



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

Interim Financial Report
For The Second Quarter Ended 30 June 2023 (Unaudited)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
Condensed Consolidated Statement of Financial Position

	Note	Unaudited As at 30 June 2023 RM'000	Audited As at 31 December 2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,573	3,295
Right-of-use assets		134	179
Investment properties		124,177	124,004
Inventories	B13	307,285	307,075
Investment in an associate company		342	341
Investment in a joint venture		26,937	27,784
Deferred tax assets		9,262	9,181
		<u>471,710</u>	<u>471,859</u>
Current Assets			
Inventories	B13	89,002	105,907
Trade and other receivables		27,207	59,635
Contract assets		77,265	55,084
Current tax assets		11,519	6,042
Short term funds		115,804	96,549
Cash and bank balances		90,815	89,830
		<u>411,612</u>	<u>413,047</u>
TOTAL ASSETS		<u>883,322</u>	<u>884,906</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital		291,302	291,302
Retained profits		443,876	451,619
		<u>735,178</u>	<u>742,921</u>
Non-controlling interests		(4,452)	(3,718)
Total Equity		<u>730,726</u>	<u>739,203</u>
Non-Current Liabilities			
Long-term bank borrowings		70,049	78,281
Lease liabilities		53	104
		<u>70,102</u>	<u>78,385</u>
Current Liabilities			
Trade and other payables		57,699	40,556
Contract liabilities		-	1,607
Short-term bank borrowings		24,466	24,381
Lease liabilities		101	99
Current tax liabilities		228	675
		<u>82,494</u>	<u>67,318</u>
TOTAL LIABILITIES		<u>152,596</u>	<u>145,703</u>
TOTAL EQUITY AND LIABILITIES		<u>883,322</u>	<u>884,906</u>
Net assets per share attributable to ordinary equity holders of the company (RM) (Note b)		<u>1.67</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 SECOND QUARTER ENDED 30 JUNE 2023

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
		RM'000	RM'000	RM'000	RM'000
Revenue		50,974	54,682	98,484	107,978
Cost of sales		(39,268)	(26,761)	(66,962)	(54,328)
Gross profit		11,706	27,921	31,522	53,650
Other income	B14	1,532	429	2,814	748
Sales and marketing expenses		(855)	(1,387)	(1,951)	(2,673)
Administrative expenses	B15	(4,131)	(3,921)	(8,321)	(7,520)
Profit from operations		8,252	23,042	24,064	44,205
Finance costs		(1,049)	(798)	(2,110)	(1,599)
Share of profit of an associate		-	(1)	1	-
Share of profit of a joint venture		83	79	153	142
Profit before tax		7,286	22,322	22,108	42,748
Income tax expense		(1,589)	(5,999)	(5,930)	(11,506)
Profit for the period		5,697	16,323	16,178	31,242
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		5,697	16,323	16,178	31,242
Profit attributable to :					
Equity holders of the Company		6,051	16,559	16,858	31,694
Non-controlling interests		(354)	(236)	(680)	(452)
		5,697	16,323	16,178	31,242
Total comprehensive income attributable to :					
Equity holders of the Company		6,051	16,559	16,858	31,694
Non-controlling interests		(354)	(236)	(680)	(452)
		5,697	16,323	16,178	31,242
Earnings per share attributable to the equity holders of the Company					
Basic (sen)	B11	1.38	3.79	3.84	7.26
Diluted (sen)	B11	1.38	3.79	3.84	7.26

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 SECOND QUARTER ENDED 30 JUNE 2023

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 2023	291,302	-	451,619	742,921	(3,718)	739,203
Profit for the year	-	-	16,858	16,858	(680)	16,178
Total comprehensive income	-	-	16,858	16,858	(680)	16,178
Transactions with owners						
Liquidation of a subsidiary	-	-	-	-	(54)	(54)
Dividends	-	-	(24,601)	(24,601)	-	(24,601)
Total transactions with owners	-	-	(24,601)	(24,601)	(54)	(24,655)
At 30 June 2023	291,302	-	443,876	735,178	(4,452)	730,726
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 SECOND QUARTER ENDED 30 JUNE 2023

Condensed Consolidated Statement of Cash Flows

	6 months ended 30-Jun-2023 RM'000	6 months ended 30-Jun-2022 RM'000
Cash Flows from Operating Activities		
Profit before taxation	22,108	42,748
Adjustments for:-		
Non-cash items	306	289
Non-operating items	(487)	797
Operating profit before changes in working capital	21,927	43,834
Net changes in inventories	16,695	(8,740)
Net changes in trade and other receivables	32,428	(9,358)
Net changes in contract assets	(22,181)	42,546
Net changes in trade and other payables	(7,458)	1,188
Net changes in contract liabilities	(1,607)	717
Net cash from operations	39,804	70,187
Interest received	2,443	660
Tax paid	(11,935)	(11,517)
Net cash from operating activities	30,312	59,330
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(527)	(129)
Addition in investment properties	(173)	(156)
Changes of deposits pledged with licensed banks	434	(21)
Redemption of redeemable preference shares in a joint venture	1,000	-
Net cash outflow from liquidation of a subsidiary	(66)	-
Net cash from/(used) in investing activities	668	(306)
Cash Flows from Financing Activities		
Drawdown of revolving credit	-	5,000
Proceeds from issuance of shares pursuant to options exercised under the ESOS	-	1,945
Repayment of bank borrowings	(8,147)	(13,779)
Repayment of lease liabilities	(49)	(47)
Interest paid	(2,110)	(1,599)
Net cash used in financing activities	(10,306)	(8,480)
Net changes in cash and cash equivalents	20,674	50,544
Cash and cash equivalents at 1 January 2023/2022	183,566	138,822
Cash and cash equivalents at 30 June 2023/2022	204,240	189,366
Cash and cash equivalents included in the cash flows comprise of:-		
Short term funds placed with financial institutions	115,804	34,172
Cash and bank balances	77,971	143,577
Deposits placed with licensed banks	12,844	14,400
	206,619	192,149
Less: Deposits pledged with licensed banks	(2,379)	(2,783)
	204,240	189,366

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 SECOND QUARTER ENDED 30 JUNE 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
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	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 SECOND QUARTER ENDED 30 JUNE 2023

A7. Dividend Paid

There was no dividend paid during the quarter ended 30 June 2023.

A8. Operating Segment

The segmental analysis for the financial period ended 30 June 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	96,702	1,782	-	-	98,484
Inter-segment revenues	40	8,891	-	(8,931)	-
	<u>96,742</u>	<u>10,673</u>	<u>-</u>	<u>(8,931)</u>	<u>98,484</u>
Results					
Profit from operations	19,739	11,049	34	(8,619)	22,203
Unallocated amount:					
- corporate expenses					(95)
Profit before tax					<u>22,108</u>
Tax expense					(5,930)
Profit for the period					<u><u>16,178</u></u>

A9. Subsequent Events

There were no material events subsequent to the financial period ended 30 June 2023 until 21 August 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

On 15 June 2023, Ascention Sdn Bhd, ("Ascention"), an indirect 50% owned subsidiary of Tambun Indah Land Berhad has had its final meeting ("Final Meeting") to conclude its Member's Voluntary Winding-Up. Return by Liquidator relating to the Final Meeting together with a copy of the accounts were subsequently submitted to the Companies Commission of Malaysia and Official Receiver on 16 June, 2023 and Ascention will be fully dissolved on the expiration of 3 months from the date of lodgement of the Return by the Liquidator.

Save as disclosed above, there were no other changes in the composition of the Group for the current quarter ended 30 June 2023.

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 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:

	6 months ended 30-Jun-2023 RM'000
Lease payments made to companies of which a Director has interest	53
Purchased of goods from a company in which the Director is family member of Directors of the Company	8
	<u>61</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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-2023 RM'000	30-Jun-2022 RM'000	%	RM'000
Revenue				
Property development and property management	50,073	53,842	-7.0%	(3,769)
Investment holdings	901	840	7.3%	61
	50,974	54,682	-6.8%	(3,708)
Profit before tax	7,286	22,322	-67.4%	(15,036)

The current quarter's revenue and profit before tax of RM51 million and RM7.3 million represented a 6.8% decrease in revenue and 67.4% 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 95% of the total revenue in the segment for the current quarter under review.

The Group recorded higher new property sales of RM46.3 million in the current quarter (same quarter of preceding year 2022: RM29.5 million) as the Group launched a new project, Dahlia Garden during the quarter. Dahlia Garden, located in Pearl City township comprised of 185 units of double-storey terrace houses and 24 units of semi-detached houses.

Despite the increase in sales, revenue recorded was lower due to a significant portion of these new sales originated from a newly launched project that is still in its early stage of construction.

During the current quarter, the Group made a provision for foreseeable loss upon the commencement of construction of a low-cost housing project. The Group also recorded savings upon completion from two recently completed projects. The above resulted in a net impact of a lower gross profit of approximately RM10 million.

The lower profit before tax for the current quarter as compared to the same quarter of the preceding year was mainly due to the lower revenue recorded and a lower gross profit as explained above.

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-2023 RM'000	31-Mar-2023 RM'000	%	RM'000
Revenue	50,974	47,510	7.3%	3,464
Profit before tax	7,286	14,822	-50.8%	(7,536)

Compared to the immediate preceding quarter, the revenue increased by 7.3%. Profit before tax however was lower by 50.8%.

The decrease in profit before tax was mainly due to a lower gross profit as explained in B1 above.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B3. Prospects for the current financial year

As at 30 June 2023, five (5) on-going projects of the Group with a total Gross Development Value of approximately RM477.8 million achieved an average take-up rate of 71.5% and unbilled sales of RM70.8 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 30-Jun-2023 RM'000	Preceding Year Corresponding Quarter 30-Jun-2022 RM'000	Current Year- To-Date 30-Jun-2023 RM'000	Preceding Year Corresponding Period 30-Jun-2022 RM'000
Current income tax	2,787	3,097	6,008	14,015
Under provision of taxation in respect of prior year	3	1	3	63
Deferred taxation	(1,201)	2,901	(81)	(2,572)
	<u>1,589</u>	<u>5,999</u>	<u>5,930</u>	<u>11,506</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 2023

B8. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2023 were as follows:

	Secured RM'000
<i>Long term borrowing:</i>	
Term loans	70,049
	<u>70,049</u>
<i>Short term borrowing:</i>	
Revolving credit	7,983
Term loans	16,483
	<u>24,466</u>
Total	<u><u>94,515</u></u>

The Group had no foreign currency borrowings.

B9. Material Litigation

The Group is not engaged in any material litigation as at the date of this report.

B10. Dividend

Details of the final tax exempt dividend approved at the Annual General Meeting held on 21 June 2023 are as follows:

(i) Final tax exempt Dividend for the financial year	31 December 2022
(ii) Amount per share (single tier)	5.6 sen
(iii) Previous corresponding period	5.9 sen
(iv) Approved and declared on	25 July 2023
(v) Record of Depositors as at	22 August 2023
(vi) Date of payment	12 September 2023

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-2023	Preceding Year Corresponding Quarter 30-Jun-2022	Current Year- To-Date 30-Jun-2023	Preceding Year Corresponding Period 30-Jun-2022
Profit for the period attributable to equity holders of the Company (RM'000)	6,051	16,559	16,858	31,694
Weighted average number of ordinary shares in issue ('000)	439,312	437,352	439,312	436,726
Basic Earnings Per Share (sen)	1.38	3.79	3.84	7.26

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-2023 '000	Preceding Year Corresponding Quarter 30-Jun-2022 '000	Current Year- To-Date 30-Jun-2023 '000	Preceding Year Corresponding Period 30-Jun-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	-	1,311	-	685
Weighted average number of ordinary shares	<u>439,312</u>	<u>437,352</u>	<u>439,312</u>	<u>436,726</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30-Jun-2023	Preceding Year Corresponding Quarter 30-Jun-2022	Current Year- To-Date 30-Jun-2023	Preceding Year Corresponding Period 30-Jun-2022
Profit for the period attributable to equity holders of the Company (RM'000)	6,051	16,559	16,858	31,694
Weighted average number of ordinary shares ('000)	439,312	437,352	439,312	436,726
Diluted Earnings Per Share (sen)	1.38	3.79	3.84	7.26

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-2023 '000	Preceding Year Corresponding Quarter 30-Jun-2022 '000	Current Year- To-Date 30-Jun-2023 '000	Preceding Year Corresponding Period 30-Jun-2022 '000
Weighted average number of ordinary shares	439,312	437,352	439,312	436,726
Effect of potential exercise of ESOS	-	-	-	-
Weighted average number of ordinary shares	439,312	437,352	439,312	436,726

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 30 June 2023 RM'000	Audited As at 31 December 2022 RM'000
Non-Current Assets		
Land held for property development	307,285	307,075
Current Assets		
Property development costs	79,659	96,029
Completed properties held for sales	9,343	9,878
	89,002	105,907
Total	396,287	412,982

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023**B14. Other income**

	Current quarter 30-Jun-2023 RM'000	Financial year to-date 30-Jun-2023 RM'000
Interest income	1,366	2,443
Miscellaneous income	166	371
	<u>1,532</u>	<u>2,814</u>

The Group did not receive any other income including investment income for the financial period ended 30 June 2023.

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

	Current quarter 30-Jun-2023 RM'000	Financial year to-date 30-Jun-2023 RM'000
Depreciation	<u>126</u>	<u>237</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 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 28 August 2023.

By order of the Board of Directors
Lee Peng Loon
Company Secretary
28 August 2023