793	30,348	112,203	101,118
Weighted average number of ordinary shares ('000)	430,378	428,656	428,969	428,057
Diluted Earnings Per Share (sen)	8.08	7.08	26.16	23.62

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

	Current Quarter 31-Dec-2016 '000	Preceding Year Corresponding Quarter 31-Dec-2015 '000	Current Year- To-Date 31-Dec-2016 '000	Preceding Year Corresponding Period 31-Dec-2015 '000
Weighted average number of ordinary shares	426,989	424,071	425,635	422,816
Effect of potential exercise of ESOS/warrants				
- ESOS	230	204	200	434
- Warrants	3,159	4,381	3,134	4,807
Weighted average number of ordinary shares	430,378	428,656	428,969	428,057

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**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 2015.

B13. Other income

	Current quarter 31-Dec-2016 RM'000	Financial year to-date 31-Dec-2016 RM'000
Interest income	869	4,621
Fair value gain on investment properties	8,945	8,945
Miscellaneous income	200	532
	<u>10,014</u>	<u>14,098</u>

The Group did not receive any other income including investment income for the financial period ended 31 December 2016.

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

	Current quarter 31-Dec-2016 RM'000	Financial year to-date 31-Dec-2016 RM'000
Depreciation	198	736
Fair value loss on investment properties	3,753	3,753

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 31 December 2016.

B15. Disclosure of realised and unrealised profits/(losses)

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

	31-Dec-2016 RM'000	31-Dec-2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	546,307	444,589
- unrealised	51,149	41,804
	<u>597,456</u>	<u>486,393</u>
Total retained profits/(accumulated loss) from a joint venture:		
- realised	708	(6)
- unrealised	1,844	-
Total share of retained profits from an associate:		
- realised	498	1,859
- unrealised	-	-
	<u>600,506</u>	<u>488,246</u>
Less: Consolidation adjustments	(348,526)	(310,038)
Total Group retained profits as per consolidated accounts	<u>251,980</u>	<u>178,208</u>

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 23 February 2017.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
23 February 2017