



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

Interim Financial Report
For The First Quarter Ended 31 March 2022 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
Condensed Consolidated Statement of Financial Position

		Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,346	3,436
Right-of-use assets		247	269
Investment properties		123,890	123,734
Inventories	B13	280,843	281,400
Investment in an associate company		341	340
Investment in a joint venture		27,410	27,347
Deferred tax assets		10,832	5,788
		<u>446,909</u>	<u>442,314</u>
Current Assets			
Inventories	B13	123,241	114,533
Trade and other receivables		97,393	27,524
Contract assets		50,893	119,176
Current tax assets		2,713	2,725
Short term funds		28,536	27,913
Cash and bank balances		107,065	113,671
		<u>409,841</u>	<u>405,542</u>
TOTAL ASSETS		<u>856,750</u>	<u>847,856</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital		289,212	289,096
Option reserve		1,089	1,118
Retained profits		430,644	415,493
		<u>720,945</u>	<u>705,707</u>
Non-controlling interests		(2,888)	(2,672)
Total Equity		<u>718,057</u>	<u>703,035</u>
Non-Current Liabilities			
Long-term bank borrowings		83,349	87,088
Lease liabilities		179	203
Deferred tax liability		619	1,048
		<u>84,147</u>	<u>88,339</u>
Current Liabilities			
Trade and other payables		33,504	32,812
Contract liabilities		975	-
Short-term bank borrowings		15,522	21,302
Lease liabilities		96	95
Current tax liabilities		4,449	2,273
		<u>54,546</u>	<u>56,482</u>
TOTAL LIABILITIES		<u>138,693</u>	<u>144,821</u>
TOTAL EQUITY AND LIABILITIES		<u>856,750</u>	<u>847,856</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.65</u>	<u>1.62</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 2021 and the accompanying explanatory notes attached to this interim financial report.*
- b Based on 436,245,617 (2021: 436,040,617) ordinary shares issued in Tambun Indah ("Shares").*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31-Mar-2022 RM'000	31-Mar-2021 RM'000	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Revenue		53,296	47,482	53,296	47,482
Cost of sales		(27,567)	(28,536)	(27,567)	(28,536)
Gross profit		25,729	18,946	25,729	18,946
Other income	B14	319	385	319	385
Sales and marketing expenses		(1,286)	(1,138)	(1,286)	(1,138)
Administrative expenses	B15	(3,599)	(3,435)	(3,599)	(3,435)
Profit from operations		21,163	14,758	21,163	14,758
Finance costs		(801)	(898)	(801)	(898)
Share of profit of an associate		1	-	1	-
Share of profit of a joint venture		63	2	63	2
Profit before tax		20,426	13,862	20,426	13,862
Income tax expense		(5,507)	(3,933)	(5,507)	(3,933)
Profit for the period		14,919	9,929	14,919	9,929
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		14,919	9,929	14,919	9,929
Profit attributable to :					
Equity holders of the Company		15,135	10,136	15,135	10,136
Non-controlling interests		(216)	(207)	(216)	(207)
		14,919	9,929	14,919	9,929
Total comprehensive income attributable to :					
Equity holders of the Company		15,135	10,136	15,135	10,136
Non-controlling interests		(216)	(207)	(216)	(207)
		14,919	9,929	14,919	9,929
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	3.47	2.33	3.47	2.33
Diluted (sen)	B11	3.46	2.33	3.46	2.33

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 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
Condensed Consolidated Statement of Changes In Equity

	Attributable to Equity Holders of the Company					Total Equity RM'000
	Non-distributable		Distributable		Non- controlling Interests RM'000	
	Share Capital RM'000	Option Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2022	289,096	1,118	415,493	705,707	(2,672)	703,035
Profit for the year	-	-	15,135	15,135	(216)	14,919
Total comprehensive income	-	-	15,135	15,135	(216)	14,919
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	116	(13)	-	103	-	103
Transfer of option reserve to retained earning upon lapse of ESOS	-	(16)	16	-	-	-
Total transactions with owners	116	(29)	16	103	-	103
At 31 March 2022	289,212	1,089	430,644	720,945	(2,888)	718,057
At 1 January 2021	288,189	1,216	364,325	653,730	(1,799)	651,931
Profit for the year	-	-	61,630	61,630	(873)	60,757
Total comprehensive income	-	-	61,630	61,630	(873)	60,757
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	907	(103)	-	804	-	804
Transfer of option reserve to retained earning upon lapse of ESOS	-	(2)	2	-	-	-
Options granted under ESOS	-	7	-	7	-	7
Dividends	-	-	(10,464)	(10,464)	-	(10,464)
Total transactions with owners	907	(98)	(10,462)	(9,653)	-	(9,653)
At 31 December 2021	289,096	1,118	415,493	705,707	(2,672)	703,035

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 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
Condensed Consolidated Statement of Cash Flows

	3 months ended 31-Mar-2022 RM'000	3 months ended 31-Mar-2021 RM'000
Cash Flows from Operating Activities		
Profit before taxation	20,426	13,862
Adjustments for:-		
Non-cash items	126	138
Non-operating items	465	556
Operating profit before changes in working capital	21,017	14,556
Net changes in inventories	(8,151)	2,078
Net changes in trade and other receivables	(69,869)	6,474
Net changes in contract assets	68,283	(3,233)
Net changes in trade and other payables	692	(1,997)
Net changes in contract liabilities	975	-
Net cash from operations	12,947	17,878
Interest received	272	340
Tax paid	(8,792)	(1,346)
Net cash from operating activities	4,427	16,872
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(14)	(46)
Addition in investment properties	(156)	(156)
Changes of deposits pledged with licensed banks	(11)	(10)
Proceeds from disposal of investment properties	-	285
Net cash (used in)/from investing activities	(181)	73
Cash Flows from Financing Activities		
Drawdown of revolving credit	-	2
Proceeds from issuance of shares pursuant to options exercised under the ESOS	103	71
Repayment of bank borrowings	(9,519)	(169)
Repayment of lease liabilities	(23)	(30)
Interest paid	(801)	(898)
Net cash used in financing activities	(10,240)	(1,024)
Net changes in cash and cash equivalents	(5,994)	15,921
Cash and cash equivalents at 1 January 2022/2021	138,822	94,854
Cash and cash equivalents at 31 March 2022/2021	132,828	110,775
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	28,536	41,638
Cash and bank balances	92,728	59,760
Deposits placed with licensed banks	14,337	12,108
	135,601	113,506
Less: Deposits pledged with licensed banks	(2,773)	(2,731)
	132,828	110,775

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 2021 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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 2021. 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 2021.

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 2021 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 2022:

MFRSs, amendments to MFRSs and IC Interpretations

MFRSs	Annual Improvements to MFRS Standards 2018 -2020
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

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
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
Amendments to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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.

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.

Issuance of 205,000 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.47	0.60
No. of shares issued	('000)	156	49

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM102,785.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

A7. Dividend Paid

There was no dividend paid during the quarter ended 31 March 2022.

A8. Operating Segment

The segmental analysis for the financial period ended 31 March 2022 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	52,470	826	-	-	53,296
Inter-segment revenues	42	118	-	(160)	-
	<u>52,512</u>	<u>944</u>	<u>-</u>	<u>(160)</u>	<u>53,296</u>
Results					
Profit from operations	19,481	957	7	51	20,496
Unallocated amount: - corporate expenses					(70)
Profit before tax					<u>20,426</u>
Tax expense					<u>(5,507)</u>
Profit for the period					<u>14,919</u>

A9. Subsequent Events

There were no material events subsequent to the financial period ended 31 March 2022 until 19 May 2022 (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

The amount of capital commitments not provided for in the financial period ended 31 Mar 2022 was as follows:

	RM'000
Contractual commitments for purchase of development lands	<u>17,962</u>

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:

	3 months ended 31-Mar-2022 RM'000
Lease payments made to companies of which a Director has interest	<u>27</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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	
	31-Mar-2022 RM'000	31-Mar-2021 RM'000	%	RM'000
Revenue				
Property development and property management	52,470	47,099	11.4%	5,371
Investment holdings	826	383	115.7%	443
	53,296	47,482	12.2%	5,814
Profit before tax	20,426	13,862	47.4%	6,564

The current quarter's revenue and profit before tax of RM53.3 million and RM20.4 million represented a 12.2% increase in revenue and 47.4% 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 88.8% 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 the progressive revenue recognitions from the on-going projects, which included the newly launched projects, namely Aster Villa and Ambay Garden.

Despite the higher revenue, the Group recorded a lower new property sales of RM 14.8 million in the current quarter (same quarter of preceding year 2021 : RM32.1 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	
	31-Mar-2022 RM'000	31-Dec-2021 RM'000	%	RM'000
Revenue	53,296	107,522	-50.4%	(54,226)
Profit before tax	20,426	38,020	-46.3%	(17,594)

Compared to the immediate preceding quarter, the revenue and profit before tax decreased by 50.4% and 46.3%, respectively.

The lower revenue and profit before tax were mainly due to lower new property sales of RM14.8 million in the current quarter as compared to the immediate preceding quarter of RM150.5 million. The higher new property sales recorded in the immediate preceding quarter was mainly attributed to the Home Ownership Campaign 2021 ("HOC2021") initiative which ended on 31 December 2021.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

B3. Prospects for the current financial year

As at 31 March 2022, eight (8) on-going projects of the Group with a total Gross Development Value of approximately RM703.8 million achieved an average take-up rate of 77.7% and unbilled sales of RM93.6 million which should contribute positively to the Group's earnings for the next two to three years.

The Group is mindful of current and upcoming challenges with a rising interest rate environment in the midst of a global inflationary setting, coupled with an escalation in construction cost and supply chain disruptions. Under these circumstances, the Group will continue to exercise prudence in new project launches, with a focus on 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 31-Mar-2022 RM'000	Preceding Year Corresponding Quarter 31-Mar-2021 RM'000	Current Year- To-Date 31-Mar-2022 RM'000	Preceding Year Corresponding Period 31-Mar-2021 RM'000
Current income tax	10,918	3,330	10,918	3,330
Under/(Over)provision of taxation in respect of prior year	62	-	62	-
Deferred taxation	(5,473)	603	(5,473)	603
Underprovision of deferred tax assets in respect of prior year	-	-	-	-
	<u>5,507</u>	<u>3,933</u>	<u>5,507</u>	<u>3,933</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 and unrecognition of deferred tax asset.

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.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2022 are as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	83,349
	<u>83,349</u>
<i>Short term borrowing:</i>	
Term loans	15,522
	<u>15,522</u>
Total	<u><u>98,871</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 first and final single tier dividend of 5.9 sen per ordinary share amounting to RM25,738,491 in respect of the financial year ended 31 December 2021 was proposed on 14 April 2022. The first and final dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

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-Mar-2022	Preceding Year Corresponding Quarter 31-Mar-2021	Current Year- To-Date 31-Mar-2022	Preceding Year Corresponding Period 31-Mar-2021
Profit for the period attributable to equity holders of the Company (RM'000)	15,135	10,136	15,135	10,136
Weighted average number of ordinary shares in issue ('000)	436,093	434,619	436,093	434,619
Basic Earnings Per Share (sen)	3.47	2.33	3.47	2.33

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

	Current Quarter 31-Mar-2022 '000	Preceding Year Corresponding Quarter 31-Mar-2021 '000	Current Year- To-Date 31-Mar-2022 '000	Preceding Year Corresponding Period 31-Mar-2021 '000
Number of ordinary shares at beginning of the period/year	436,041	434,492	436,041	434,492
Effect of shares issued pursuant to: - exercise of ESOS	52	127	52	127
Weighted average number of ordinary shares	<u><u>436,093</u></u>	<u><u>434,619</u></u>	<u><u>436,093</u></u>	<u><u>434,619</u></u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

B11. Earnings Per Share (continued)

(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 31-Mar-2022	Preceding Year Corresponding Quarter 31-Mar-2021	Current Year- To-Date 31-Mar-2022	Preceding Year Corresponding Period 31-Mar-2021
Profit for the period attributable to equity holders of the Company (RM'000)	15,135	10,136	15,135	10,136
Weighted average number of ordinary shares ('000)	436,946	435,336	436,946	435,336
Diluted Earnings Per Share (sen)	3.46	2.33	3.46	2.33

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

	Current Quarter 31-Mar-2022 '000	Preceding Year Corresponding Quarter 31-Mar-2021 '000	Current Year- To-Date 31-Mar-2022 '000	Preceding Year Corresponding Period 31-Mar-2021 '000
Weighted average number of ordinary shares	436,093	434,619	436,093	434,619
Effect of potential exercise of ESOS	853	717	853	717
Weighted average number of ordinary shares	436,946	435,336	436,946	435,336

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 2021.

B13. Inventories

	Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
Non-Current Assets		
Land held for property development	280,843	281,400
Current Assets		
Property development costs	113,527	104,819
Completed properties held for sales	9,714	9,714
	123,241	114,533
Total	404,084	395,933

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**B14. Other income**

	Current quarter 31-Mar-2022 RM'000	Financial year to-date 31-Mar-2022 RM'000
Interest income	272	272
Miscellaneous income	47	47
	<u>319</u>	<u>319</u>

The Group did not receive any other income including investment income for the financial period ended 31 March 2022.

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

	Current quarter 31-Mar-2022 RM'000	Financial year to-date 31-Mar-2022 RM'000
Depreciation	<u>104</u>	<u>104</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 31 March 2022.

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 May 2022.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
26 May 2022