



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

Interim Financial Report
For The First Quarter Ended 31 March 2023 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023
Condensed Consolidated Statement of Financial Position

	Note	Unaudited As at 31 March 2023 RM'000	Audited As at 31 December 2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,247	3,295
Right-of-use assets		157	179
Investment properties		124,149	124,004
Inventories	B13	308,268	307,075
Investment in an associate company		342	341
Investment in a joint venture		27,854	27,784
Deferred tax assets		8,062	9,181
		<u>472,079</u>	<u>471,859</u>
Current Assets			
Inventories	B13	102,248	105,907
Trade and other receivables		41,276	59,635
Contract assets		58,123	55,084
Current tax assets		8,413	6,042
Short term funds		104,122	96,549
Cash and bank balances		100,155	89,830
		<u>414,337</u>	<u>413,047</u>
TOTAL ASSETS		<u>886,416</u>	<u>884,906</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital		291,302	291,302
Retained profits		462,426	451,619
		<u>753,728</u>	<u>742,921</u>
Non-controlling interests		(4,044)	(3,718)
Total Equity		<u>749,684</u>	<u>739,203</u>
Non-Current Liabilities			
Long-term bank borrowings		74,165	78,281
Lease liabilities		79	104
		<u>74,244</u>	<u>78,385</u>
Current Liabilities			
Trade and other payables		36,179	40,556
Contract liabilities		1,552	1,607
Short-term bank borrowings		24,423	24,381
Lease liabilities		100	99
Current tax liabilities		234	675
		<u>62,488</u>	<u>67,318</u>
TOTAL LIABILITIES		<u>136,732</u>	<u>145,703</u>
TOTAL EQUITY AND LIABILITIES		<u>886,416</u>	<u>884,906</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.72</u>	<u>1.69</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 2022 and the accompanying explanatory notes attached to this interim financial report.
- b Based on 439,311,917 (2022: 439,311,917) ordinary shares issued in Tambun Indah ("Shares").

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
		RM'000	RM'000	RM'000	RM'000
Revenue		47,510	53,296	47,510	53,296
Cost of sales		(27,694)	(27,567)	(27,694)	(27,567)
Gross profit		19,816	25,729	19,816	25,729
Other income	B14	1,282	319	1,282	319
Sales and marketing expenses		(1,096)	(1,286)	(1,096)	(1,286)
Administrative expenses	B15	(4,190)	(3,599)	(4,190)	(3,599)
Profit from operations		15,812	21,163	15,812	21,163
Finance costs		(1,061)	(801)	(1,061)	(801)
Share of profit of an associate		1	1	1	1
Share of profit of a joint venture		70	63	70	63
Profit before tax		14,822	20,426	14,822	20,426
Income tax expense		(4,341)	(5,507)	(4,341)	(5,507)
Profit for the period		10,481	14,919	10,481	14,919
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		10,481	14,919	10,481	14,919
Profit attributable to :					
Equity holders of the Company		10,807	15,135	10,807	15,135
Non-controlling interests		(326)	(216)	(326)	(216)
		10,481	14,919	10,481	14,919
Total comprehensive income attributable to :					
Equity holders of the Company		10,807	15,135	10,807	15,135
Non-controlling interests		(326)	(216)	(326)	(216)
		10,481	14,919	10,481	14,919
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	2.46	3.47	2.46	3.47
Diluted (sen)	B11	2.46	3.46	2.46	3.46

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 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023
Condensed Consolidated Statement of Changes In Equity

	<u>Attributable to Equity Holders of the Company</u>					Total Equity RM'000
	<u>Non-distributable</u>		<u>Distributable</u>		Non- controlling Interests RM'000	
	Share Capital RM'000	Option Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2023	291,302	-	451,619	742,921	(3,718)	739,203
Profit for the year	-	-	10,807	10,807	(326)	10,481
Total comprehensive income	-	-	10,807	10,807	(326)	10,481
At 31 March 2023	291,302	-	462,426	753,728	(4,044)	749,684
At 1 January 2022	289,096	1,118	415,493	705,707	(2,672)	703,035
Profit for the year	-	-	61,164	61,164	(1,046)	60,118
Total comprehensive income	-	-	61,164	61,164	(1,046)	60,118
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 31 December 2022	291,302	-	451,619	742,921	(3,718)	739,203

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 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023
Condensed Consolidated Statement of Cash Flows

	3 months ended 31-Mar-2023 RM'000	3 months ended 31-Mar-2022 RM'000
Cash Flows from Operating Activities		
Profit before taxation	14,822	20,426
Adjustments for:-		
Non-cash items	135	126
Non-operating items	(87)	465
Operating profit before changes in working capital	14,870	21,017
Net changes in inventories	2,466	(8,151)
Net changes in trade and other receivables	18,359	(69,869)
Net changes in contract assets	(3,039)	68,283
Net changes in trade and other payables	(4,377)	692
Net changes in contract liabilities	(55)	975
Net cash from operations	28,224	12,947
Interest received	1,077	272
Tax paid	(6,034)	(8,792)
Net cash from operating activities	23,267	4,427
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(65)	(14)
Addition in investment properties	(145)	(156)
Changes of deposits pledged with licensed banks	(17)	(11)
Net cash used in investing activities	(227)	(181)
Cash Flows from Financing Activities		
Proceeds from issuance of shares pursuant to options exercised under the ESOS	-	103
Repayment of bank borrowings	(4,074)	(9,519)
Repayment of lease liabilities	(24)	(23)
Interest paid	(1,061)	(801)
Net cash used in financing activities	(5,159)	(10,240)
Net changes in cash and cash equivalents	17,881	(5,994)
Cash and cash equivalents at 1 January 2023/2022	183,566	138,822
Cash and cash equivalents at 31 March 2023/2022	201,447	132,828
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	104,122	28,536
Cash and bank balances	87,008	92,728
Deposits placed with licensed banks	13,147	14,337
	204,277	135,601
Less: Deposits pledged with licensed banks	(2,830)	(2,773)
	201,447	132,828

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 2022 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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 2022. 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 2022.

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 2022 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 2023:

MFRSs, amendments to MFRSs and IC Interpretations

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 16 Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
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.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**A7. Dividend Paid**

There was no dividend paid during the quarter ended 31 March 2023.

A8. Operating Segment

The segmental analysis for the financial period ended 31 March 2023 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	46,629	881	-	-	47,510
Inter-segment revenues	29	8,773	-	(8,802)	-
	<u>46,658</u>	<u>9,654</u>	<u>-</u>	<u>(8,802)</u>	<u>47,510</u>
Results					
Profit from operations	14,457	9,867	17	(9,462)	14,879
Unallocated amount: - corporate expenses					(57)
Profit before tax					<u>14,822</u>
Tax expense					<u>(4,341)</u>
Profit for the period					<u><u>10,481</u></u>

A9. Subsequent Events

There were no material events subsequent to the financial period ended 31 March 2023 until 18 May 2023 (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 31 March 2023.

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-2023 RM'000
Lease payments made to companies of which a Director has interest	27
Purchased of goods from a company in which the Directors are family members of a Director of the Company	8
	<u><u>35</u></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	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000	%	RM'000
Revenue				
Property development and property management	46,629	52,470	-11.1%	(5,841)
Investment holdings	881	826	6.7%	55
	47,510	53,296	-10.9%	(5,786)
Profit before tax	14,822	20,426	-27.4%	(5,604)

The current quarter's revenue and profit before tax of RM47.5 million and RM14.8 million represented a 10.9% decrease in revenue and 27.4% decrease 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 94.9% of the total revenue in the segment for the current quarter under review.

The Group recorded new property sales of RM44.4 million in the current quarter (same quarter of preceding year 2022: RM14.8 million). Despite the higher sales, revenue recorded was lower due to reduced progressive revenue recognitions from on-going projects, which were nearing completion stage as compared to the same quarter in the preceding year.

The lower revenue was also due to fewer on-going projects with the group adopting a cautious approach for new property launches given the overall market condition.

The lower profit before tax was due to the lower revenue and a product mix with slightly lower margin.

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-2023 RM'000	31-Dec-2022 RM'000	%	RM'000
Revenue	47,510	53,927	-11.9%	(6,417)
Profit before tax	14,822	17,203	-13.8%	(2,381)

Compared to the immediate preceding quarter, the revenue and profit before tax decreased by 11.9% and 13.8%, respectively.

The decrease in revenue and profit before tax was mainly due to lower progressive revenue recognitions and fewer on-going projects as explained in B1 above.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B3. Prospects for the current financial year

As at 31 March 2023, seven (7) on-going projects of the Group with a total Gross Development Value of approximately RM659.7 million achieved an average take-up rate of 90.3% and unbilled sales of RM74.2 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 in a rising interest rate environment, coupled with an escalation in construction cost. 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-2023 RM'000	Preceding Year Corresponding Quarter 31-Mar-2022 RM'000	Current Year- To-Date 31-Mar-2023 RM'000	Preceding Year Corresponding Period 31-Mar-2022 RM'000
Current income tax	3,221	10,918	3,221	10,918
Under provision of taxation in respect of prior year	-	62	-	62
Deferred taxation	1,120	(5,473)	1,120	(5,473)
	<u>4,341</u>	<u>5,507</u>	<u>4,341</u>	<u>5,507</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 FIRST QUARTER ENDED 31 MARCH 2023

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2023 were as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	74,165
	<u>74,165</u>
<i>Short term borrowing:</i>	
Revolving credit	7,983
Term loans	16,440
	<u>24,423</u>
Total	<u><u>98,588</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.

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-2023	Preceding Year Corresponding Quarter 31-Mar-2022	Current Year- To-Date 31-Mar-2023	Preceding Year Corresponding Period 31-Mar-2022
Profit for the period attributable to equity holders of the Company (RM'000)	10,807	15,135	10,807	15,135
Weighted average number of ordinary shares in issue ('000)	439,312	436,093	439,312	436,093
Basic Earnings Per Share (sen)	2.46	3.47	2.46	3.47

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-2023 '000	Preceding Year Corresponding Quarter 31-Mar-2022 '000	Current Year- To-Date 31-Mar-2023 '000	Preceding Year Corresponding Period 31-Mar-2022 '000
Number of ordinary shares at beginning of the period/year	439,312	436,041	439,312	436,041
Effect of shares issued pursuant to:				
- exercise of ESOS	-	52	-	52
Weighted average number of ordinary shares	<u>439,312</u>	<u>436,093</u>	<u>439,312</u>	<u>436,093</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B11. Earnings Per Share (continued)

(b) Diluted Earnings per share

The Company does not have any convertible share or convertible financial instrument for the current quarter under review and financial year to-date.

For the preceeding year, 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-2023	Preceding Year Corresponding Quarter 31-Mar-2022	Current Year- To-Date 31-Mar-2023	Preceding Year Corresponding Period 31-Mar-2022
Profit for the period attributable to equity holders of the Company (RM'000)	10,807	15,135	10,807	15,135
Weighted average number of ordinary shares ('000)	439,312	436,946	439,312	436,946
Diluted Earnings Per Share (sen)	2.46	3.46	2.46	3.46

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-2023 '000	Preceding Year Corresponding Quarter 31-Mar-2022 '000	Current Year- To-Date 31-Mar-2023 '000	Preceding Year Corresponding Period 31-Mar-2022 '000
Weighted average number of ordinary shares	439,312	436,093	439,312	436,093
Effect of potential exercise of ESOS	-	853	-	853
Weighted average number of ordinary shares	439,312	436,946	439,312	436,946

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 2022.

B13. Inventories

	Unaudited As at 31 March 2023 RM'000	Audited As at 31 December 2022 RM'000
Non-Current Assets		
Land held for property development	308,268	307,075
Current Assets		
Property development costs	93,661	96,029
Completed properties held for sales	8,587	9,878
	102,248	105,907
Total	410,516	412,982

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**B14. Other income**

	Current quarter 31-Mar-2023 RM'000	Financial year to-date 31-Mar-2023 RM'000
Interest income	1,077	1,077
Miscellaneous income	205	205
	<u>1,282</u>	<u>1,282</u>

The Group did not receive any other income including investment income for the financial period ended 31 March 2023.

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

	Current quarter 31-Mar-2023 RM'000	Financial year to-date 31-Mar-2023 RM'000
Depreciation	<u>111</u>	<u>111</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 2023.

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 May 2023.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
25 May 2023