



**TAMBUN INDAH LAND BERHAD**

(Company No: 810446-U)

(Incorporated in Malaysia)

Interim Financial Report

For The Second Quarter Ended 30 June 2018 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018  
Condensed Consolidated Statement of Financial Position

	Unaudited As at 30 June 2018 RM'000	(Restated)* As at 31 December 2017 RM'000	(Restated)* As at 1 January 2017 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3,207	3,476	3,961
Investment properties	116,227	118,337	117,406
Inventories	146,436	147,657	160,482
Investment in an associate company	561	554	1,329
Investment in a joint venture	26,132	25,907	26,052
Deferred tax assets	14,368	17,089	18,872
	<u>306,931</u>	<u>313,020</u>	<u>328,102</u>
<b>Current Assets</b>			
Inventories	198,273	210,558	204,527
Trade and other receivables	89,679	116,850	93,556
Current tax assets	2,737	3,151	4,885
Short term funds	42,693	10,727	37,561
Cash and bank balances	88,232	94,557	83,275
	<u>421,614</u>	<u>435,843</u>	<u>423,804</u>
<b>TOTAL ASSETS</b>	<u>728,545</u>	<u>748,863</u>	<u>751,906</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent:</b>			
Share capital	287,521	287,521	213,676
Share premium	-	-	69,135
Option reserve	939	957	1,056
Warrant reserve	-	-	109
Capital reserve	-	-	468
Retained profits	298,997	292,913	254,738
	<u>587,457</u>	<u>581,391</u>	<u>539,182</u>
Non-controlling interests	1,905	1,880	2,562
<b>Total Equity</b>	<u>589,362</u>	<u>583,271</u>	<u>541,744</u>
<b>Non-Current Liability</b>			
Long-term bank borrowings	59,088	68,536	97,366
	<u>59,088</u>	<u>68,536</u>	<u>97,366</u>
<b>Current Liabilities</b>			
Trade and other payables	49,224	55,028	70,419
Short-term bank borrowings	24,946	37,889	40,790
Current tax liabilities	5,925	4,139	1,587
	<u>80,095</u>	<u>97,056</u>	<u>112,796</u>
<b>TOTAL LIABILITIES</b>	<u>139,183</u>	<u>165,592</u>	<u>210,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>728,545</u>	<u>748,863</u>	<u>751,906</u>
<b>Net assets per share attributable to ordinary equity holders of the company (RM) (Note 2)</b>	<u>1.36</u>	<u>1.34</u>	<u>1.26</u>

\* Certain amounts shown here do not correspond to the 2017 financial statements and reflect adjustments made, refer to Note A2.

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 2017 and the accompanying explanatory notes attached to this interim financial report.

2 Based on 433,302,517 (2017: 433,302,517) ordinary shares issued in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018  
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30-Jun-2018 RM'000	30-Jun-2017 RM'000 (Restated)	30-Jun-2018 RM'000	30-Jun-2017 RM'000 (Restated)
Revenue		48,139	69,453	88,218	148,943
Cost of sales		(21,112)	(38,040)	(39,470)	(81,833)
<b>Gross profit</b>		<b>27,027</b>	<b>31,413</b>	<b>48,748</b>	<b>67,110</b>
Other income	B13	860	848	1,642	1,812
Sales and marketing expenses		(1,397)	(969)	(2,282)	(1,875)
Administrative expenses	B14	(3,711)	(4,382)	(7,817)	(8,535)
Profit from operations		22,779	26,910	40,291	58,512
Finance costs		(676)	(975)	(1,355)	(1,961)
Share of (loss)/profit of an associate		(2)	7	7	12
Share of profit of a joint venture		135	292	225	510
Profit before tax		22,236	26,234	39,168	57,073
Income tax expense		(7,140)	(6,361)	(12,712)	(13,907)
<b>Profit for the period</b>		<b>15,096</b>	<b>19,873</b>	<b>26,456</b>	<b>43,166</b>
<b>Total other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>15,096</b>	<b>19,873</b>	<b>26,456</b>	<b>43,166</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		15,075	19,660	26,431	42,951
Non-controlling interests		21	213	25	215
		<b>15,096</b>	<b>19,873</b>	<b>26,456</b>	<b>43,166</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		15,075	19,660	26,431	42,951
Non-controlling interests		21	213	25	215
		<b>15,096</b>	<b>19,873</b>	<b>26,456</b>	<b>43,166</b>
<b>Earnings per share attributable to the equity holders of the Company</b>					
Basic (sen)	B11	3.48	4.56	6.10	10.00
Diluted (sen)	B11	3.48	4.56	6.10	10.00

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 2017 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018  
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company								
	Non-distributable				Distributable		Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Option Reserve	Warrant Reserve	Capital Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2018</b>	287,521	-	957	-	-	292,913	581,391	1,880	583,271
Profit for the year	-	-	-	-	-	26,431	26,431	25	583,271
Total comprehensive income	-	-	-	-	-	26,431	26,431	25	583,271
<b>Transactions with owners</b>									
Transfer of option reserve to retained earning upon lapse of ESOS	-	-	(18)	-	-	18	-	-	-
Dividends	-	-	-	-	-	(20,365)	(20,365)	-	(20,365)
Total transactions with owners	-	-	(18)	-	-	(20,347)	(20,365)	-	(20,365)
<b>At 30 June 2018</b>	287,521	-	939	-	-	298,997	587,457	1,905	1,146,177
<b>At 1 January 2017</b>	213,676	69,135	1,056	109	468	251,980	536,424	2,562	538,986
Effect of adopting MFRSs	-	-	-	-	-	2,758	2,758	-	2,758
<b>At 1 January 2017 (As restated)</b>	213,676	69,135	1,056	109	468	254,738	539,182	2,562	541,744
Adjustments for effects of Companies Act 2016 (Note 1)	69,758	(69,290)	-	-	(468)	-	-	-	-
Profit for the year (Restated)	-	-	-	-	-	81,467	81,467	211	81,678
Total comprehensive income (Restated)	-	-	-	-	-	81,467	81,467	211	81,678
<b>Transactions with owners</b>									
Issuance of ordinary shares - exercise of Employee share option scheme ("ESOS")	842	88	(165)	-	-	-	765	-	765
- exercise of warrants	3,245	67	-	(107)	-	-	3,205	-	3,205
Expiry and lapse of Warrants 2012/2017	-	-	-	(2)	-	2	-	-	-
Transfer of option reserve to retained earning upon lapse of ESOS	-	-	(35)	-	-	35	-	-	-
Options granted under ESOS	-	-	101	-	-	-	101	-	101
Acquisition of additional equity interest in a subsidiary company	-	-	-	-	-	-	-	(293)	(293)
Dividends	-	-	-	-	-	(43,329)	(43,329)	(600)	(43,929)
Total transactions with owners	4,087	155	(99)	(109)	-	(43,292)	(39,258)	(893)	(40,151)
<b>At 31 December 2017</b>	287,521	-	957	-	-	292,913	581,391	1,880	583,271

Notes :

1 With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM69,290,235 and RM467,579 respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act.

2 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 2017 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018**  
**Condensed Consolidated Statement of Cash Flows**

	<b>6 months ended 30-Jun-2018 RM'000</b>	<b>6 months ended 30-Jun-2017 RM'000 (Restated)</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	39,168	57,073
Adjustments for:-		
Non-cash items	269	347
Non-operating items	(471)	(132)
Operating profit before changes in working capital	38,966	57,288
Net changes in land held for development	1,221	(851)
Net changes in current assets	41,872	(49,681)
Net changes in current liabilities	(13,170)	(3,830)
Net cash from operations	68,889	2,926
Interest received	1,594	1,571
Tax paid	(7,791)	(6,364)
<b>Net cash from/(used in) operating activities</b>	<b>62,692</b>	<b>(1,867)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	-	(107)
Addition in investment properties	(306)	(122)
Changes of deposits pledged with licensed banks	(1,245)	(84)
Proceeds from disposal of property, plant and equipment	-	19
<b>Net cash used in investing activities</b>	<b>(1,551)</b>	<b>(294)</b>
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(12,999)	(12,840)
Dividends paid to non-controlling interests of subsidiary companies	-	(600)
Drawdown of revolving credit	-	20,000
Proceeds from issuance of shares pursuant to:		
- ESOS	-	622
- exercise of warrants	-	3,205
Repayment of bank borrowings	(22,391)	(30,991)
Repayment of hire purchase	-	(23)
Interest paid	(1,355)	(1,961)
<b>Net cash used in financing activities</b>	<b>(36,745)</b>	<b>(22,588)</b>
Net changes in cash and cash equivalents	24,396	(24,749)
Cash and cash equivalents at 1 January 2018/2017	101,721	117,422
<b>Cash and cash equivalents at 30 June 2018/2017</b>	<b>126,117</b>	<b>92,673</b>
<b>Cash and cash equivalents included in the cash flows comprise of:-</b>		
Short term funds placed with financial institutions	42,693	34,142
Cash and bank balances	75,734	48,761
Deposits placed with licensed banks	12,498	13,268
	130,925	96,171
Less: Deposits pledged with licensed banks	(4,808)	(3,498)
	126,117	92,673

**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 2017 and the accompanying explanatory notes attached to this interim financial report.*

**A. Explanatory Notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

**A2. Changes in Accounting Policies**

The financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:

**MFRS 9 Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In order to measure the consequences of this new standard, the Group has reviewed the business model corresponding to the different portfolios of financial assets and of the characteristics of these financial assets.

In respect of impairment of financial assets, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The following reconciliations provide an estimate of the expected impact upon initial application of new MFRS Framework, MFRS 15 and MFRS 9 on the financial position, profit or loss and other comprehensive income of the Group.

(a) Reconciliation of financial position and equity

Group	Previously reported under FRSs RM'000	Effect on adoption of MFRSs RM'000	Effects of MFRS 15 RM'000	Effects of MFRS 9 RM'000	Restated under MFRSs RM'000
<b>1 January 2017</b>					
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	3,961	-	-	-	3,961
Investment properties	117,406	-	-	-	117,406
Land held for development	160,482	(160,482)	-	-	-
Inventories	-	160,482	-	-	160,482
Investment in an associate company	1,329	-	-	-	1,329
Investment in a joint venture	26,052	-	-	-	26,052
Deferred tax assets	19,755	-	(883)	-	18,872
	<u>328,985</u>	<u>-</u>	<u>(883)</u>	<u>-</u>	<u>328,102</u>

A2. Changes in Accounting Policies (Cont'd)

(a) Reconciliation of financial position and equity (Cont'd)

Group	Previously reported under FRSSs	Effect on adoption of MFRSSs	Effects of MFRS 15	Effects of MFRS 9	Restated under MFRSSs
1 January 2017	RM	RM	RM	RM	RM
<b>Current Assets</b>					
Inventories	1,378	203,149	-	-	204,527
Property development costs	203,636	(203,149)	(487)	-	-
Trade and other receivables	89,428	-	4,166	(38)	93,556
Current tax assets	4,885	-	-	-	4,885
Short term funds	37,561	-	-	-	37,561
Cash and bank balances	83,275	-	-	-	83,275
	<u>420,163</u>	<u>-</u>	<u>3,679</u>	<u>(38)</u>	<u>423,804</u>
<b>TOTAL ASSETS</b>	<b>749,148</b>	<b>-</b>	<b>2,796</b>	<b>(38)</b>	<b>751,906</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent:</b>					
Share capital	213,676	-	-	-	213,676
Share premium	69,135	-	-	-	69,135
Option reserve	1,056	-	-	-	1,056
Warrant reserve	109	-	-	-	109
Capital reserve	468	-	-	-	468
Retained profits	251,980	-	2,796	(38)	254,738
	<u>536,424</u>	<u>-</u>	<u>2,796</u>	<u>(38)</u>	<u>539,182</u>
Non-controlling interests	2,562	-	-	-	2,562
<b>Total Equity</b>	<b>538,986</b>	<b>-</b>	<b>2,796</b>	<b>(38)</b>	<b>541,744</b>
<b>Non-Current Liability</b>					
Long-term bank borrowings	97,366	-	-	-	97,366
<b>Current Liabilities</b>					
Trade and other payables	70,419	-	-	-	70,419
Short-term bank borrowings	40,790	-	-	-	40,790
Current tax liabilities	1,587	-	-	-	1,587
	<u>112,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,796</u>
<b>TOTAL LIABILITIES</b>	<b>210,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>749,148</b>	<b>-</b>	<b>2,796</b>	<b>(38)</b>	<b>751,906</b>
<b>Group</b>					
<b>31 December 2017</b>					
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	3,476	-	-	-	3,476
Investment properties	118,337	-	-	-	118,337
Land held for development	147,657	(147,657)	-	-	-
Inventories	-	147,657	-	-	147,657
Investment in an associate company	554	-	-	-	554
Investment in a joint venture	25,907	-	-	-	25,907
Deferred tax assets	17,162	-	(73)	-	17,089
	<u>313,093</u>	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>313,020</u>
<b>Current Assets</b>					
Inventories	10,085	200,473	-	-	210,558
Property development costs	200,775	(200,473)	(302)	-	-
Trade and other receivables	116,301	-	604	(55)	116,850
Current tax assets	3,151	-	-	-	3,151
Short term funds	10,727	-	-	-	10,727
Cash and bank balances	94,557	-	-	-	94,557
	<u>435,596</u>	<u>-</u>	<u>302</u>	<u>(55)</u>	<u>435,843</u>
<b>TOTAL ASSETS</b>	<b>748,689</b>	<b>-</b>	<b>229</b>	<b>(55)</b>	<b>748,863</b>

A2. Changes in Accounting Policies (Cont'd)

(a) Reconciliation of financial position and equity (Cont'd)

Group	Previously reported under FRSs RM	Effect on adoption of MFRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
<b>31 December 2017</b>					
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent:</b>					
Share capital	287,521	-	-	-	287,521
Option reserve	957	-	-	-	957
Retained profits	292,739	-	229	(55)	292,913
	581,217	-	229	(55)	581,391
Non-controlling interests	1,880	-	-	-	1,880
<b>Total Equity</b>	<b>583,097</b>	<b>-</b>	<b>229</b>	<b>(55)</b>	<b>583,271</b>
<b>Non-Current Liability</b>					
Long-term bank borrowings	68,536	-	-	-	68,536
<b>Current Liabilities</b>					
Trade and other payables	55,028	-	-	-	55,028
Short-term bank borrowings	37,889	-	-	-	37,889
Current tax liabilities	4,139	-	-	-	4,139
	97,056	-	-	-	97,056
	165,592	-	-	-	165,592
<b>TOTAL LIABILITIES</b>	<b>748,689</b>	<b>-</b>	<b>229</b>	<b>(55)</b>	<b>748,863</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not applied by the Group:

Title	Effective Date
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle:	
(i) Amendments to MFRS 3 Business Combinations	1 January 2019
(ii) Amendments to MFRS 11 Joint Arrangements	1 January 2019
(iii) Amendments to MFRS 112 Income Taxes	1 January 2019
(iv) Amendments to MFRS 123 Borrowing Costs	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2 Share-based Payments	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020
Amendments to IC Interpretation 12 Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



**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.

**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.

**A7. Dividend Paid**

On 12 February 2018, the Company paid interim single tier dividend of 3.0 sen per ordinary share each amounting to RM12,999,076 in respect of the financial year ended 31 December 2017.

On 16 August 2018, the Company paid final single tier dividend of 4.7 sen per ordinary share each amounting to RM20,366,628 in respect of the financial year ended 31 December 2017.

**A8. Operating Segment**

The segmental analysis for the financial period ended 30 June 2018 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
<b>Revenue</b>					
Revenue from external customers	85,718	2,500	-	-	88,218
Inter-segment revenues	6,628	5,194	24	(11,846)	-
	<u>92,346</u>	<u>7,694</u>	<u>24</u>	<u>(11,846)</u>	<u>88,218</u>
<b>Results</b>					
Profit from operations	39,896	7,416	14	(7,985)	39,341
Unallocated amount: - corporate expenses					<u>(173)</u>
Profit before tax					39,168
Tax expense					<u>(12,712)</u>
Profit for the period					<u>26,456</u>

**A9. Subsequent Events**

There were no material events subsequent to the financial period ended 30 June 2018 until 14 August 2018 (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.

**A10. Changes in the Composition of the Group**

There was no change in the composition of the Group for the current quarter and financial year 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 30 June 2018.

**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:*

	<b>6 months ended 30-Jun-2018 RM'000</b>
Rental paid to companies in which a Director has interest	52
Consultant fee charged to an associate company	<u>6</u>

**B. Explanatory Notes in Compliance with Listing Requirements of the Bursa Malaysia**

**B1. Review of Performance**

**Quarter on Quarter review**

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

	Current	Preceding Year	Variances	
	30-Jun-2018 RM'000	30-Jun-2017 RM'000 (Restated)	%	RM'000
<b>Revenue</b>				
Property development and property management	46,892	68,248	-31.3%	(21,356)
Investment holdings	1,247	1,205	3.5%	42
	48,139	69,453	-30.7%	(21,314)
Profit before tax	22,236	26,234	-15.2%	(3,998)

Despite a lower revenue in the current quarter of RM48.14 million which is 30.7% lower than that of the preceding year, profit before tax was only lower by 15.2% on account of the better performance against budgeted cost for recent completed projects and better product mix in current quarter.

Property development & property management

Property development projects were on track and progressed as scheduled. Revenue was mainly contributed by residential property developments in Pearl City, Simpang Ampat which accounted for approximately 99% of the total revenue in the segment for the current quarter in review.

The lower revenue in the current quarter as compared to the same quarter of the preceding year was mainly due to fewer on-going projects, with the Group adopting a cautious approach given the overall market condition.

The Group recorded new property sales of RM31.24 million in the current quarter (same quarter of preceding year 2017: RM47.90 million).

Investment holdings

The revenue was mainly derived from rental received from completed investment properties.

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

	Current	Preceding	Variances	
	30-Jun-2018 RM'000	31-Mar-2018 RM'000	%	RM'000
Revenue	48,139	40,079	20.1%	8,060
Profit before tax	22,236	16,932	31.3%	5,304

Compared to the immediate preceding quarter, revenue and profit before tax increased by 20.1% and 31.3% respectively. The increase in revenue as compared to the preceding quarter was due to higher work progress from on-going projects. The increase in profit before tax was due to increase in revenue and increase in gross margin on account of the better performance against budgeted cost for recent completed projects.

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

As at 30 June 2018, the Group achieved an average take-up rate of 73.9% for its ongoing projects, with a total Gross Development Value of approximately RM770 million; and unbilled sales of approximately RM31.85 million. These should contribute positively to the Group's earnings for the next two years.

The outlook for the property industry continues to be challenging. Subject to successful implementation of the projects, the Group expects to achieve satisfactory performance in the current financial year.

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

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

**B5. Statement by Board of Directors**

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

**B6. Income Tax**

Income tax comprised:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-2018 RM'000	Preceding Year Corresponding Quarter 30-Jun-2017 RM'000 (Restated)	Current Year- To-Date 30-Jun-2018 RM'000	Preceding Year Corresponding Period 30-Jun-2017 RM'000 (Restated)
Current income tax	5,349	2,702	7,791	8,625
Under/(Over) provision of taxation in respect of prior year	2,200	(63)	2,200	(63)
Deferred taxation	(400)	3,652	2,231	5,275
(Under)/Over provision of deferred taxation in respect of prior year	(9)	70	490	70
	<u>7,140</u>	<u>6,361</u>	<u>12,712</u>	<u>13,907</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 and provisions of the Group.

**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 30 June 2018 were as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	<u>59,088</u>
<i>Short term borrowing:</i>	
Term loans	<u>24,946</u>
	<u>24,946</u>
<b>Total</b>	<u><u>84,034</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**

Details of the final tax exempt dividend approved at the Annual General Meeting held on 28 May 2018 are as follows:

(i) Final tax exempt Dividend for the financial year	31 December 2017
(ii) Amount per share (single tier)	4.7 sen
(iii) Previous corresponding period	7.0 sen
(iv) Approved and declared on	28 May 2018
(v) Record of Depositors as at	1 August 2018
(vi) Date of payment	16 August 2018

**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.

	<b>Current Quarter 30-Jun-2018</b>	<b>Preceding Year Corresponding Quarter 30-Jun-2017 (Restated)</b>	<b>Current Year- To-Date 30-Jun-2018</b>	<b>Preceding Year Corresponding Period 30-Jun-2017 (Restated)</b>
Profit for the period attributable to equity holders of the Company (RM'000)	15,075	19,660	26,431	42,951
Weighted average number of ordinary shares in issue ('000)	433,303	431,022	433,303	429,520
<b>Basic Earnings Per Share (sen)</b>	<b>3.48</b>	<b>4.56</b>	<b>6.10</b>	<b>10.00</b>

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

	<b>Current Quarter 30-Jun-2018 '000</b>	<b>Preceding Year Corresponding Quarter 30-Jun-2017 '000</b>	<b>Current Year- To-Date 30-Jun-2018 '000</b>	<b>Preceding Year Corresponding Period 30-Jun-2017 '000</b>
Number of ordinary shares at beginning of the period/year	433,303	427,351	433,303	427,351
Effect of shares issued pursuant to:				
- exercise of ESOS	-	413	-	271
- exercise of warrants	-	3,258	-	1,898
Weighted average number of ordinary shares	433,303	431,022	433,303	429,520

**(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:

	<b>Current Quarter 30-Jun-2018</b>	<b>Preceding Year Corresponding Quarter 30-Jun-2017 (Restated)</b>	<b>Current Year- To-Date 30-Jun-2018</b>	<b>Preceding Year Corresponding Period 30-Jun-2017 (Restated)</b>
Profit for the period attributable to equity holders of the Company (RM'000)	15,075	19,660	26,431	42,951
Weighted average number of ordinary shares ('000)	433,315	431,242	433,314	429,715
<b>Diluted Earnings Per Share (sen)</b>	<b>3.48</b>	<b>4.56</b>	<b>6.10</b>	<b>10.00</b>

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

	<b>Current Quarter 30-Jun-2018 '000</b>	<b>Preceding Year Corresponding Quarter 30-Jun-2017 '000</b>	<b>Current Year- To-Date 30-Jun-2018 '000</b>	<b>Preceding Year Corresponding Period 30-Jun-2017 '000</b>
Weighted average number of ordinary shares	433,303	431,022	433,303	429,520
Effect of potential exercise of ESOS	12	220	11	195
Weighted average number of ordinary shares	433,315	431,242	433,314	429,715

**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 2017.

**B13. Other income**

	Current quarter 30-Jun-2018 RM'000	Financial year to-date 30-Jun-2018 RM'000
Interest income	844	1,594
Miscellaneous income	16	48
	<u>860</u>	<u>1,642</u>

The Group did not receive any other income including investment income for the financial period ended 30 June 2018.

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

	Current quarter 30-Jun-2018 RM'000	Financial year to-date 30-Jun-2018 RM'000
Depreciation	134	269

Save as disclose above, there are no provision for and written 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 June 2018.

**B15. 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 21 August 2018.

By order of the Board of Directors  
Lee Peng Loon  
Company Secretary  
21 August 2018