



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

Interim Financial Report
For The Second Quarter Ended 30 June 2022 (Unaudited)

	Page No.
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Statement of Changes In Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Interim Financial Report	5 - 11

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statement of Financial Position

		Unaudited As at 30 June 2022 RM'000	Audited As at 31 December 2021 RM'000
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,345	3,436
Right-of-use assets		224	269
Investment properties		123,890	123,734
Inventories	B13	280,372	281,400
Investment in an associate company		340	340
Investment in a joint venture		27,489	27,347
Deferred tax assets		8,042	5,788
		<u>443,702</u>	<u>442,314</u>
Current Assets			
Inventories	B13	124,301	114,533
Trade and other receivables		36,882	27,524
Contract assets		76,630	119,176
Current tax assets		1,961	2,725
Short term funds		34,172	27,913
Cash and bank balances		157,977	113,671
		<u>431,923</u>	<u>405,542</u>
TOTAL ASSETS		<u>875,625</u>	<u>847,856</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital		291,302	289,096
Option reserve		-	1,118
Retained profits		422,149	415,493
		<u>713,451</u>	<u>705,707</u>
Non-controlling interests		(3,124)	(2,672)
Total Equity		<u>710,327</u>	<u>703,035</u>
Non-Current Liabilities			
Long-term bank borrowings		79,609	87,088
Lease liabilities		154	203
Deferred tax liability		731	1,048
		<u>80,494</u>	<u>88,339</u>
Current Liabilities			
Trade and other payables		59,919	32,812
Contract liabilities		717	-
Short-term bank borrowings		20,002	21,302
Lease liabilities		97	95
Current tax liabilities		4,069	2,273
		<u>84,804</u>	<u>56,482</u>
TOTAL LIABILITIES		<u>165,298</u>	<u>144,821</u>
TOTAL EQUITY AND LIABILITIES		<u>875,625</u>	<u>847,856</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.62</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 439,311,917 (2021: 436,040,617) ordinary shares issued in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30-Jun-2022	30-Jun-2021	30-Jun-2022	30-Jun-2021
		RM'000	RM'000	RM'000	RM'000
Revenue		54,682	67,045	107,978	114,527
Cost of sales		(26,761)	(42,400)	(54,328)	(70,936)
Gross profit		27,921	24,645	53,650	43,591
Other income	B14	429	365	748	750
Sales and marketing expenses		(1,387)	(1,047)	(2,673)	(2,185)
Administrative expenses	B15	(3,921)	(3,633)	(7,520)	(7,068)
Profit from operations		23,042	20,330	44,205	35,088
Finance costs		(798)	(908)	(1,599)	(1,806)
Share of profit of an associate		(1)	-	-	-
Share of profit of a joint venture		79	67	142	69
Profit before tax		22,322	19,489	42,748	33,351
Income tax expense		(5,999)	(4,614)	(11,506)	(8,547)
Profit for the period		16,323	14,875	31,242	24,804
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		16,323	14,875	31,242	24,804
Profit attributable to :					
Equity holders of the Company		16,559	15,094	31,694	25,230
Non-controlling interests		(236)	(219)	(452)	(426)
		16,323	14,875	31,242	24,804
Total comprehensive income attributable to :					
Equity holders of the Company		16,559	15,094	31,694	25,230
Non-controlling interests		(236)	(219)	(452)	(426)
		16,323	14,875	31,242	24,804
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	3.79	3.47	7.26	5.80
Diluted (sen)	B11	3.79	3.47	7.26	5.79

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 SECOND QUARTER ENDED 30 JUNE 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	-	-	31,694	31,694	(452)	31,242
Total comprehensive income	-	-	31,694	31,694	(452)	31,242
Transactions with owners						
Issuance of ordinary shares - exercise of Employee shares option scheme ("ESOS")	2,206	(261)	-	1,945	-	1,945
Transfer of option reserve to retained earning upon lapse of ESOS	-	(881)	881	-	-	-
Options granted under ESOS	-	24	-	24	-	24
Dividends	-	-	(25,919)	(25,919)	-	(25,919)
Total transactions with owners	2,206	(1,118)	(25,038)	(23,950)	-	(23,950)
At 30 June 2022	291,302	-	422,149	713,451	(3,124)	710,327
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 SECOND QUARTER ENDED 30 JUNE 2022

Condensed Consolidated Statement of Cash Flows

	6 months ended 30-Jun-2022 RM'000	6 months ended 30-Jun-2021 RM'000
Cash Flows from Operating Activities		
Profit before taxation	42,748	33,351
Adjustments for:-		
Non-cash items	289	273
Non-operating items	797	1,062
Operating profit before changes in working capital	43,834	34,686
Net changes in inventories	(8,740)	11,937
Net changes in trade and other receivables	(9,358)	12,726
Net changes in contract assets	42,546	(43,822)
Net changes in trade and other payables	1,188	10,372
Net changes in contract liabilities	717	-
Net cash from operations	70,187	25,899
Interest received	660	675
Tax paid	(11,517)	(2,632)
Net cash from operating activities	59,330	23,942
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(129)	(86)
Addition in investment properties	(156)	(156)
Changes of deposits pledged with licensed banks	(21)	(21)
Proceeds from disposal of investment properties	-	285
Net cash (used in)/from investing activities	(306)	22
Cash Flows from Financing Activities		
Drawdown of revolving credit	5,000	15,000
Proceeds from issuance of shares pursuant to options exercised under the ESOS	1,945	71
Repayment of bank borrowings	(13,779)	(7,111)
Repayment of lease liabilities	(47)	(59)
Interest paid	(1,599)	(1,806)
Net cash used in financing activities	(8,480)	6,095
Net changes in cash and cash equivalents	50,544	30,059
Cash and cash equivalents at 1 January 2022/2021	138,822	94,854
Cash and cash equivalents at 30 June 2022/2021	189,366	124,913
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	34,172	37,918
Cash and bank balances	143,577	77,629
Deposits placed with licensed banks	14,400	12,108
	192,149	127,655
Less: Deposits pledged with licensed banks	(2,783)	(2,742)
	189,366	124,913

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 SECOND QUARTER ENDED 30 JUNE 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, saved for the disclosure below.

Issuance of 3,271,300 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.47	0.60	0.62	0.69	0.71	0.75
No. of shares issued	('000)	1,267	672	20	452	581	279

The total cash proceeds arising from the exercise of ESOS during the current financial period to-date amounted to RM1,945,008.

The Company's Employees' Share Option Scheme expired on 4 June 2022 and the remaining unexercised share options of 3,171,000 had lapsed.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022**A7. Dividend Paid**

There was no dividend paid during the quarter ended 30 June 2022.

A8. Operating Segment

The segmental analysis for the financial period ended 30 June 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	106,312	1,666	-	-	107,978
Inter-segment revenues	109	237	-	(346)	-
	<u>106,421</u>	<u>1,903</u>	<u>-</u>	<u>(346)</u>	<u>107,978</u>
Results					
Profit from operations	40,927	1,827	17	85	42,856
Unallocated amount:					
- corporate expenses					(108)
Profit before tax					<u>42,748</u>
Tax expense					<u>(11,506)</u>
Profit for the period					<u><u>31,242</u></u>

A9. Subsequent Events

There were no material events subsequent to the financial period ended 30 June 2022 until 18 August 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 30 June 2022 was as follows:

	RM'000
Contractual commitments for purchase of development lands	<u><u>15,966</u></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:

	6 months ended 30-Jun-2022 RM'000
Lease payments made to companies of which a Director has interest	<u><u>53</u></u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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	
	30-Jun-2022 RM'000	30-Jun-2021 RM'000	%	RM'000
Revenue				
Property development and property management	53,842	66,384	-18.9%	(12,542)
Investment holdings	840	661	27.1%	179
	54,682	67,045	-18.4%	(12,363)
Profit before tax	22,322	19,489	14.5%	2,833

The current quarter's revenue and profit before tax of RM54.7 million and RM22.3 million represented a 18.4% decrease in revenue and 14.5% 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 97.8% of the total revenue in the segment for the current quarter under review.

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 RM29.5 million in the current quarter (same quarter of preceding year 2021: RM99.5 million). There are also fewer on-going projects, with the completion of two projects during the quarter.

Despite the lower revenue, the Group recorded a higher profit before tax in the current quarter as compared to the same quarter of the preceding year mainly due to the better performance against budgeted cost for the recently completed projects. The Group also recorded a higher profit margin in its current product mix, with the completion of an affordable housing project in the current quarter.

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-2022 RM'000	31-Mar-2022 RM'000	%	RM'000
Revenue	54,682	53,296	2.6%	1,386
Profit before tax	22,322	20,426	9.3%	1,896

Compared to the immediate preceding quarter, the revenue and profit before tax increased by 2.6% and 9.3%, respectively. The greater increase in profit before tax as compared to revenue was mainly due to the better performance against budgeted cost for the recent completed projects.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022**B3. Prospects for the current financial year**

As at 30 June 2022, six (6) on-going projects of the Group with a total Gross Development Value of approximately RM604.6 million achieved an average take-up rate of 78.9% and unbilled sales of RM68.5 million which should contribute positively to the Group's earnings for the next two to three years.

The Group is mindful of the 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 30-Jun-2022 RM'000	Preceding Year Corresponding Quarter 30-Jun-2021 RM'000	Current Year- To-Date 30-Jun-2022 RM'000	Preceding Year Corresponding Period 30-Jun-2021 RM'000
Current income tax	3,097	3,273	14,015	6,603
Under provision of taxation in respect of prior year	1	-	63	-
Deferred taxation	2,901	1,341	(2,572)	1,944
Underprovision of deferred tax assets in respect of prior year	-	-	-	-
	<u>5,999</u>	<u>4,614</u>	<u>11,506</u>	<u>8,547</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.

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 SECOND QUARTER ENDED 30 JUNE 2022

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2022 are as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	79,609
	<u>79,609</u>
<i>Short term borrowing:</i>	
Term loans	20,002
	<u>20,002</u>
Total	<u>99,611</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 16 June 2022 are as follows:

(i) Final tax exempt Dividend for the financial year	31 December 2021
(ii) Amount per share (single tier)	5.9 sen
(iii) Previous corresponding period	2.4 sen
(iv) Approved and declared on	19 July 2022
(v) Record of Depositors as at	25 August 2022
(vi) Date of payment	12 September 2022

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-2022	Preceding Year Corresponding Quarter 30-Jun-2021	Current Year- To-Date 30-Jun-2022	Preceding Year Corresponding Period 30-Jun-2021
Profit for the period attributable to equity holders of the Company (RM'000)	16,559	15,094	31,694	25,230
Weighted average number of ordinary shares in issue ('000)	437,352	434,642	436,726	434,631
Basic Earnings Per Share (sen)	3.79	3.47	7.26	5.80

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-2022 '000	Preceding Year Corresponding Quarter 30-Jun-2021 '000	Current Year- To-Date 30-Jun-2022 '000	Preceding Year Corresponding Period 30-Jun-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	1,311	150	685	139
Weighted average number of ordinary shares	<u>437,352</u>	<u>434,642</u>	<u>436,726</u>	<u>434,631</u>

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 30-Jun-2022	Preceding Year Corresponding Quarter 30-Jun-2021	Current Year- To-Date 30-Jun-2022	Preceding Year Corresponding Period 30-Jun-2021
Profit for the period attributable to equity holders of the Company (RM'000)	16,559	15,094	31,694	25,230
Weighted average number of ordinary shares ('000)	437,352	435,441	436,726	435,390
Diluted Earnings Per Share (sen)	3.79	3.47	7.26	5.79

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-2022 '000	Preceding Year Corresponding Quarter 30-Jun-2021 '000	Current Year- To-Date 30-Jun-2022 '000	Preceding Year Corresponding Period 30-Jun-2021 '000
Weighted average number of ordinary shares	437,352	434,642	436,726	434,631
Effect of potential exercise of ESOS	-	799	-	759
Weighted average number of ordinary shares	437,352	435,441	436,726	435,390

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 30 June 2022 RM'000	Audited As at 31 December 2021 RM'000
Non-Current Assets		
Land held for property development	280,372	281,400
Current Assets		
Property development costs	113,579	104,819
Completed properties held for sales	10,722	9,714
	<u>124,301</u>	<u>114,533</u>
Total	<u>404,673</u>	<u>395,933</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022**B14. Other income**

	Current quarter 30-Jun-2022 RM'000	Financial year to-date 30-Jun-2022 RM'000
Interest income	388	660
Miscellaneous income	41	88
	<u>429</u>	<u>748</u>

The Group did not receive any other income including investment income for the financial period ended 30 June 2022.

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

	Current quarter 30-Jun-2022 RM'000	Financial year to-date 30-Jun-2022 RM'000
Depreciation	<u>104</u>	<u>208</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 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 25 August 2022.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
25 August 2022