



TAMBUN INDAH LAND BERHAD
(Registration No: 200801009158 (810446-U))
(Incorporated in Malaysia)

Interim Financial Report
For The Second Quarter Ended 30 June 2021 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021
Condensed Consolidated Statement of Financial Position

		Unaudited As at 30 June 2021 RM'000	(Restated)* As at 31 December 2020 RM'000	(Restated)* As at 1 January 2020 RM'000
	Note			
ASSETS				
Non-Current Assets				
Property, plant and equipment		3,518	3,632	3,347
Right-of-use assets		412	482	623
Investment properties		125,716	125,845	125,574
Inventories	B13	282,892	283,298	284,145
Investment in an associate company		341	341	340
Investment in a joint venture		28,134	28,065	27,815
Deferred tax assets		7,654	8,905	12,760
		<u>448,667</u>	<u>450,568</u>	<u>454,604</u>
Current Assets				
Inventories	B13	143,000	154,531	154,494
Trade and other receivables		17,038	29,764	35,820
Contract assets		100,437	56,615	24,522
Current tax assets		2,164	2,369	2,537
Short term funds		37,918	40,307	62,058
Cash and bank balances		89,737	57,268	96,075
		<u>390,294</u>	<u>340,854</u>	<u>375,506</u>
TOTAL ASSETS		<u>838,961</u>	<u>791,422</u>	<u>830,110</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent:				
Share capital		288,268	288,189	287,637
Option reserve		1,211	1,216	999
Retained earnings		389,502	364,272	351,339
		<u>678,981</u>	<u>653,677</u>	<u>639,975</u>
Non-controlling interests		(2,225)	(1,799)	488
Total Equity		<u>676,756</u>	<u>651,878</u>	<u>640,463</u>
Non-Current Liabilities				
Long-term bank borrowings		94,567	103,346	118,474
Lease liabilities		251	299	408
Deferred tax liability		1,319	625	532
		<u>96,137</u>	<u>104,270</u>	<u>119,414</u>
Current Liabilities				
Trade and other payables		32,344	21,972	27,838
Short-term bank borrowings		29,782	13,114	41,499
Lease liabilities		99	110	111
Current tax liabilities		3,843	78	785
		<u>66,068</u>	<u>35,274</u>	<u>70,233</u>
TOTAL LIABILITIES		<u>162,205</u>	<u>139,544</u>	<u>189,647</u>
TOTAL EQUITY AND LIABILITIES		<u>838,961</u>	<u>791,422</u>	<u>830,110</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.56</u>	<u>1.50</u>	<u>1.48</u>

Notes:

a 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 2020 and the accompanying explanatory notes attached to this interim financial report.

b Based on 434,642,017 (2020: 434,492,017) ordinary shares issued in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		30-Jun-2021	30-Jun-2020	30-Jun-2021	30-Jun-2020
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
Revenue		67,045	14,136	114,527	28,236
Cost of sales		(42,400)	(9,209)	(70,936)	(17,947)
Gross profit		24,645	4,927	43,591	10,289
Other income	B14	365	758	750	1,655
Sales and marketing expenses		(1,047)	(830)	(2,185)	(1,930)
Administrative expenses	B15	(3,633)	(3,165)	(7,068)	(6,141)
Profit from operations		20,330	1,690	35,088	3,873
Finance costs		(908)	(1,196)	(1,806)	(2,616)
Share of profit of an associate		-	-	-	1
Share of profit of a joint venture		67	41	69	153
Profit before tax		19,489	535	33,351	1,411
Income tax expense		(4,614)	(171)	(8,547)	(835)
Profit for the period		14,875	364	24,804	576
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		14,875	364	24,804	576
Profit attributable to :					
Owners of the parent		15,094	800	25,230	1,474
Non-controlling interests		(219)	(436)	(426)	(898)
		14,875	364	24,804	576
Total comprehensive income attributable to :					
Owners of the parent		15,094	800	25,230	1,474
Non-controlling interests		(219)	(436)	(426)	(898)
		14,875	364	24,804	576
Earnings per share attributable to owners of the parent					
Basic (sen)	B11	3.47	0.18	5.80	0.34
Diluted (sen)	B11	3.47	0.18	5.79	0.34

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 2020 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021
Condensed Consolidated Statement of Changes In Equity

	Attributable to Owners of the Parent					
	Non-distributable		Distributable		Non-controlling Interests	Total Equity
	Share Capital	Option Reserve	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2021	288,189	1,216	364,272	653,677	(1,799)	651,878
Profit for the year	-	-	25,230	25,230	(426)	24,804
Total comprehensive income	-	-	25,230	25,230	(426)	24,804
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	79	(8)	-	71	-	71
Options granted under ESOS	-	3	-	3	-	3
Total transactions with owners	79	(5)	-	74	-	74
At 30 June 2021	288,268	1,211	389,502	678,981	(2,225)	676,756
At 1 January 2020	287,637	999	351,132	639,768	488	640,256
Effect of adopting MFRSs	-	-	207	207	-	207
At 1 January 2020 (As restated)	287,637	999	351,339	639,975	488	640,463
Profit for the year	-	-	25,509	25,509	(1,337)	24,172
Total comprehensive income	-	-	25,509	25,509	(1,337)	24,172
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	552	(58)	-	494	-	494
Transfer of option reserve to retained earning upon lapse of ESOS	-	(20)	20	-	-	-
Options granted under ESOS	-	295	-	295	-	295
Capital Reduction	-	-	-	-	(200)	(200)
Dividends	-	-	(12,596)	(12,596)	(750)	(13,346)
Total transactions with owners	552	217	(12,576)	(11,807)	(950)	(12,757)
At 31 December 2020	288,189	1,216	364,272	653,677	(1,799)	651,878

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 2020 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021
Condensed Consolidated Statement of Cash Flows

	6 months ended 30-Jun-2021 RM'000	6 months ended 30-Jun-2020 RM'000
Cash Flows from Operating Activities		
Profit before taxation	33,351	1,411
Adjustments for:-		
Non-cash items	273	362
Non-operating items	1,062	925
Operating profit before changes in working capital	34,686	2,698
Net changes in inventories	11,937	(8,404)
Net changes in trade and other receivables	12,726	12,848
Net changes in contract assets	(43,822)	(975)
Net changes in trade and other payables	10,372	(3,447)
Net cash from operations	25,899	2,720
Interest received	675	1,511
Tax paid	(2,632)	(2,511)
Net cash from operating activities	23,942	1,720
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(86)	(132)
Addition in investment properties	(156)	(416)
Changes of deposits pledged with licensed banks	(21)	(37)
Proceeds from disposal of property, plant and equipment	-	1
Proceeds from disposal of investment properties	285	-
Net cash from/(used in) investing activities	22	(584)
Cash Flows from Financing Activities		
Dividends paid	-	(4,335)
Dividends paid to non-controlling interests of subsidiary companies	-	(750)
Drawdown of revolving credit	15,000	5,000
Proceeds from issuance of shares pursuant to options exercised under the ESOS	71	-
Repayment of bank borrowings	(7,111)	(39,217)
Repayment of lease liabilities	(59)	(56)
Interest paid	(1,806)	(2,590)
Net cash from/(used in) financing activities	6,095	(41,948)
Net changes in cash and cash equivalents	30,059	(40,812)
Cash and cash equivalents at 1 January 2021/2020	94,854	155,467
Cash and cash equivalents at 30 June 2021/2020	124,913	114,655
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	37,918	56,287
Cash and bank balances	77,629	50,106
Deposits placed with licensed banks	12,108	10,965
	127,655	117,358
Less: Deposits pledged with licensed banks	(2,742)	(2,703)
	124,913	114,655

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 2020 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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 2020. 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 2020.

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 2020 except for the mandatory adoption of the following new and revised MFRSs and Issues Committee Interpretations ("IC Interpretations") effective for the financial period beginning on 1 January 2021:

MFRSs, amendments to MFRSs and IC Interpretations

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 17, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23)

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

- Any receivable and contract asset that the entity recognises is not a qualifying asset.
- Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The group has adopted the IFRIC Agenda Decision- Over time transfer of constructed good (IAS 23) in its opening statement of financial position as at 1 January 2020 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 is disclosed as follows:

(a) Reconciliation of financial position and equity

Group	Previously reported	Effects of	Restated
1 January 2020	RM'000	IAS 23	RM'000
		RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3,347	-	3,347
Right-of-use assets	623	-	623
Investment properties	125,574	-	125,574
Inventories	284,145	-	284,145
Investment in an associate company	340	-	340
Investment in a joint venture	27,815	-	27,815
Deferred tax assets	12,760	-	12,760
	<u>454,604</u>	<u>-</u>	<u>454,604</u>
Current Assets			
Inventories	154,287	207	154,494
Trade and other receivables	35,820	-	35,820
Contract assets	24,522	-	24,522
Current tax assets	2,537	-	2,537
Short term funds	62,058	-	62,058
Cash and bank balances	96,075	-	96,075
	<u>375,299</u>	<u>207</u>	<u>375,506</u>
TOTAL ASSETS	<u>829,903</u>	<u>207</u>	<u>830,110</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

A2. Changes in Accounting Policies (Cont'd)

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

Group 1 January 2020	Previously reported RM'000	Effects of IAS 23 RM'000	Restated RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital	287,637	-	287,637
Option reserve	999	-	999
Retained earnings	351,132	207	351,339
	<u>639,768</u>	<u>207</u>	<u>639,975</u>
Non-controlling interests	488	-	488
Total Equity	<u>640,256</u>	<u>207</u>	<u>640,463</u>
Non-Current Liabilities			
Long-term bank borrowings	118,474	-	118,474
Lease liabilities	408	-	408
Deferred tax liability	532	-	532
	<u>119,414</u>	<u>-</u>	<u>119,414</u>
Current Liabilities			
Trade and other payables	27,838	-	27,838
Short-term bank borrowings	41,499	-	41,499
Lease liabilities	111	-	111
Current tax liabilities	785	-	785
	<u>70,233</u>	<u>-</u>	<u>70,233</u>
TOTAL LIABILITIES	<u>189,647</u>	<u>-</u>	<u>189,647</u>
TOTAL EQUITY AND LIABILITIES	<u>829,903</u>	<u>207</u>	<u>830,110</u>
Group 31 December 2020			
ASSETS			
Non-Current Assets			
Property, plant and equipment	3,632	-	3,632
Right-of-use assets	482	-	482
Investment properties	125,845	-	125,845
Inventories	283,298	-	283,298
Investment in an associate company	341	-	341
Investment in a joint venture	28,065	-	28,065
Deferred tax assets	8,905	-	8,905
	<u>450,568</u>	<u>-</u>	<u>450,568</u>
Current Assets			
Inventories	153,993	538	154,531
Trade and other receivables	29,764	-	29,764
Contract assets	56,615	-	56,615
Current tax assets	2,369	-	2,369
Short term funds	40,307	-	40,307
Cash and bank balances	57,268	-	57,268
	<u>340,316</u>	<u>538</u>	<u>340,854</u>
TOTAL ASSETS	<u>790,884</u>	<u>538</u>	<u>791,422</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

A2. Changes in Accounting Policies (Cont'd)

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

Group 31 December 2020	Previously reported RM'000	Effects of IAS 23 RM'000	Restated RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital	288,189	-	288,189
Option reserve	1,216	-	1,216
Retained earnings	363,734	538	364,272
	653,139	538	653,677
Non-controlling interests	(1,799)	-	(1,799)
Total Equity	651,340	538	651,878
Non-Current Liabilities			
Long-term bank borrowings	103,346	-	103,346
Lease liabilities	299	-	299
Deferred tax liability	625	-	625
	104,270	-	104,270
Current Liabilities			
Trade and other payables	21,972	-	21,972
Short-term bank borrowings	13,114	-	13,114
Lease liabilities	110	-	110
Current tax liabilities	78	-	78
	35,274	-	35,274
TOTAL LIABILITIES	139,544	-	139,544
TOTAL EQUITY AND LIABILITIES	790,884	538	791,422

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
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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.

Issuance of 150,000 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.47
No. of shares issued	('000)	150

A7. Dividend Paid

There was no dividend paid during the quarter ended 30 June 2021.

A8. Operating Segment

The segmental analysis for the financial period ended 30 June 2021 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	113,483	1,044	-	-	114,527
Inter-segment revenues	299	237	-	(536)	-
	<u>113,782</u>	<u>1,281</u>	<u>-</u>	<u>(536)</u>	<u>114,527</u>
Results					
Profit from operations	31,751	1,406	18	280	33,455
Unallocated amount: - corporate expenses					(104)
Profit before tax					<u>33,351</u>
Tax expense					<u>(8,547)</u>
Profit for the period					<u>24,804</u>

A9. Subsequent Events

There were no material events subsequent to the financial period ended 30 June 2021 until 19 August 2021 (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 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 30 June 2021

A13. Significant Related Party Transactions

Related parties are those defined under MFRS 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:

Lease payments made to companies of which a Director has interest	6 months ended 30-Jun-2021 RM'000
	<u>53</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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-2021 RM'000	30-Jun-2020 RM'000 (Restated)	%	RM'000
Revenue				
Property development and property management	66,384	13,535	390.5%	52,849
Investment holdings	661	601	10.0%	60
	67,045	14,136	374.3%	52,909
Profit before tax	19,489	535	3542.8%	18,954

The current quarter's revenue and profit before tax of RM67 million and RM19.4 million represented a 374.3% increase in revenue and 3542.8% increase in profit before tax over the same quarter of the preceding year.

Property development & property management

Revenue was mainly contributed by residential property developments in Pearl City, Simpang Ampat which accounted for approximately 77.5% of the total revenue in the segment for the current quarter under review.

The higher revenue and profit before tax in the current quarter as compared to the same quarter of the preceding year were mainly due to higher new property sales as well as the launch of a new project, Aster Villa during the quarter. Aster Villa, located in Pearl City township comprised of 162 units of double-storey terrace houses, 92 units of semi-detached houses and 1 unit bungalow house. The Group recorded RM 99.5 million of new property sales in the current quarter (same quarter of preceding year 2020 : RM34 million).

In addition, the Group's revenue recognition for the current quarter was on track until 31 May 2021 before a full movement control order ("MCO") was reinstated from 1 June 2021. In the same quarter of Year 2020, project sites were closed under the MCO from 18 March 2020 until 7 May 2020, and construction works resumed in stages from 8 May 2020.

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-2021 RM'000	31-Mar-2021 RM'000	%	RM'000
Revenue	67,045	47,482	41.2%	19,563
Profit before tax	19,489	13,862	40.6%	5,627

Compared to the immediate preceding quarter, the revenue and profit before tax increased by 41.2% and 40.6%, respectively.

The higher revenue and profit before tax were mainly due to higher new property sales as explained in B1 above.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B3. Prospects for the current financial year

As at 30 June 2021, seven (7) on-going projects of the Group with a total Gross Development Value of approximately RM608.2 million achieved an average take-up rate of 60.9% and unbilled sales of RM105.7 million which should contribute positively to the Group's earnings for the next two to three years.

The property market remained challenging with uncertainties caused by the continuing Covid-19 pandemic. In the Penang State, a 2nd MCO was reinstated on 13 January 2021, which later moved to Conditional MCO on 5 March 2021. A third MCO was then again reinstated on 10 May 2021 and later moved into a full MCO nationwide from 1 June 2021 with the spike in Covid-19 cases. On 15 June 2021, the Malaysian Government announced a four-phase National Recovery Plan ("NRP") aimed to steer the nation out of the pandemic. Penang State moved into Phase 2 of the NRP on 7 July 2021.

Under these circumstances, the Group will continue to exercise prudence in new project launches, with focus on affordable and mid-market landed projects.

Based on the foregoing, the Group expects to achieve a moderate performance in 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	Preceding Year Corresponding Quarter	Current Year-To- Date	Preceding Year Corresponding Period
	30-Jun-2021 RM'000	30-Jun-2020 RM'000	30-Jun-2021 RM'000	30-Jun-2020 RM'000
Current income tax	3,273	282	6,603	760
Underprovision of taxation in respect of prior year	-	-	-	-
Deferred taxation	1,341	(111)	1,944	149
Underprovision of deferred tax assets in respect of prior year	-	-	-	(74)
	<u>4,614</u>	<u>171</u>	<u>8,547</u>	<u>835</u>

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B7. Status of Corporate Proposals

Memorandum of Understanding ("MOU")

On 28 January 2020 the Company had entered into a MOU with Show Chwan Medical Care Corporation ("Show Chwan") to collaborate efforts for the proposed establishment of a private specialist hospital at Pearl City (Bandar Tasek Mutiara), Simpang Ampat, Seberang Perai Selatan, Penang, a township under the development of Tambun Indah.

On 1 July 2020, the Company and Show Chwan had mutually agreed to extend the duration of the MOU by six (6) months to 27 January 2021 and subsequently on 28 December 2020, both parties agreed to extend the duration by another six (6) months to 27 July 2021. On 26 July 2021, both parties agreed to extend the duration by another six (6) months to 27 January 2022. The duration of the MOU was extended due to unforeseen circumstances caused by the Covid-19 pandemic.

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2021 are as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	94,567
	<u>94,567</u>
<i>Short term borrowing:</i>	
Revolving credit	13,000
Term loans	16,782
	<u>29,782</u>
Total	<u><u>124,349</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.

A final single tier dividend of 2.4 sen per ordinary share amounting to RM10,431,408 in respect of the financial year ended 31 December 2020 was proposed on 27 May 2021. The final dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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-Jun-2021	Preceding Year Corresponding Quarter 30-Jun-2020 (Restated)	Current Year-To- Date 30-Jun-2021	Preceding Year Corresponding Period 30-Jun-2020 (Restated)
Profit for the period attributable to equity holders of the Company (RM'000)	15,094	800	25,230	1,474
Weighted average number of ordinary shares in issue ('000)	434,642	433,456	434,631	433,456
Basic Earnings Per Share (sen)	3.47	0.18	5.80	0.34

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

	Current Quarter 30-Jun-2021 '000	Preceding Year Corresponding Quarter 30-Jun-2020 '000	Current Year-To- Date 30-Jun-2021 '000	Preceding Year Corresponding Period 30-Jun-2020 '000
Number of ordinary shares at beginning of the period/year	434,492	433,456	434,492	433,456
Effect of shares issued pursuant to:				
- exercise of ESOS	150	-	139	-
Weighted average number of ordinary shares	434,642	433,456	434,631	433,456

(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 ESOS granted, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	Current Quarter 30-Jun-2021	Preceding Year Corresponding Quarter 30-Jun-2020 (Restated)	Current Year-To- Date 30-Jun-2021	Preceding Year Corresponding Period 30-Jun-2020 (Restated)
Profit for the period attributable to equity holders of the Company (RM'000)	15,094	800	25,230	1,474
Weighted average number of ordinary shares ('000)	435,441	433,456	435,390	433,456
Diluted Earnings Per Share (sen)	3.47	0.18	5.79	0.34

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

	Current Quarter 30-Jun-2021 '000	Preceding Year Corresponding Quarter 30-Jun-2020 '000	Current Year-To- Date 30-Jun-2021 '000	Preceding Year Corresponding Period 30-Jun-2020 '000
Weighted average number of ordinary shares	434,642	433,456	434,631	433,456
Effect of potential exercise of ESOS	799	-	759	-
Weighted average number of ordinary shares	435,441	433,456	435,390	433,456

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**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 2020.

B13. Inventories

	Unaudited	(Restated)
	As at 30	Audited
	June	As at 31
	2021	December
	RM'000	2020
		RM'000
Non-Current Assets		
Land held for property development	282,892	283,298
Current Assets		
Property development costs	130,552	136,436
Completed properties held for sales	12,448	18,095
	<u>143,000</u>	<u>154,531</u>
Total	<u>425,892</u>	<u>437,829</u>

B14. Other income

	Current	Financial
	quarter	year to-date
	30-Jun-2021	30-Jun-2021
	RM'000	RM'000
Interest income	335	675
Miscellaneous income	30	75
	<u>365</u>	<u>750</u>

The Group did not receive any other income including investment income for the financial period ended 30 June 2021.

B15. Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	Current	Financial
	quarter	year to-date
	30-Jun-2021	30-Jun-2021
	RM'000	RM'000
Depreciation	<u>100</u>	<u>199</u>

Save as disclosed above, there were 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 2021.

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 26 August 2021.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
26 August 2021