

## TAMBUN INDAH LAND BERHAD (“TAMBUN INDAH” OR THE “COMPANY”)

### PROPOSED DIVIDEND REINVESTMENT SCHEME

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#### 1. INTRODUCTION

On behalf of the Board of Directors of Tambun Indah (“**Board**”), Kenanga Investment Bank Berhad (“**KIBB**”) is pleased to announce that the Company is proposing to undertake a dividend reinvestment scheme that will allow shareholders of Tambun Indah (“**Shareholders**”) to have the option to elect to reinvest their dividend entitlements (i.e. cash dividends that have been declared by Tambun Indah (“**Dividend(s)**”) which include interim, final, special or any other cash dividend) in new ordinary shares of RM0.50 each in Tambun Indah (“**Shares**” or “**Tambun Indah Shares**”) (“**Proposed DRS**”).

#### 2. DETAILS OF THE PROPOSED DRS

##### 2.1 Overview

The Proposed DRS will provide Shareholders with an opportunity to reinvest their Dividends in new Tambun Indah Shares (“**New Shares**”) in lieu of receiving cash.

In relation to Dividends declared, the Board may, at its absolute discretion, determine whether to offer Shareholders the option to reinvest all or part of such Dividends in New Shares (“**Reinvestment Option**”) and where applicable, the size of the portion of such Dividend to which the Reinvestment Option applies (“**Electable Portion**”).

In this respect, the Electable Portion may apply to the whole or part of the Dividend declared. In the event the Electable Portion is applicable for part of the Dividend declared, the remaining portion of the Dividend will be paid wholly in cash.

**Unless the Board has determined that the Reinvestment Option will apply to a particular Dividend declared (whether in whole or in part), all Dividends as may be declared by Tambun Indah will be paid wholly in cash to its Shareholders in the usual manner through a non-interest bearing account opened by Tambun Indah to facilitate the payment of Dividends (“Dividend Payment Account”).**

##### 2.2 Election to reinvest Dividends into New Shares

Shareholders have the following options in respect of the Reinvestment Option announced by the Board under the Proposed DRS:-

###### (i) Option 1

Elect to participate and thereby reinvest the whole or part of the Electable Portion at the issue price for New Shares (“**Issue Price**”) and, in the event that only part of the Electable Portion is reinvested, to receive in cash:-

- (a) the remaining portion of the Electable Portion not reinvested (“**Balance Electable Portion**”); and
- (b) the portion of the Dividend to which the Reinvestment Option does not apply (as determined by the Board)(“**Non-Electable Portion**”); or

**(ii) Option 2**

Elect not to participate in the Reinvestment Option and thereby receive the entire Dividend entitlement wholly in cash.

The Issue Price shall be announced on the same day or before the announcement is made of the books closure date in relation to a Dividend to which the Reinvestment Option applies ("**Books Closure Date**"). An approval for the listing of and quotation for the New Shares on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") will be sought from Bursa Securities and the announcement of the Books Closure Date will be made after receiving the said approval from Bursa Securities.

Subsequent to the Books Closure Date, a notice of election in relation to the Reinvestment Option ("**Notice of Election**") will be despatched to Shareholders. The Notice of Election will specify, amongst others, the last day (i.e. a date to be fixed and announced by the Board) by which an election to be made by the Shareholders in relation to the Electable Portion must be received by the Company ("**Expiry Date**"). Instructions will be provided in the Notice of Election in respect of the action to be taken by Shareholders should they wish to exercise the Reinvestment Option.

After the Expiry Date, the Company shall transfer funds amounting to the total net Dividends (i.e. after the deduction of any applicable income tax) from its account to the Dividend Payment Account held in trust for the Shareholders.

An announcement will also be made in respect of the day on which the New Shares will be listed and quoted on the Main Market of Bursa Securities.

In accordance with Paragraph 6.09 of Bursa Securities' Main Market Listing Requirements ("**Listing Requirements**"), Tambun Indah will within eight (8) market days from the Expiry Date or such date as may be prescribed by Bursa Securities, allot and issue the New Shares and despatch notices of allotment to Shareholders who exercise the Reinvestment Option ("**Allotment Date**").

Further, in accordance with Paragraphs 9.19(2)(a)(ii) and 8.26(2) of the Listing Requirements, a dividend must be paid within one (1) month from the Books Closure Date and in any event, within three (3) months from the date of the declaration of the dividend or the date on which the approval is obtained in a general meeting of the Company, whichever is applicable. For avoidance of doubt, Dividends for the Shareholders who do not exercise their Reinvestment Option will also be paid concurrently with the above. Dividend warrants, which will be made for the full amount of each Shareholder's respective entitlement to the Dividends, will be despatched to the Shareholders in the usual manner. Other than funds to be transferred from the Dividend Payment Account in respect of Dividends which are reinvested, there will be no new funds to be raised under the Proposed DRS.

The New Shares to be issued pursuant to the Proposed DRS will not be underwritten.

**Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing to exercise the Reinvestment Option by the Expiry Date. As such, Shareholders need not take any action with regards to the Notice of Election if they wish to receive their Dividends wholly in cash.**

### **2.3 Pricing of the New Shares**

Tambun Indah will issue New Shares to Shareholders who elect to exercise the Reinvestment Option under the Proposed DRS. The Issue Price which will be determined by the Board on a price fixing date to be announced later, shall be the higher of the following:-

- (i) at an issue price not more than ten percent (10%) discount to the five (5)-market day volume weighted average market price (“**VWAP**”) of Tambun Indah Shares immediately prior to the price fixing date to be determined; or
- (ii) the par value of Tambun Indah Shares at the material time.

The New Shares will be issued free of any brokerage fees or other related transaction costs to the Shareholders unless otherwise provided by any statute, law or regulation.

### **2.4 Eligibility**

All Shareholders are eligible to participate in the Proposed DRS provided that:-

- (i) such participation will not result in a breach of any restrictions on such Shareholder’s holding of Tambun Indah Shares which may be imposed by any contractual obligation of the Shareholder, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); and
- (ii) there are no restrictions as prescribed in the Memorandum and Articles of Association of the Company to participating in the Proposed DRS.

To avoid any violation on the part of the Company of any securities laws applicable outside Malaysia, the Notice of Election will not be sent to Shareholders who do not have an address in Malaysia.

### **2.5 Odd Lots**

Under the Proposed DRS, Shareholders who exercise the Reinvestment Option and receive New Shares shall be allotted such New Shares in multiples of and not less than one hundred (100) New Shares. The amount of the Dividends relating to the entitlement of New Shares of less than one hundred (100) Shares will be added to the Non-Electable Portion and paid in cash to the Shareholders in the usual manner through the Dividend Payment Account. For the avoidance of doubt, the Shareholders will not be receiving odd lots of New Shares arising from their election to exercise the Reinvestment Option.

### **2.6 Termination**

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the Proposed DRS may be modified, suspended (in whole or in part) or terminated at any time by the Board as it deems fit or expedient by giving notice in writing to all Shareholders in such manner as the Board deems fit, notwithstanding any other provision or the terms and conditions of the Proposed DRS stating the contrary and irrespective of whether an election to exercise the Reinvestment Option has been made by a Shareholder.

## 2.7 Maximum number of New Shares

The maximum number of New Shares to be issued under the Proposed DRS will depend on amongst others:-

- (i) the quantum of the Dividend;
- (ii) the Board's decision on the proportion/size of the Electable Portion;
- (iii) the number of Shareholders who elect to exercise the Reinvestment Option; and
- (iv) the Issue Price.

Under the Proposed DRS, Shareholders who elected to exercise the Reinvestment Option shall not be allotted fractional shares. As such, the amount of the Dividends relating to such fractional entitlement of New Shares will be added to the Non-Electable Portion and paid in cash to the Shareholders in the usual manner through a Dividend Payment Account.

## 2.8 Ranking of the New Shares

The New Shares to be issued pursuant to the Proposed DRS will rank *pari passu* in all respects with the existing Tambun Indah Shares, save and except that the holders of New Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid prior to the Allotment Date.

As the New Shares to be issued pursuant to the Proposed DRS are prescribed securities, the New Shares will be credited directly into the respective Central Depository System accounts of the Shareholders who have elected to reinvest the Electable Portion. No physical share certificates will be issued.

## 2.9 Taxation

Irrespective of whether an election is made by a Shareholder, a tax voucher will be despatched to all Shareholders. For income tax purposes, Shareholders shall be taken as having received a cash distribution equivalent to the amount of the Dividends declared, notwithstanding that the Shareholder may elect to exercise the Reinvestment Option, if applicable. Hence, the election for the Reinvestment Option does not relieve the Shareholder of any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

## 2.10 Utilisation of Proceeds

The total cash proceeds to be reinvested back into the Company arising from the Proposed DRS can only be ascertained upon final recommendation of Dividend by the Board and final level of acceptances of the Reinvestment Option by the Shareholders. Therefore, the time frame for utilisation of such cash proceeds cannot be determined at this juncture. Nonetheless, the net cash proceeds from the Proposed DRS (after the deduction of estimated expenses in respect of the Proposed DRS) will be utilised towards general working capital purposes of Tambun Indah and its subsidiaries ("**Tambun Indah Group**" or the "**Group**") which include, amongst others, to fund the property development expenditure and continuing growth of the Tambun Indah Group.

## 2.11 General

The grant of the right to participate in the Proposed DRS will be made to all Shareholders, including directors of Tambun Indah (“**Directors**”), substantial Shareholders and other interested persons (including persons connected with a Director or substantial Shareholder) of the Company who hold Tambun Indah Shares, subject to restrictions referred to in Section 2.4 of this announcement.

Shareholders’ approval for the Proposed DRS will be sought at the forthcoming extraordinary general meeting (“**EGM**”). The first Shareholders’ approval for the issuance of such number of New Shares as may be required pursuant to the exercise of the Reinvestment Option by the Shareholders will be sought at the said EGM. Subsequent approvals for future issuances of New Shares pursuant to the Proposed DRS will be sought at the Company’s annual general meeting (“**AGM**”) on an annual basis where applicable.

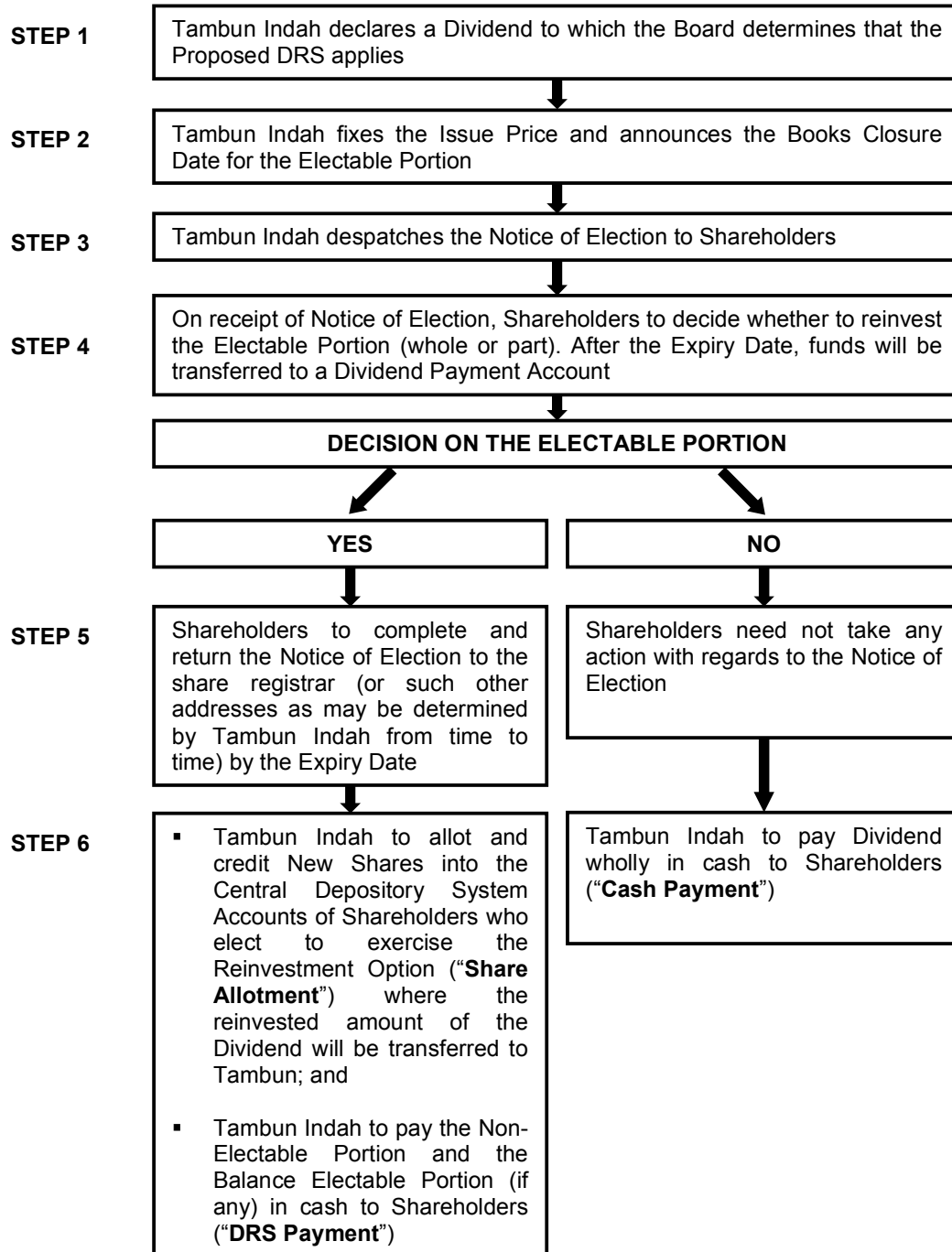
For avoidance of doubt, the specific approval to be obtained from the Shareholders for the issuance of New Shares arising from the Proposed DRS is in addition to the general mandate (i.e. the Shareholders’ approval under Section 132D of the Companies Act 1965 (“**Act**”) for general purpose, where the Shares to be issued shall not exceed ten percent (10%) of the nominal value of the total issued and paid-up share capital of the Company) sought at the Company’s AGM on an annual basis.

**The percentage shareholding of a Shareholder in the Company will be diluted should he/she choose not to exercise the Reinvestment Option. However, the extent of the dilution will depend on the number of New Shares to be issued by the Company pursuant to the level of the Reinvestment Option to be exercised by the other Shareholders as a whole.**

Amendments to the Memorandum and Articles of Association of Tambun Indah are not required under the Proposed DRS as the Memorandum and Articles of Association of Tambun Indah allows the implementation of any dividend reinvestment scheme.

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A brief process flow chart in relation to the administration of the Proposed DRS is illustrated below:-



**Note:-**

*In respect of Step 6, Shareholders should note that the Cash Payment, Share Allotment and the DRS Payment will occur on the same day, which will be a date falling within one (1) month from the Books Closure Date and in any event, within three (3) months from the date of the declaration of the Dividend or the date on which the approval is obtained in a general meeting of Tambun Indah, whichever is applicable.*

## 2.12 Illustration

Using the proposed final dividend for the financial year ended 31 December 2012 (being the most recent dividend proposed by Tambun Indah) of 3.30 sen per share as reference, an illustration of the Proposed DRS under the following parameters is as set out below:-

- (i) The Board determines that the Electable Option applies to the entire dividend;
- (ii) 100% of the Shareholders elect to exercise the Reinvestment Option;
- (iii) The five (5)-market day VWAP of Tambun Indah Shares as at 29 March 2013, being RM0.90 and the illustrative issue price being based on the maximum allowable discount of ten percent (10%) to the abovementioned five (5)-market day VWAP, which translates to an illustrative issue price of RM0.81 per Tambun Indah Share; and
- (iv) The following scenarios:-
  - (a) Minimum Scenario : Assuming none of the remaining and outstanding 4,824,000 Employees' Share Option Scheme ("ESOS") options granted and 44,200,000 warrants in issue ("Warrants") are exercised between 29 March 2013 to the implementation of the Proposed DRS
  - (b) Maximum Scenario : Assuming full exercise of the remaining and outstanding ESOS options and Warrants into new Tambun Indah Shares prior to the implementation of the Proposed DRS

**Strictly for illustration purposes**, based on the above parameters, the number of New Shares that Tambun Indah could potentially issue pursuant to the Reinvestment Option for a dividend of 3.30 sen (assuming single tier) under the Proposed DRS would be as follows:-

	Minimum Scenario	Maximum Scenario	
Paid-up share capital as at 29 March 2013	311,576,000	360,600,000	(A)
Dividend rate (RM per share)	0.033	0.033	(B)
Dividend payout (RM)	10,282,008	11,899,800	(C) = (A) x (B)
Illustrative Issue Price (RM)	0.81	0.81	(D)
Number of New Shares issued <sup>(1)/(2)</sup>	12,693,800	14,691,100	(E) = (C) / (D)
Balance to be paid in cash (RM)	30	9	(F) = (C) - [(D) x (E)]

Notes:-

- (1) Rounded down to the nearest board lot.
- (2) In this illustration, the total number of New Shares to be issued translates to approximately 3.91% of the enlarged issued and paid-up share capital of Tambun Indah under the Minimum Scenario and Maximum Scenario. As the Proposed DRS is a future event which is dependent on a number of variable factors, the actual number of New Shares to be issued thereunder can only be conclusively determined upon its actual implementation.

### **3. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 (“CODE”)**

Under Section 9(1) of Part III of the Code and Section 217 of the Capital Markets and Services Act, 2007 (“**CMSA**”), a Shareholder should note that he may be under an obligation to extend a take-over offer for the remaining Shares in the Company not already owned by him and persons acting in concert with him (collectively, the “**Affected Parties**”), if:-

- (i) by participating in the Proposed DRS in relation to the reinvestment of the Electable Portion, the Affected Parties have obtained control via the acquisition or holding of, or entitlement to exercise or control the exercise of voting shares or rights of thirty-three percent (33%) or more, or such other amount as may be prescribed in the Code, in the Company, howsoever effected; or
- (ii) the Affected Parties acquire (including by participating in the Proposed DRS in relation to any Electable Portion), more than two percent (2%) of the voting shares or voting rights of the Company in any six (6) months period, and the Affected Parties hold more than thirty-three percent (33%) but not more than fifty percent (50%) of the voting shares or voting rights of the Company during the said six (6) months period.

Therefore, in the event an obligation to undertake a mandatory offer is expected to arise resulting from a Shareholder’s participation in the Proposed DRS, the relevant parties may make an application to the Securities Commission of Malaysia to obtain an approval for a waiver from the obligation to undertake a mandatory offer pursuant to the Code prior to exercising their Reinvestment Option.

### **4. RATIONALE FOR THE PROPOSED DRS**

The Proposed DRS is a capital management tool that would strengthen Tambun Indah’s capital position. The reinvestment of the cash entitlement dividends by Shareholders for New Shares is expected to enlarge Tambun Indah’s share capital base, strengthen Tambun Indah’s capital position as well as improve the liquidity of Tambun Indah Shares on the Main Market of Bursa Securities.

Under the Proposed DRS, any cash so retained within Tambun Indah, which would otherwise be made payable by way of Dividends, will be preserved to fund the working capital and continuing growth of the Tambun Indah Group.

The Proposed DRS will provide Shareholders with greater flexibility in meeting their investment objectives, as they would have the choice of receiving cash or reinvesting in Tambun Indah through subscription of New Shares without having to incur any brokerage fees and other related transaction costs (unless otherwise provided by any statute, law or regulation). In addition, Shareholders are also expected to benefit from their participation in the Proposed DRS as the New Shares may be issued at a discount to the then prevailing market price.



## 5. EFFECTS OF THE PROPOSED DRS

The effects of the Proposed DRS are dependent on several factors which include, amongst others:-

- (i) the quantum of the Dividend;
- (ii) the Board's decision on the proportion/size of the Electable Portion;
- (iii) the number of Shareholders who elect to exercise the Reinvestment Option; and
- (iv) the Issue Price.

For illustration purposes, the effects of the Proposed DRS on the share capital, substantial Shareholders' shareholdings, net assets ("NA") and gearing, and earnings per Share ("EPS") of Tambun Indah as set out below have been computed **based on the assumptions set out in Section 2.12 of this announcement.**

### 5.1 Share Capital

Under the Proposed DRS, the issued and paid-up share capital of Tambun Indah will increase due to the issuance of New Shares pursuant to any exercise of the Reinvestment Option by Shareholders whenever the Proposed DRS is made available by the Board.

For illustration purposes, the effects of the Proposed DRS on the issued and paid-up share capital of Tambun Indah (based on the assumptions set out in Section 2.12 of this announcement) are as follows:-

	Minimum Scenario			Maximum Scenario		
	No. of Shares	Share Capital (RM)	%	No. of Shares	Share Capital (RM)	%
Issued and paid-up share capital as at 29 March 2013	311,576,000	155,788,000	96.09	311,576,000	155,788,000	83.02
To be issued assuming full exercise of the remaining and outstanding ESOS options	-	-	-	4,824,000	2,412,000	1.29
	311,576,000	155,788,000	96.09	316,400,000	158,200,000	84.31
To be issued assuming full exercise of the Warrants	-	-	-	44,200,000	22,100,000	11.78
	311,576,000	155,788,000	96.09	360,600,000	180,300,000	96.09
New Shares to be issued pursuant to the Proposed DRS	12,693,800	6,346,900	3.91	14,691,100	7,345,550	3.91
<b>Enlarged issued and paid-up share capital</b>	<b>324,269,800</b>	<b>162,134,900</b>	<b>100.00</b>	<b>375,291,100</b>	<b>187,645,550</b>	<b>100.00</b>

## 5.2 Substantial Shareholders' Shareholdings

The substantial Shareholders' percentage shareholdings in Tambun Indah will not be affected should all Shareholders elect to fully exercise their respective Electable Portion. However, the percentage of shareholding of the substantial Shareholders who elect to reinvest their Electable Portion will increase in the event some or all of the other Shareholders do not elect to reinvest their Electable Portion or elect to reinvest only part of their Electable Portion.

For illustration purposes, the effects of the Proposed DRS on the substantial Shareholders and their shareholdings in Tambun Indah (based on the assumptions set out in Section 2.12 of this announcement) are as follows:-

### Minimum Scenario

Substantial Shareholders	As at 29 March 2013				After the Proposed DRS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Amal Pintas Sdn Bhd	33,339,643	10.70	-	-	34,697,843	10.70	-	-
Siram Permai Sdn Bhd	124,950,001	40.10	-	-	130,040,501	40.10	-	-
Ir. Teh Kiak Seng	20,428,520	6.56	<sup>(a)</sup> 124,950,001	40.10	21,260,720	6.56	<sup>(a)</sup> 130,040,501	40.10
Tsai Chang Hsiu-Hsiang	-	-	<sup>(b)</sup> 33,339,643	10.70	-	-	<sup>(b)</sup> 34,697,843	10.70
Tsai Chia Ling	-	-	<sup>(b)</sup> 33,339,643	10.70	-	-	<sup>(b)</sup> 34,697,843	10.70
Tsai Yung Chuan	-	-	<sup>(b)</sup> 33,339,643	10.70	-	-	<sup>(b)</sup> 34,697,843	10.70

Notes:-

- (a) Deemed interested by virtue of his shareholdings in Siram Permai Sdn Bhd pursuant to Section 6A of the Act.  
(b) Deemed interested by virtue of his/ her shareholdings in Amal Pintas Sdn Bhd pursuant to Section 6A of the Act.

**Maximum Scenario**

Substantial Shareholders	As at 29 March 2013				(I)				(II)				(III)			
					After Full Exercise of the Remaining and Outstanding ESOS Options								After (I) and Full Exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Amal Pintas Sdn Bhd	33,339,643	10.70	-	-	33,339,643	10.54	-	-	38,102,449	10.57	-	-	39,654,749	10.57	-	-
Siram Permai Sdn Bhd	124,950,001	40.10	-	-	124,950,001	39.49	-	-	142,800,001	39.60	-	-	148,617,701	39.60	-	-
Ir. Teh Kiak Seng	20,428,520	6.56	<sup>(a)</sup> 124,950,001	40.10	<sup>(c)</sup> 21,928,520	6.93	<sup>(a)</sup> 124,950,001	39.49	25,199,794	6.99	<sup>(a)</sup> 142,800,001	39.60	26,226,394	6.99	<sup>(a)</sup> 148,617,701	39.60
Tsai Chang Hsiu-Hsiang	-	-	<sup>(b)</sup> 33,339,643	10.70	-	-	<sup>(b)</sup> 33,339,643	10.54	-	-	<sup>(b)</sup> 38,102,449	10.57	-	-	<sup>(b)</sup> 39,654,749	10.57
Tsai Chia Ling	-	-	<sup>(b)</sup> 33,339,643	10.70	-	-	<sup>(b)</sup> 33,339,643	10.54	-	-	<sup>(b)</sup> 38,102,449	10.57	-	-	<sup>(b)</sup> 39,654,749	10.57
Tsai Yung Chuan	-	-	<sup>(b)</sup> 33,339,643	10.70	<sup>(c)</sup> 500,000	0.16	<sup>(b)</sup> 33,339,643	10.54	500,000	0.14	<sup>(b)</sup> 38,102,449	10.57	520,300	0.14	<sup>(b)</sup> 39,654,749	10.57

Notes:-

- (a) Deemed interested by virtue of his shareholdings in Siram Permai Sdn Bhd pursuant to Section 6A of the Act.  
(b) Deemed interested by virtue of his/ her shareholdings in Amal Pintas Sdn Bhd pursuant to Section 6A of the Act.  
(c) Assuming full exercise of the remaining and outstanding ESOS options held by the substantial Shareholders as at 29 March 2013.

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### 5.3 NA and Gearing

The effects on NA of Tambun Indah will depend on the extent to which the Shareholders elect to reinvest the Electable Portion in new Tambun Indah Shares. Barring unforeseen circumstances, as compared to the entire Dividends being paid in cash, the NA of Tambun Indah will increase as a result of the implementation of the Proposed DRS.

Assuming that the Electable Portion applies to the entire Dividend declared and that all Shareholders elect to reinvest their respective Electable Portion, the Tambun Indah Group's gearing ratio would be maintained at its pre-dividend payout position as a result of the Proposed DRS. However, if none of the Shareholders elect to reinvest their Electable Portion, the Tambun Indah Group's gearing ratio would be higher than its pre-dividend payout position as the Group's shareholders equity would be reduced to the extent of the Dividends.

For illustration purposes, the effects of the Proposed DRS on the NA and gearing of the Tambun Indah Group, based on the audited consolidated financial statements of Tambun Indah as at 31 December 2012 as well as the assumptions set out in Section 2.12 of this announcement, are as follows:-

	Audited as at 31.12.2012	(I)	Minimum Scenario	Maximum Scenario		
		After Exercise of ESOS Options from 01.01.2013 to 29.03.2013	(IIa) After (I) and Proposed DRS	(IIb) After (I) and Full Exercise of Remaining and Outstanding ESOS Options	(IIIb) After (IIb) and Full Exercise of Warrants	(IVb) After (IIIb) and Proposed DRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group level</b>						
Share capital	155,422	<sup>(a)</sup> 155,788	162,135	<sup>(e)</sup> 158,200	<sup>(g)</sup> 180,300	187,646
Share premium	6,525	<sup>(a)(b)</sup> 6,556	10,491	<sup>(e)(f)</sup> 6,616	<sup>(g)(h)</sup> 11,920	16,474
Share options reserve	49	<sup>(b)</sup> 42	42	<sup>(f)</sup> -	-	-
Warrants reserve	884	884	884	884	<sup>(h)</sup> -	-
Capital reserve	200	200	200	200	200	200
Retained profits	60,135	60,135	<sup>(c)(d)</sup> 49,603	60,135	60,135	<sup>(c)(d)</sup> 47,985
<b>Shareholders' funds/ NA</b>	<b>223,215</b>	<b>223,605</b>	<b>223,355</b>	<b>226,035</b>	<b>252,555</b>	<b>252,305</b>
No. of Shares	310,843	311,576	324,270	316,400	360,600	375,291
NA per Share (RM)	0.72	0.72	0.69	0.71	0.70	0.67
Borrowings (RM)	83,825	83,825	83,825	83,825	83,825	83,825
Gearing (times)	0.38	0.37	0.38	0.37	0.33	0.33

Notes:-

- (a) Adjusted for 733,000 Shares which were issued from the exercise of ESOS options from 1 January 2013 to 29 March 2013 as follows:-

No. of Shares ('000)	Exercise Price (RM)	Share Premium (RM''000)
<i>Options granted and exercised:</i>		
558	0.50	-
20	0.54	1
155	0.65	23
<b>733</b>		<b>24</b>

- (b) Adjusted for the transfer of the option reserve to the share premium account of approximately RM7,000 pursuant to the exercise of 733,000 ESOS options.

- (c) After netting estimated expenses of RM250,000 pursuant to the Proposed DRS.

- (d) Adjusted for the dividend payout amounting to RM10,282,008 and RM11,899,800 under the Minimum Scenario and Maximum Scenario respectively.
- (e) Assuming all the remaining and outstanding ESOS options granted are exercised prior to the Books Closure Date as follows:-

<u>No. of Shares ('000)</u>	<u>Exercise Price</u> <u>(RM)</u>	<u>Share Premium</u> <u>(RM'000)</u>
<u>Options granted and unexercised:</u>		
4,701	0.50	-
123	0.65	18
<b>4,824</b>		<b>18</b>

- (f) Adjusted for the transfer of the option reserve to the share premium account of approximately RM42,000 pursuant to the full exercise of the remaining and outstanding 4,824,000 ESOS options.
- (g) Assuming all the Warrants are exercised into new Tambun Indah Shares prior to the Books Closure Date as follows:-

<u>No. of Warrants ('000)</u>	<u>Exercise Price</u> <u>(RM)</u>	<u>Share Premium</u> <u>(RM'000)</u>
44,200	0.60	4,420

- (h) Adjusted for the transfer of the warrant reserve to the share premium account of RM884,000 upon full exercise of the 44,200,000 Warrants.

#### 5.4 EPS

The Tambun Indah Group's consolidated EPS will be diluted depending on the extent the Shareholders elect to reinvest their respective Electable Portion in New Shares. However, such reinvested amount will be retained to fund the general working capital or other requirements of the Group and is expected to contribute positively to the Group's future earnings.

For illustration purposes, the effects of the Proposed DRS on the Group's EPS, based on the audited consolidated financial statements of Tambun Indah as at 31 December 2012 as well as the assumptions set out in Section 2.12 of this announcement, are as follows:-

	Financial Year Ended 31 December 2012 RM'000	After the Proposed DRS	
		Minimum Scenario RM'000	Maximum Scenario RM'000
Profit attributable to equity holders of Tambun Indah	40,813	40,813	40,813
Weighted average no. of Shares ('000)	273,368	286,795	337,816
EPS (sen)			
- Basic <sup>(a)</sup>	14.93	14.23	12.08
- Diluted <sup>(b)</sup>	14.81	14.12	12.08

Notes:-

- (a) Computed based on the weighted average number of Shares in issue.
- (b) Computed based on the weighted average number of Shares adjusted for the effect of potential dilutive Shares that would have been issued.

## **5.5 Convertible Securities**

Save for the 4,824,000 ESOS options and 44,200,000 Warrants outstanding as at 29 March 2013, the Company does not have any other convertible securities.

Pursuant to the terms of the bylaws constituting the ESOS options and the terms of the deed poll constituting the Warrants dated 27 April 2012, the Proposed DRS will not give rise to any adjustment to the exercise price and number of the ESOS options and Warrants.

## **6. APPROVALS REQUIRED**

The Proposed DRS is subject to the following approvals being obtained:-

- (i) Bursa Securities for the listing of and quotation for the New Shares to be issued pursuant to the Proposed DRS, on the Main Market of Bursa Securities;
- (ii) Shareholders for the Proposed DRS and the issuance of the New Shares arising from the Proposed DRS, at an EGM to be convened; and
- (iii) Any other relevant authorities, if required.

The Proposed DRS is not conditional or inter-conditional upon any other corporate exercise being or proposed to be undertaken by the Company.

## **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors, major shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed DRS beyond their respective entitlements to Dividends as Shareholders, to which all other Shareholders are similarly entitled to.

## **8. DIRECTORS' STATEMENT**

After having considered all aspects of the Proposed DRS (including but not limited to the rationale and effects of the Proposed DRS), the Board is of the opinion that the Proposed DRS is in the best interests of the Company.

## **9. ADVISER**

KIBB has been appointed as the Adviser to Tambun Indah for the implementation of the Proposed DRS.

## **10. ESTIMATED TIMEFRAME FOR IMPLEMENTATION OF THE PROPOSED DRS**

Subject to the receipt of the approvals stated in Section 6 of this announcement and barring any unforeseen circumstances, the Proposed DRS is expected to be put in place by the second quarter of 2013.

A detailed indicative timeline for the implementation of the Proposed DRS for any Dividend declared will be set out in the Circular to Shareholders to be despatched in due course.

**11. APPLICATION TO THE RELEVANT AUTHORITIES**

The application to Bursa Securities for the listing of and quotation for the New Shares to be issued in respect of a Dividend for which the Reinvestment Option is applicable pursuant to the Proposed DRS on the Main Market of Bursa Securities would be made prior to the announcement of price fixing and Books Closure Date.

This announcement is dated 25 April 2013.