



ANNUAL **2022**
REPORT

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CORPORATE INFORMATION

Board of Directors

Lai Fook Hoy

Independent Non-Executive Chairman

Teh Kiak Seng

Executive Deputy Chairman

Teh Deng Wei

Managing Director

Teh Theng Theng

Executive Director

Tsai Chia Ling

Non-Independent Non-Executive Director

Lam Voon Kean

Independent Non-Executive Director

Dato' Seri Mokhtar Bin Mohd Jait

Independent Non-Executive Director

Audit Committee

Lam Voon Kean

Chairman / Independent Non-Executive Director

Dato' Seri Mokhtar Bin Mohd Jait

Member / Independent Non-Executive Director

Tsai Chia Ling

Member / Non-Independent Non-Executive Director

Remuneration Committee

Dato' Seri Mokhtar Bin Mohd Jait

Chairman / Independent Non-Executive Director

Lam Voon Kean

Member / Independent Non-Executive Director

Tsai Chia Ling

Member / Non-Independent Non-Executive Director

Nominating Committee

Dato' Seri Mokhtar Bin Mohd Jait

Chairman / Independent Non-Executive Director

Lam Voon Kean

Member / Independent Non-Executive Director

Tsai Chia Ling

Member / Non-Independent Non-Executive Director

Company Secretaries

Lee Peng Loon (MACS 01258)

SSM PC No. 201908002340

P'ng Chiew Keem (MAICSA 7026443)

SSM PC No. 201908002334

Registered Office

51-21-A Menara BHL Bank

Jalan Sultan Ahmad Shah

10050 Penang

Tel : 604-210 8833

Fax : 604-210 8831

Business Address

12-01 Penthouse Wisma Pantai

Jalan Wisma Pantai

Kampung Gajah

12200 Butterworth

Penang

Tel: 604-324 0088

Fax: 604-324 0090

Website: www.tambunindah.com

Auditors

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206)

Chartered Accountants

51-21-F Menara BHL

Jalan Sultan Ahmad Shah

10050 Penang

Principal Bankers

OCBC Bank (Malaysia) Berhad

CIMB Bank Berhad

Malayan Banking Berhad

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel No. 603-2783 9299

Fax No. 603-2783 9222

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
(Bursa Securities)

CORPORATE STRUCTURE

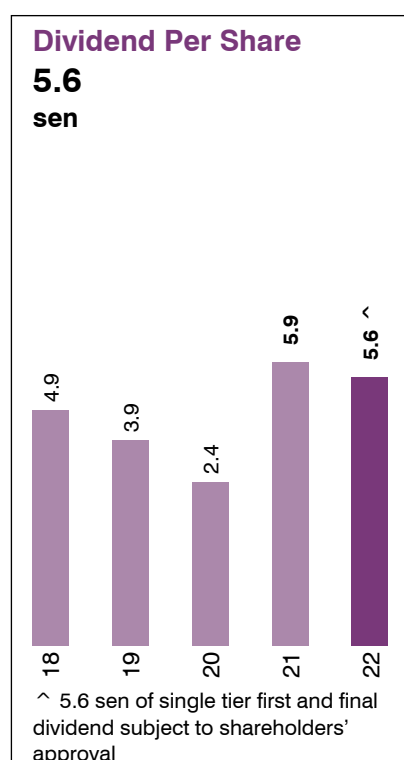
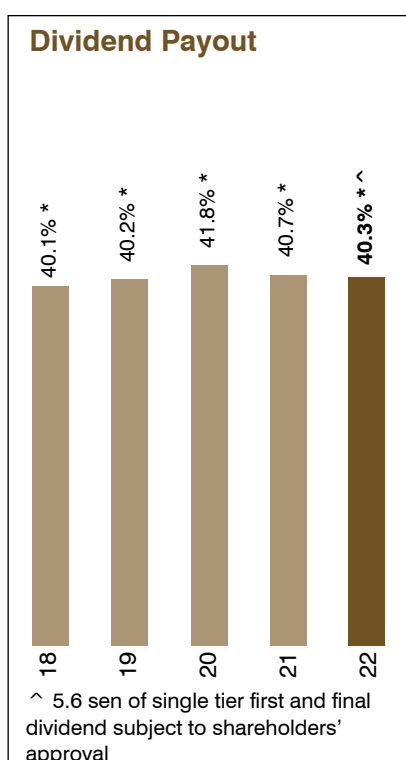
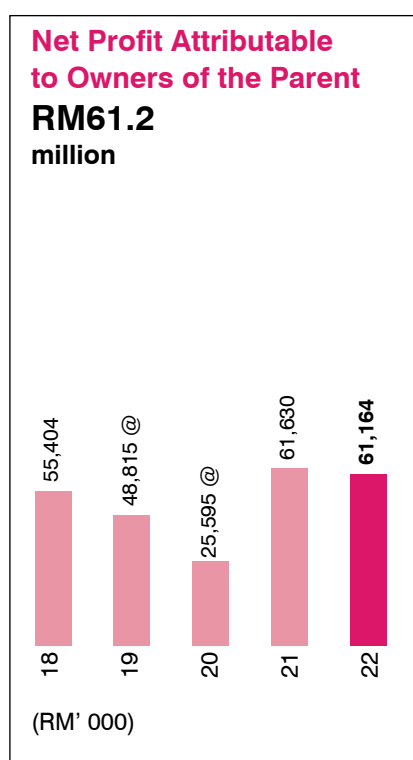
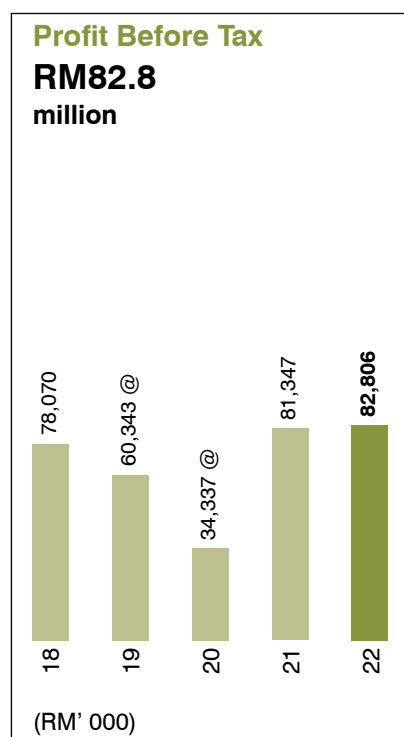
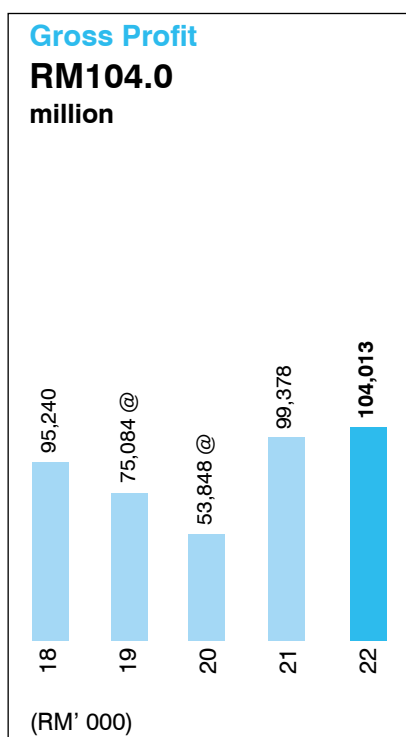
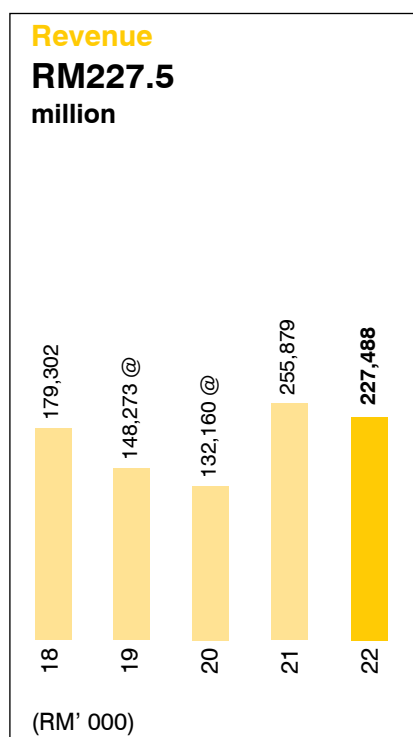


Tambun Indah Land Berhad

100%	❖	Cenderaman Development Sdn. Bhd.	Property Development
100%	❖	Denmas Sdn. Bhd.	Project & Construction Management
100%	❖	Denmas Development Sdn. Bhd.	Property Development
100%	❖	Epiland Properties Sdn. Bhd.	Property Management
100%	❖	Hong Hong Development Sdn. Bhd.	Property Development
100%	❖	Intanasia Development Sdn. Bhd.	Property Development
100%	❖	Jasnias Sdn. Bhd.	Property Development
100%	❖	Juru Heights Sdn. Bhd.	Property Development
100%	❖	Langstone Sdn. Bhd.	Investment Holding & Operation of Car Park
70%	❖	Mustiara Sdn. Bhd.	Property Development
100%	❖	Palmington Sdn. Bhd.	Property Development & Investment Holding
		100% ❖ Novinia Sdn. Bhd.	Dormant
		50% ❖ TNC Capital Sdn. Bhd. (Joint venture)	Building & Leasing of Properties
100%	❖	Perquest Sdn. Bhd.	Property Development
100%	❖	Premcourt Development Sdn. Bhd.	Property Development & Investment Holding
100%	❖	Pridaman Sdn. Bhd.	Property Development
100%	❖	Tambun Indah Development Sdn. Bhd.	Property Development
100%	❖	Tambun Indah Sdn. Bhd.	Property Development
100%	❖	TID Development Sdn. Bhd.	Property Development
100%	❖	TKS Land Sdn. Bhd.	Investment Holding
		50% ❖ Ascention Sdn. Bhd. ^	Property Development
		50% ❖ CBD Land Sdn. Bhd.	Property Development
100%	❖	Tokoh Edaran Sdn. Bhd.	Construction Management
100%	❖	Zipac Development Sdn. Bhd.	Property Development
45%	❖	Ikhtiar Bitara Sdn. Bhd. (Associate)	Property Development

^ In the process of winding up

FINANCIAL HIGHLIGHTS



* Dividend policy : 40% to 60% of Group's Net Profit excluding any valuation gain or loss on investment properties for the financial year

@ The figures have been restated following the adoption IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 Borrowing Costs

FINANCIAL HIGHLIGHTS (CONT'D)

Summarised Group Statement of Profit or Loss and Other Comprehensive Income

	Financial Year Ended 31 December				
	Audited	Audited ¹	Audited ¹	Audited	Audited
	2018	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	179,302	148,273	132,160	255,879	227,488
Gross Profit	95,240	75,084	53,848	99,378	104,013
Profit Before Tax	78,070	60,343	34,337	81,347	82,806
Net Profit Attributable to Owners of the Parent	55,404	48,815	25,595	61,630	61,164

Summarised Group Financial Position

	Audited	Audited ¹	Audited ¹	Audited	Audited
	2018	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Total non-current assets	308,280	454,604	450,568	442,314	471,859
Total current assets	428,058	375,458	340,913	405,542	413,047
Total assets	736,338	830,062	791,481	847,856	884,906
Share capital	287,580	287,637	288,189	289,096	291,302
Other reserves	890	998	1,216	1,118	-
Retained earnings	319,370	351,307	364,326	415,493	451,619
Shareholders' equity	607,840	639,942	653,731	705,707	742,921
Non-controlling interests	1,317	488	(1,798)	(2,672)	(3,718)
Total non-current liabilities	37,499	119,399	104,274	88,339	78,385
Total current liabilities	89,682	70,233	35,274	56,482	67,318
	736,338	830,062	791,481	847,856	884,906
Net assets per share (RM)	1.40	1.48	1.50	1.62	1.69

Financial Analysis

	2018	2019 ¹	2020 ¹	2021	2022
Gross Profit Margin	53.12%	50.64%	40.74%	38.84%	45.72%
Profit Before Tax Margin	43.54%	40.70%	25.98%	31.79%	36.40%
Net Profit Margin	30.90%	32.92%	19.37%	24.09%	26.89%
Short term funds and cash and bank balances (RM'000)	175,405	158,133	97,575	141,584	186,378
Total borrowings (RM'000)	95,821	159,973	116,459	108,390	102,661
Lease liabilities (RM'000)	-	518	408	298	203
Net Gearing	Net cash	0.37%	2.95%	Net cash	Net cash

Note :

¹ The figures have been restated following the adoption IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 Borrowing Costs

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Tambun Indah Land Berhad and its subsidiaries ("Tambun Indah" or "the Group") for the financial year ended 31 December 2022 ("FY2022").



Pearl Impiana



Dahlia Garden

FINANCIAL OVERVIEW

In the past two years, the outbreak of COVID-19 pandemic had caused unprecedented disruption to the economy and businesses, when movement restrictions were imposed to curb the spread of the virus. Year 2022 began on a positive note with the unwinding of movement restrictions amid progress in vaccinations that led to full economic re-opening from 1 April 2022. Despite the continued economic recovery, the property sector was weighed down by higher interest rates, continued rise in construction costs, and supply chain disruptions. Bank Negara Malaysia had raised the Overnight Policy Rate (OPR) from the record low 1.75% to 2.75% in four hikes between May 2022 to November 2022, as it sought to strike a balance between addressing inflation and supporting growth.

The Group achieved a satisfactory financial result with a total revenue of RM227 million and net profit after tax attributable to owners of RM61 million, compared to RM256 million and RM62 million respectively in previous financial year. The lower financial performance was because of lower new property sales. Higher borrowing cost and cost of living had impacted buyer sentiment especially when committing in big-ticket purchases like property. An analysis of the Group's financial performance is further detailed in the "Management Discussion and Analysis" section of this Annual Report.

SUSTAINABILITY AND CORPORATE GOVERNANCE

In FY2022, the Group leveraged on its extensive experience to progress ahead with its sustainability approach and corporate governance. Tambun Indah is committed to play a significant role in environmental stewardship and community empowerment while also boosting the local economy.

DIVIDEND

The Group has in place a dividend policy paying between 40% to 60% of the Group's net profit, excluding any valuation gain or loss on investment properties, to the shareholders. The Board will recommend a single-tier first and final dividend of 5.6 sen per ordinary share for shareholders' approval at the forthcoming Annual General Meeting. The total dividend for FY2022 of 5.6 sen (FY2021: 5.9 sen) per ordinary share is equivalent to 40.3% of the Group's net profit, excluding any valuation gain or loss on investment properties.

PROPERTY SECTOR OUTLOOK

Escalating material prices and uncertainties in supply chain remain the challenges faced by property sector, leading to a slowdown in new launches. Furthermore, the higher interest rate is expected to impact house buyers' affordability. The Group will continue to exercise prudence in its launches, focusing on market-driven products at an affordable price range. We are confident that our development projects will attract first-time home seekers and young families. In our effort to stay competitive, we constantly survey the market to understand homebuyers' needs and refine our strategies to respond to market conditions.

APPRECIATION

I would like to thank my fellow Board members for their support and counsel. On behalf of the Board, I express our sincere appreciation to the management and staff members for their efforts and contribution to the Group's success.

As a Group, we would like to express our gratitude to our valued shareholders, customers, and business partners for their continued trust and unwavering support during the year.

Thank you.

Lai Fook Hoy
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Tambun Indah Land Berhad was founded in 1993, and listed on the Main Market of Bursa Malaysia Securities Berhad in 2011.

Over the years, Tambun Indah had grown from strength to strength to be an established property developer in Mainland Penang. With a track record of a variety of developments such as landed residential homes, high rise residential condominiums, commercial premises, and industrial factories, the Group aspires to continue building contemporary homes that support sustainable communities and neighbourhoods. At present, we remain focused on the growth of our flagship development, Pearl City, which is strategically located at the Southern District of Mainland Penang.

Apart from property development, Tambun Indah's other business activities such as property investment and property management contribute a steady revenue stream to the Group.

FINANCIAL PERFORMANCE

REVENUE

The Group achieved a total revenue of RM227 million in the financial year ended 31 December 2022 ("FY2022"), lower by 11% compared to RM256 million reported in the financial year ended 31 December 2021 ("FY2021").

Business Segment	FY 2022 (RM'000)	FY 2021 (RM'000)	Difference (%)
Property Development & Management	224,095	252,814	-11%
Property Investment	3,393	3,065	11%
TOTAL	227,488	255,879	-11%

The property development segment reported lower revenue of 11% compared to FY2021 because of lower new property sales as buyers took a cautious approach for property purchase with the increasing cost of borrowing.

The property investment segment received revenue from rental of investment properties, and operation of car parks. This segment recorded higher revenue in FY2022 as the Group no longer granted rental rebates to most of the tenants following the full economic re-opening on 1 April 2022.

PROFIT BEFORE TAX

The Group's profit before tax ("PBT") increased slightly from RM81 million in the previous financial year to RM83 million in FY2022. The increase in the Group's PBT was due to the Group's close monitoring of its cost efficiency across its operations while maintaining the quality of its developments.

ASSETS AND LIABILITIES

The financial position of the Group remained healthy with a total equity attributable to owners of RM743 million compared to RM706 million in FY2021. Total assets increased by RM37 million while total liabilities slightly increased by RM1 million mainly due to the net cash generated from operating activities. Though the Group had secured new bank borrowings to finance land acquired in FY2022, loan repayments brought total borrowings of the Group to RM103 million from RM108 million a year ago. Similar to FY2021, the Group was in a net cash position as at end-2022.

Backed by the robust financial position, the Group will be able to tap into internal resources to meet its debt obligations and working capital requirements in the coming years, and have flexibility in funding future land banking and business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW

PROPERTY DEVELOPMENT

In FY2022, the Group achieved new property sales of 496 units, 16% lower from 592 units in FY2021. The total transaction value of RM173 million was 42% lower against RM298 million in FY2021. The lower new property sales were mainly due to the more conservative sentiment of property buyers.

On-Going Projects:

Project Name	Type of Development	No. of Units	GDV RM' mil
Palm Garden	Serviced Apartments	335	120
Residency Permai	Gated and Guarded Landed Homes	92	59
Ambay Park	Terrace Homes	255	122
Aster Villa	Gated and Guarded Landed Homes	255	159
Ambay Garden	Terrace and Semi-detached Homes	178	92
Pearl Impiana	Terrace and Semi-detached Homes	148	86
Mutiara Indah	Low Cost Flats and Shops	415	21

The on-going projects are within Pearl City township except Residency Permai which is located at Bukit Mertajam, Seberang Perai Tengah. The average take-up rate of the on-going projects was 84% (FY2021: 76%) and the unbilled sales stood at RM77 million (FY2021: RM131 million) as at the end of the financial year.

The Group had launched two new projects, Pearl Impiana and Mutiara Indah in FY2022. Pearl Impiana consists of 102 terrace houses and 46 semi-detached houses while Mutiara Indah offers 391 units of low cost flats and 24 units of shoplots. Both projects are within Pearl City township, and contribute a combined gross development value ("GDV") of RM107 million.

Bandar Tasek Mutiara ("Pearl City") Township, Penang



Strategically located at the Southern District of Mainland Penang, the Pearl City township enjoys excellent connectivity to the North-South Highway, Penang Bridge and Electrified Double Track Railway. Besides being in a proximity to large scale industrial parks such as Batu Kawan Industrial Park and Bukit Minyak Industrial Park, Pearl City is surrounded by various amenities including a sport centre, mall, schools and food outlets. These make Pearl City a great choice for home seekers who wish to have their work and leisure within close proximity, and be able to enjoy a balanced and healthy lifestyle.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

PROPERTY DEVELOPMENT (CONT'D)

Pearl City, Penang



Ambay Garden

Ambay Garden, another freehold residential project at Pearl City, comprising 128 units double-storey terrace and 50 units double-storey semi-detached house has received good response from buyers due to its affordable price range and strategic location with easy accessibility to nearby essential amenities in Pearl City.



Ambay Park

Ambay Park is mainly catered for young working adults, with growing families, who are looking to purchase or upgrade from their first home. Comprising 255 units of double-storey terrace home, the freehold residential units with contemporary designs are affordably priced.



Aster Villa

The construction of Aster Villa, a premium gated and guarded project offering 254 units of double-storey semi-detached and terrace house and 1 unit of bungalow is in good progress. The contemporary residential units complemented by a myriad of relaxation facilities are ideal for families seeking a modern and healthy lifestyle.



Palm Garden

Palm Garden is a high-rise service apartment with a full range of facilities including a sky yoga compound, sky rainbow swings, sky river reflexology path, and kids' hub. The apartment's name is from 5 species of Palm trees planted within the compound. It offers 335 units of apartment with size ranging from 828 sq. ft. onwards.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

PROPERTY DEVELOPMENT (CONT'D)

Pearl City, Penang (cont'd)



Pearl Impiana

Pearl Impiana, a low density undertaking of 102 units of double-storey terrace home and 46 units double-storey semi-detached house is well taken up by home seekers looking for accommodation with modern layouts, affordable prices, and easy access to nearby facilities and amenities.

Bukit Mertajam, Penang



Residency Permai

Residency Permai is an exclusive development with contemporary design. The first phase of Kota Permai project will see 92 units of low density gated and guarded double-storey terrace home. The project is strategically located at the bustling hub and commercial center in Kota Permai, Bukit Mertajam.

PROPERTY INVESTMENT

The Group's portfolio of investment properties consists primarily of XCL International School Penang, Jesselball Sports Centre (Pearl City) and Straits Garden Commercial Shops, as well as Pearl City Mall which is a joint venture investment. The Group continues to earn a steady revenue stream from its investment properties.

XCL International School Penang



XCL Education equips students with academic and lifelong learning skills to prepare them for the future. Besides focusing on academic excellence, holistic character development is carried out by embedding key elements of growth mindset, resilience, interpersonal skills, leadership, self-motivation, and stewardship across all student activities. The campus is equipped with first-rate facilities like two football fields, a fully equipped multi-purpose hall, a primary sports hall, two swimming pools, specialist classrooms including science labs, a dance studio, a black box theatre, and various shared learning spaces – indoors and outdoors. These facilities are an essential part of their approach to education and are integrated into an enriched curriculum and form part of everyday school life.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

PROPERTY INVESTMENT (CONT'D)

Pearl City Mall



Pearl City Mall is located at the heart of Pearl City, providing convenience to shop for daily needs under one roof for residents of Pearl City and also the growing population of Southern District of Mainland Penang. The mall is leased to C Mart Premium Hypermarket ("C Mart"), as the anchor tenant. Other tenants include Mr D.I.Y., Watsons, 7-Eleven, Eco-Plus and many more.

Jesselball Sports Centre (Pearl City)



Residents around the vicinity wishing for a healthier and more active lifestyle may patronise Jesselball Sports Centre which is well-furnished with various sport facilities such as badminton courts, futsal courts and a gymnasium with full set of gym equipment.

OPERATIONAL AND FINANCIAL RISKS

The Group's businesses in the property sector have their inherent market risks such as uncertainties in the global economy, changes in government policies, hikes in interest rates, escalating material prices, and supply chain disruptions. The Group also faces competition from new and existing players launching their development projects in Mainland Penang.

Amidst this backdrop, the Group continues to refine its business strategies towards optimizing operational and financial performance. This includes strategic timing of product launches, constant review of product design, cost and cashflow management, and strengthening of our brand visibility through innovative marketing processes. A comprehensive risk management system is also implemented to identify exposure to risks, and to mitigate them on a timely basis. The risk management system of the Group is detailed in the Statement on Risk Management and Internal Control section of this Annual Report.

To mitigate these market risks, the Group constantly surveys the market to understand and respond to homebuyers' needs. The Group continues to exercise prudence in its launches, focusing on market-driven products at an affordable price range in order to stay competitive in the market.

Changes in policies by governing bodies and authorities affect the Group's business, operations costs and property market outlook. Stringent policies on end-financing affect homebuyers' abilities in securing home loans. The Group keeps abreast with new policies and guidelines issued by the relevant authorities in order to mitigate the risks.

On top of the oversupply issues faced by the country, external factors such as escalating material prices and supply chain disruptions will further weigh on the property sector. In response to these challenges, the Group adheres to a prudent approach on cost management to avoid cost overruns. Careful negotiations with contractors are done during tendering stage to ensure optimal pricing. Backed by an experienced management team and technical consultants, the Group monitors its operating costs and looks into ways to mitigate the impact of escalating costs. The Group also maintains excellent working relationships with local suppliers and contractors to optimize supply chain sustainability.

While being mindful of competition from other property players in the northern region of Malaysia, the Group continues to be committed to ensure timely delivery and distinguishable quality in its products. The Group has steadily grown from strength to strength since 1993 to become a reputable real estate and property developer in the region. To stay competitive and to enhance the brand visibility, the Group constantly seeks to be innovative in its products and to enhance its marketing strategy. Digital driven approach like social media platforms, and virtual showroom tours complement our conventional marketing efforts such as roadshows and exhibitions in ensuring the continuity and sustainability of sales operations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROWTH STRATEGIES

Moving to FY2023, given that the outlook for the property market is expected to remain affected by a rising interest rate environment in the midst of a global inflationary setting, coupled with an escalation in construction cost, the economic recovery of property market will need time. The Group is nevertheless confident in coping with the challenges, as it continuously reviews its projects in the pipeline and product strategy to ensure that it responds appropriately to market demands and changes. The Group also strives to be innovative in its marketing strategies, focusing on market-driven products with affordable pricing.

In FY2023, the Group plans to launch a new project, Dahlia Garden, which brings a total GDV of approximately RM107 million.

Dahlia Garden



For home hunters looking for affordable landed properties, the Group's latest freehold residential project, Dahlia Garden, offers a choice of properties featuring 185 units of double-storey terrace house with comfortable living space, and 24 units of stylish double-storey semi-detached houses.

The Group estimates its landbank to generate a GDV of approximately RM3.4 billion over the next ten years or more depending on prevailing market conditions.

The Group's healthy financial position allows us to be constantly on the lookout for new development land to complement the Group's growth. This will be a priority to ensure sustainable continuity of business in the long term. For new opportunities, the Group prefers to focus on the northern and central regions of West Malaysia. During FY2022, the Group completed the acquisition of land amounting to RM20 million which will bring an estimated GDV of approximately RM170 million.

DIVIDEND

The Board will propose a single-tier first and final dividend of 5.6 sen per share, representing a dividend payout of approximately RM25 million, for shareholders' approval at the forthcoming Annual General Meeting.

The Group has in place a dividend policy that pays 40% to 60% of net profit, excluding valuation gain or loss on investment properties.

CONCLUSION

Despite the uncertainties and challenges faced by the industry, the Group is committed to timely delivery of products with distinguishable quality, and will continue to seek opportunities for growth in order to create value for stakeholders.

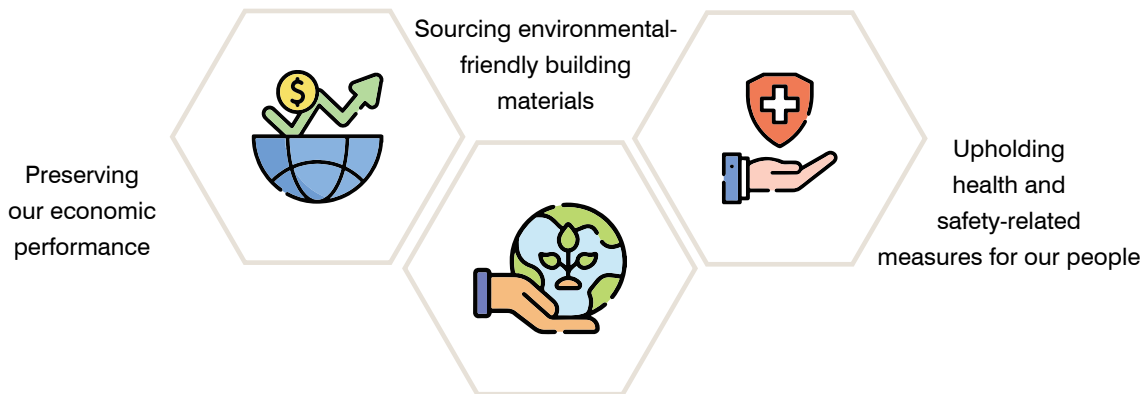
SUSTAINABILITY STATEMENT

SUSTAINABILITY AT TAMBUN INDAH

The past two years had brought unprecedented challenges. Following a worldwide pandemic and subsequent lockdowns to global economic downturns and geopolitical conflicts, FY2022 had underscored the fragility and interdependence of our economic system on the communities around us and the environment that supported them.

At Tambun Indah Land Berhad (“Tambun Indah” or “the Group”), the events of the past year had underscored the importance of robust and resilient sustainability approaches to ensure that Tambun Indah remained relevant within the industry. The Group leverages on its extensive experience to progress ahead with its Environmental, Social and Governance (“ESG”) approach.

In FY2022, these approaches are targeted towards:



Tambun Indah is ever dedicated to making use of its unique position to play a significant role in environmental stewardship and community empowerment while also supporting the local economy. The Group believes that its progressive journey, investing in good, responsible ESG practices, will bring forth more avenues for growth and development in the future, for both the organisation and the communities it is in.

ABOUT THIS STATEMENT

The Sustainability Statement 2022 (“Statement”) provides a detailed narrative of the ESG performance for Tambun Indah for financial year ended 31 December 2022 (“FY2022”).

This Statement provides the management approach for material ESG topics and statistical data that assesses Group performance against set targets as well as future plans. The Statement also aims to demonstrate the relevance of identified material ESG topics to Tambun Indah’s business model and approach in value creation.

As an established property developer in Malaysia, Tambun Indah aims to bring to life its vision and mission, and its goal of providing quality, affordable homes. In essence, the Group is focused on supporting the nation’s housing needs while keeping in mind its environmental and social footprint.

This Statement is made in accordance with a resolution of the Board of Directors dated in 13 April 2023.

SUSTAINABILITY STATEMENT (CONT'D)

REPORTING FRAMEWORKS

This Sustainability Statement has been prepared in reference to the following frameworks and guidelines:

- Bursa Malaysia Sustainability Reporting Guide (Third Edition)
- FTSE4Good Bursa Malaysia Index
- United Nations Sustainability Development Goals (“UN SDGs”)



REPORTING PERIOD AND SCOPE

The ESG activities and contents disclosed in this Sustainability Statement were prepared for the financial reporting period from 1 January to 31 December 2022, unless stated otherwise.

Similar to the previous reporting approach, the scope and boundary of this Statement included all the Group's key subsidiaries. This disclosure excluded all outsourced activities, associates or joint venture partnerships as the Group did not have sole administrative control over them. Nevertheless, Tambun Indah strives to promote its sustainability ambitions to all and any business partners and urges them to create and develop a sustainable environment together.

We exercise a “local-where-we-operate” practice.

REPORT QUALITY AND DATA ASSURANCE

All data contained within this Statement had been sourced internally and verified accordingly by the respective business units or Senior Management. We continue to enhance our data collection and analysis processes towards improving data accuracy and quality, with the aim to strengthen disclosures moving forward.

Financial data had been verified by the Group's external auditor.

FEEDBACK

With the aim of continuous improvement, Tambun Indah welcomes all opinions and feedback that ensure our ESG approach remain meaningful and relevant. Please reach out to us at tambunindah@investor.net.my for any questions or comments.

FORWARD-LOOKING STATEMENTS

Any forward-looking statements such as operations, future plans, targets and forecast figures are based on reasonable current assumptions. Readers are advised not to place undue reliance on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ.

SUSTAINABILITY STATEMENT (CONT'D)

MEMBERSHIP OF ASSOCIATIONS

Tambun Indah is a member of the Real Estate and Housing Developers' Association ("REHDA") and adheres closely with its policies, standards and regulations. Tambun Indah's site staff are themselves members of the Construction Industry Development Board ("CIDB") and follow closely its governing policies and guidelines.

OUR GOVERNANCE STRUCTURE

Tambun Indah's ESG agenda is guided largely by its comprehensive governance structure, disseminated company-wide to enable strong awareness across the value chain.

Tambun Indah's Board and Senior Management provides oversight on material sustainability topics, alongside the risks and opportunities it presents. This shapes the development of reporting structures between senior leadership as well as the working level. Such policies and decisions are then cascaded throughout all levels of the Group by the Sustainability Working Group, who is responsible for the execution of action plans to effectively embed the ESG culture into the DNA of its operations.



Driving ESG Focus into Group Risk Management

There is increasing importance placed on risks arising from material ESG topics, such as anti-corruption, climate change, labour and human rights and human capital management. This is especially so, given the linkage between such risks and their potential impact on financial performance.

In acknowledging this, Tambun Indah has enabled a more engaged, participatory approach of its Risk and other business divisions in its governance structure. In addition, Tambun Indah uses the COSO ERM 2017 framework to manage the company's risk management system and reporting transparency.

This participatory approach has enabled ESG to be firmly embedded into the Group's risk matrix and is closely monitored and assessed.

Board Governance of ESG Topics

The sustainability governance structure enables Board and Senior Management oversight on material ESG topics as well as the overall sustainability strategies. Reports on such topics including relevant information are routinely raised to the Board's attention for deliberation and decision-making. Such deliberations include how ESG matters contribute to risks and opportunities for the company, leading to actual or potential impacts on financial or non-financial value creation over the short, medium and long-term.

SUSTAINABILITY STATEMENT (CONT'D)

OUR GOVERNANCE STRUCTURE (CONT'D)

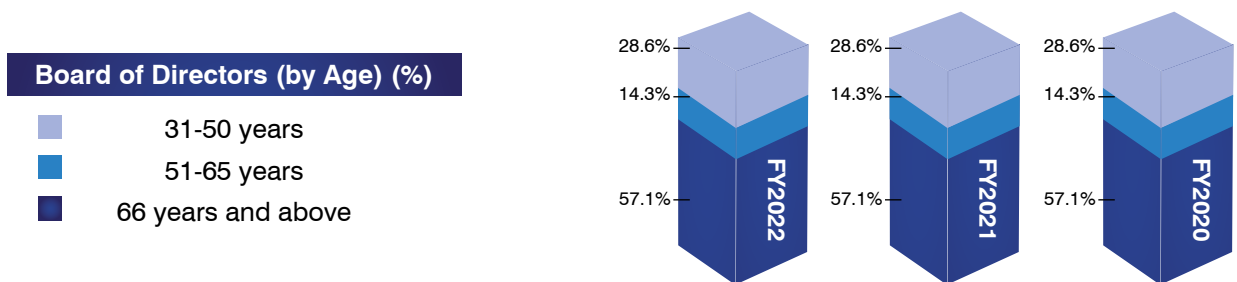
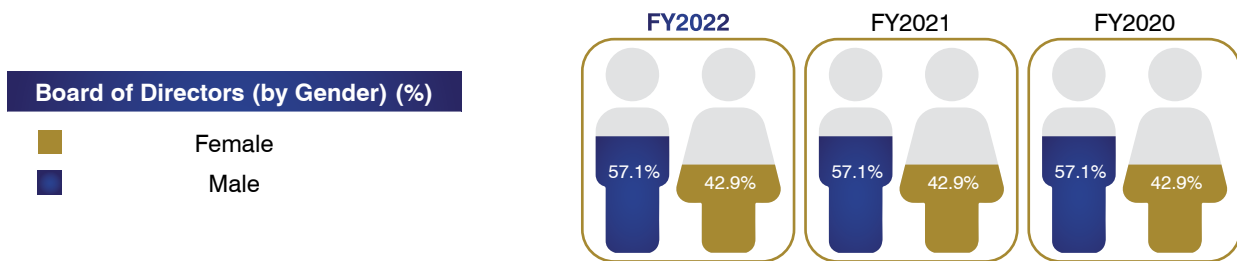
Board Remuneration

Tambun Indah has in place a remuneration policy for Directors and Senior Management, as outlined in its Board Charter and Terms of Reference. The Remuneration Committee is responsible for assessing this policy and making recommendations to ensure the appropriate level of remuneration is accorded to the capability and expertise required by the company.

Board Diversity

Besides having a capable and qualified Board, diversity and inclusivity are key elements to strengthen corporate governance. This enables more diverse perspectives and independent deliberation and discussion, leading to improved decision-making.

Over the last three financial years, Tambun Indah has maintained a 42.9% women representation on the Board, ahead of the recommended target of 30% set by Malaysian Code on Corporate Governance (“MCCG”) 2021 and by industry regulators. The Board composition has a same 42.9% representation of independent directors at Tambun Indah.



Adherence to Local Legislation and Regulatory Requirements

The cornerstone of an organisation’s licence to operate hinges primarily on good governance and compliance with regulatory requirements. At Tambun Indah, employing good corporate governance goes beyond the local legislation and regulatory requirements, reaching out to envelop industry best practices and corporate governance practices as recommended by Bursa Malaysia. In addition, Tambun Indah also aligns with the practices of the MCCG 2021.

Non-compliance to such legislations has a detrimental effect on the commercial aspect, leading to increased business and operational risks. Such risks include damage to corporate image and credibility, erosion of customer confidence, inability to participate in tenders or even closure of project sites.

SUSTAINABILITY STATEMENT (CONT'D)

OUR GOVERNANCE STRUCTURE (CONT'D)

Ethical Conduct and Corporate Integrity

The Company has in place a Code of Business Conduct and Ethics which governs expectations of behaviour of Directors, employees and business representatives engaged to act on behalf of Tambun Indah Group. This may be viewed at: tambunindah.investor.net.my/corporate-governance.

Additionally, the Group has also developed the Board Charter and Director's Fit and Proper Policy. This policy outlines areas such as the high standards of corporate governance, ethical and business conduct in the performance and exercise of their responsibilities as Directors of the Company.

Anti-bribery and Corruption Policy

Corruption is undeniably the bane of governments, companies and value chains. It serves to quickly erode financial and non-financial values, diminishes competitiveness, promotes inefficiency and damages reputation and credibility.

Tambun Indah firmly subscribes to zero-tolerance on corruption and unethical business practices. The no-compromise stance is clearly manifested in its Anti-Bribery and Corruption ("ABC") Policy, which can be viewed at: tambunindah.investor.net.my/corporate-governance.

The Group's ABC Policy was developed in FY2020 in accordance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

Tambun Indah's Board has oversight of the ABC Policy and will exercise discretion and reasonable oversight with respect to the adequacy, communication, effectiveness and implementation of the policy.

Further to this, the Board has established an ABC Team ("ABCT"), comprising of members on the Management team, with the mandate to monitor the daily operational matters in relation to anti-bribery and corruption practices. The ABCT meets quarterly and works to ensure the Anti-Bribery Management System ("ABMS") is consistently adhered and applied within the Group and its business associates.

The Policy defines what is deemed as corrupt behaviour and strictly prohibits the giving and receiving of bribes, favours or other forms of gratification with the intention of securing business contracts or other forms of incentives or rewards. This is applicable to the company, its Board, Management and employees, without question.

Any staff found guilty of engaging in behaviour contravening the ABC Policy will face disciplinary action, not limited to termination of employment/contract and legal remedies. Where warranted, such incidents would be reported to the relevant legal authorities for punitive action.

A comprehensive training session for staff was conducted in FY2020 with refresher briefings conducted annually. Awareness on this policy is also disseminated periodically via various communication channels such as briefings, emails and team discussions.

SUSTAINABILITY STATEMENT (CONT'D)

OUR GOVERNANCE STRUCTURE (CONT'D)

Anti-bribery and Corruption Policy (Cont'd)

Percentage of employees who have received training on anti-corruption is as below:

Groups	FY2022 (%)	FY2021 (%)	FY2020 (%)
Senior Management	100%	100%	100%
Management	96.3%	85.7%	100%
Executive	89.7%	92.9%	36.7%
Operation	76.2%	68.2%	22.7%

A follow-up session is being planned to reach out to those who had yet to be briefed.

In FY2022, Tambun Indah had zero reported cases of corruption.

Strengthening Anti-Corruption Across the Value Chain

Tambun Indah's ABC Policy is also cascaded to its external stakeholders such as suppliers, vendors and business partners across the value chain.

As a prerequisite to tender for contracts, bidders must furnish written acknowledgement of their awareness, and consent to comply with the ABC Policy in all dealings with Tambun Indah. Non-compliance with this stipulation may lead to punitive action such as termination of contract or a report lodged with the relevant authorities for appropriate action.

Whistleblowing Policy

Tambun Indah's Whistleblowing Policy is a formal mechanism in which any employee or member of the public may report of actual or suspected bribery, corruption and other wrongdoings. This Policy is available on the Company's website, giving direct access to internal and external stakeholders.

A whistleblower using this channel will be accorded confidentiality of identity to the extent as is reasonably practicable, as long as the disclosure is made in good faith. The whistleblower shall be protected from victimisation, harassment or disciplinary action for his/her disclosure.

The Board will be informed by the Independent Non-Executive Chairman or Managing Director if any complaint has been lodged.

In FY2022, no whistleblowing reports were received.

Political Contributions and Views

Being an apolitical privately owned company, Tambun Indah does not promote or favour the agenda of any political party, and is not affiliated to any political organisation. The Group had not made any donations to any political parties in the financial year under review.

Nonetheless, the Group may support charitable or nation-building events organised by the government or its ministries and agencies. Such corporate social responsibility ("CSR") initiatives may also involve political parties or politicians.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains a critical component of Tambun Indah's approach to sustainability. By engaging stakeholders, a more inclusive and accurate perception of sustainability is formulated by the Board and Management. This in turn will provide the Group with a clearer understanding of how stakeholders may impact Tambun Indah's operations, business model, brand credibility, access to capital and ability to create value.

Stakeholder engagement is key to ensuring the continued growth and success of the Group, hence the rationale why Tambun Indah continues to engage stakeholders using various platforms and communication channels.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Tambun Indah defines stakeholders as individuals, groups and entities that are impacted by the Group's business operations and/or individuals, groups or entities that are capable of impacting the Company's business and operations.

In FY2022, our engagements with stakeholders had continued to provide useful insights that had further reinforced our assessment of ESG material topics.

STAKEHOLDER	ENGAGEMENT CHANNEL	FREQUENCY OF ENGAGEMENT	RELEVANT MATERIAL MATTER
SHAREHOLDERS/ INVESTORS	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report • Investors Briefing • Press Release • Company Website • Site Visit Request/Tele-conference Call 	<ul style="list-style-type: none"> • Annually • Annually • Quarterly • Ad hoc • Ongoing • Ad hoc 	<ul style="list-style-type: none"> ➤ Economic Performance ➤ Compliance and Ethical Business Engagements
EMPLOYEES	<ul style="list-style-type: none"> • Performance Appraisal System • Trainings/ Workshop/ Forum • Staff Engagement Event • Formal and Informal Meeting and Discussion • Memo 	<ul style="list-style-type: none"> • Annually • Ongoing • Ongoing • Ongoing • Ad hoc 	<ul style="list-style-type: none"> ➤ Workplace Health and Safety ➤ Community Contributions and Donations ➤ Employee Welfare ➤ Talent Development Efforts
CUSTOMERS	<ul style="list-style-type: none"> • After-Sales Service • Marketing Campaign and Advertisement • Social Media • Company Website • Emails and Telecommunication • Customer Satisfaction Survey 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing 	<ul style="list-style-type: none"> ➤ Economic Performance ➤ Customer Care Management ➤ Compliance and Ethical Business Engagements ➤ Product and Service Responsibility
GOVERNMENT/ REGULATORS	<ul style="list-style-type: none"> • Financial reports • Company Website • Discussion/ Meeting • Engagement Forum • Official Circulars • Front Desk Consultation 	<ul style="list-style-type: none"> • Quarterly/ Annually • Ongoing • Ad hoc • Ad hoc • Ad hoc • Ad hoc 	<ul style="list-style-type: none"> ➤ Compliance and Ethical Business Engagements
CONTRACTORS/ SUPPLIERS/ CONSULTANTS	<ul style="list-style-type: none"> • Site Meetings/ Client and Consultant Meeting • Site Inspection Exercise • Emails and Telecommunication • Meeting and Discussion • Vendor Registration and Evaluation • Contract Negotiation/ Tender Discussion 	<ul style="list-style-type: none"> • Fortnightly • Ongoing • Ongoing • Ongoing • Ad hoc • Ad hoc 	<ul style="list-style-type: none"> ➤ Compliance and Ethical Business Engagements ➤ Sustainable Procurement Practices ➤ Waste Management
LOCAL COMMUNITIES	<ul style="list-style-type: none"> • CSR Programmes • Social Media • Dialogue sessions with Resident Associations and Local Authorities 	<ul style="list-style-type: none"> • On-Going • On-Going • Ad hoc 	<ul style="list-style-type: none"> ➤ Community Contributions and Donations ➤ Environmental Conservation and Preservation Initiatives ➤ Talent Development Efforts
MEDIA	<ul style="list-style-type: none"> • CSR Programmes • Press Releases • Interviews • Events • Company Website • Social Media 	<ul style="list-style-type: none"> • All ad hoc 	<ul style="list-style-type: none"> ➤ Compliance and Ethical Business Engagements ➤ Customer Care Management

SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING AND PRIORITISING MATERIAL ASPECTS

To ensure strategic alignment with business objectives, Tambun Indah conducts a materiality assessment exercise (“MAE”) periodically to identify, understand and prioritise material ESG topics. This includes topics related to direct and indirect economic values performance.

Material matters are defined as topics deemed most important to our stakeholders and most significant to the sustainability of our business. Such topics are categorised into Economic, Environmental, Social and Governance. Within each of these categories are sub-categories, which guide how the Group addresses material matters, all of which respond to an important aspect for the Group.

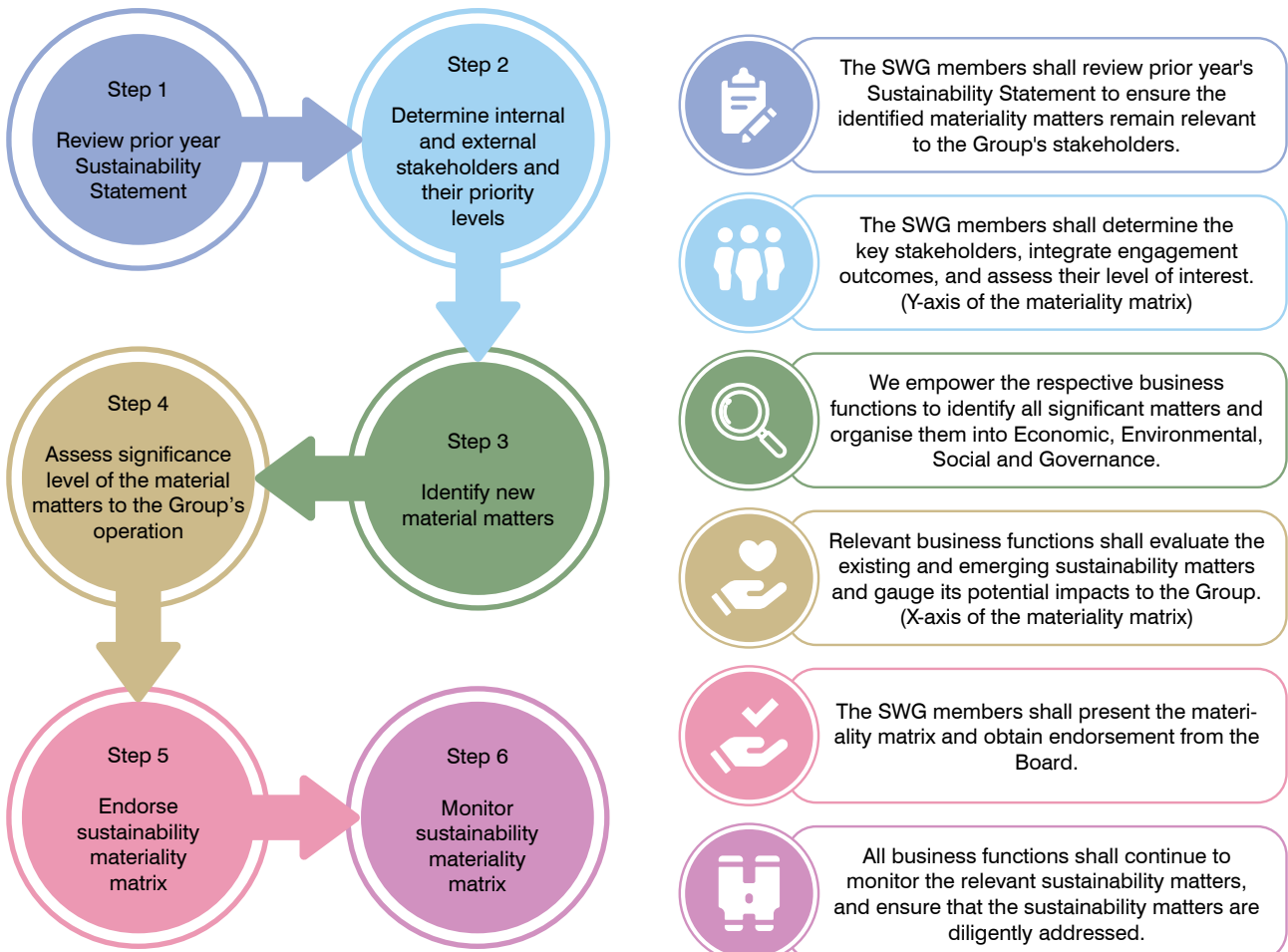
This review of materiality is key toward ensuring Tambun Indah remains receptive to its most pertinent concerns and issues, and is cognisant of how these can impact the realisation of the company’s Vision, Mission and value creation for the company, as well as its stakeholders.

MATERIALITY ASSESSMENT PROCESS

The MAE is conducted by the Sustainability Working Group (“SWG”), comprising representatives from all departments.

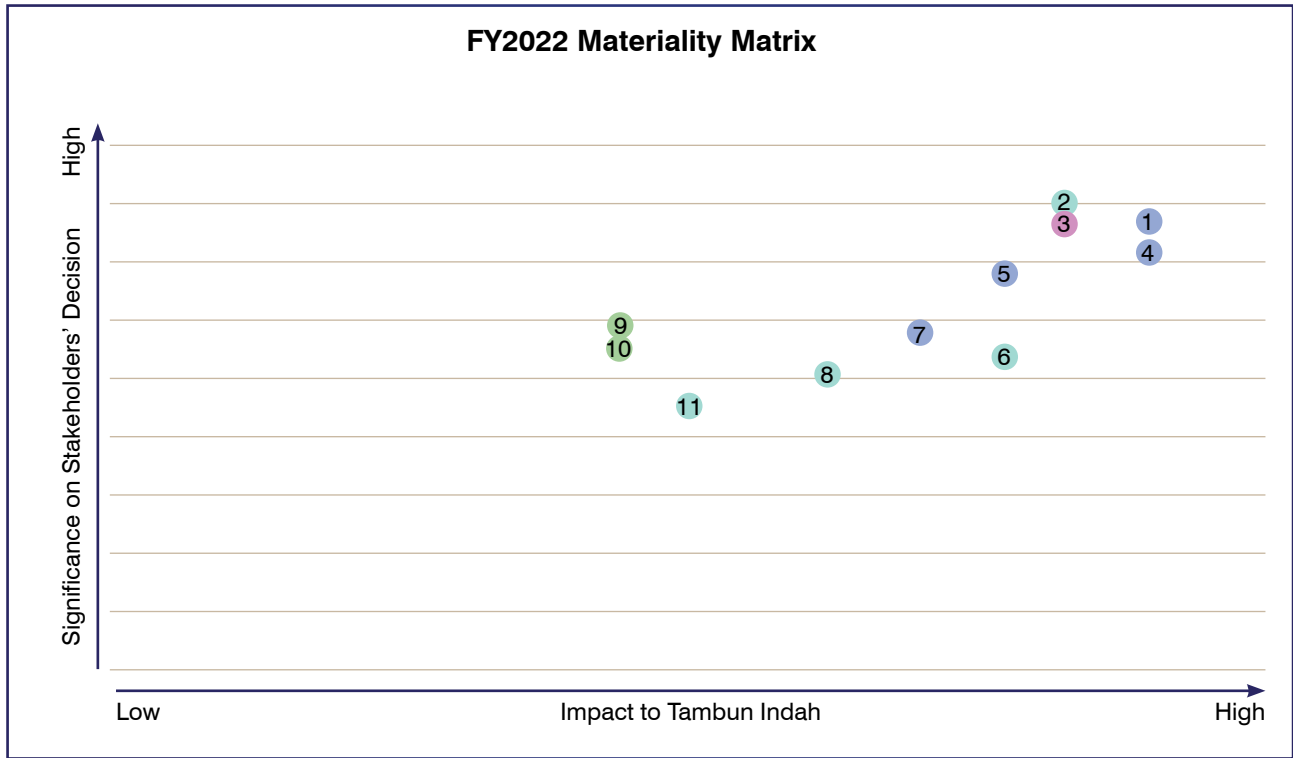
While the Managing Director oversees the sustainability practices, policies and procedures across all business activities, it is incumbent upon the SWG to monitor and present its findings to the Board on a half-yearly basis.

The following methodologies guide our process in assessing materiality:

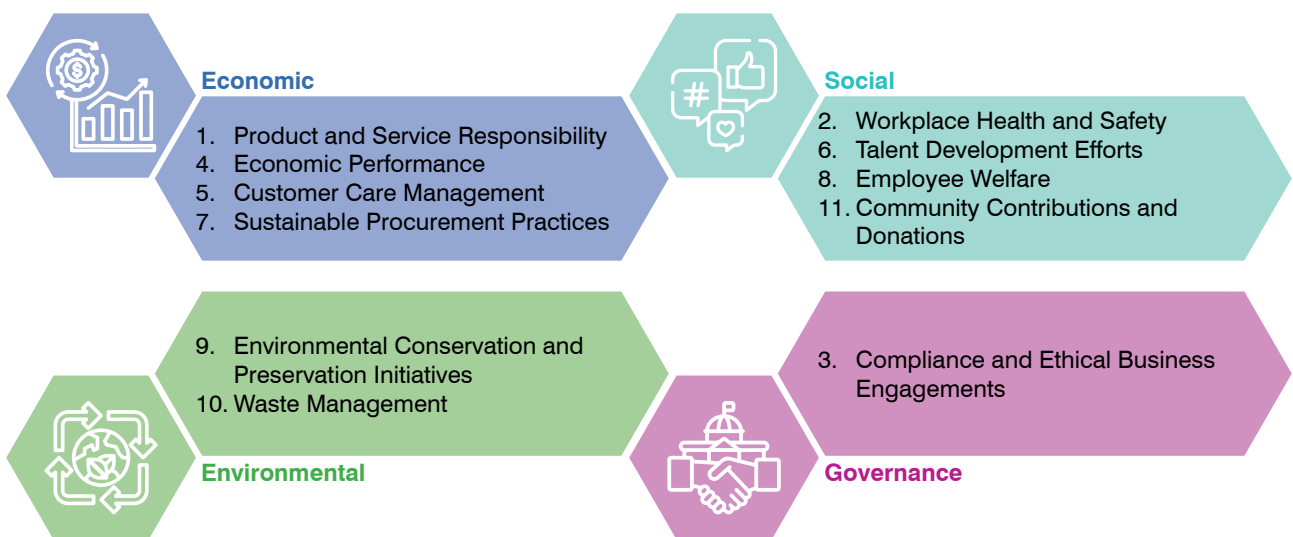


SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)



A total of eleven materiality matters have been identified and mapped out in the above matrix. These matters are grouped together, as below:



SUSTAINABILITY STATEMENT (CONT'D)

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

With view to embracing sustainability, Tambun Indah has aligned its progress to relevant United Nations Sustainability Development Goals (“UN SDGs”). By doing so, Tambun Indah has joined a global movement to band together and work towards a more equitable society and ultimately, a better world.

RESULTS	LINKAGE TO UN SDGS	LINKAGE TO MATERIAL TOPICS
<ul style="list-style-type: none"> Zero reported cases of corruption, zero cases of non-compliance or unethical conduct 		<ul style="list-style-type: none"> Employee Welfare Compliance and Ethical Business Engagements
<ul style="list-style-type: none"> Zero incidents of health and safety non-compliance, zero fatalities Employee engagement activities such as festive celebrations serve to maintain a conducive work environment Reached out to the local community with CSR initiatives to contribute toward their wellbeing 		<ul style="list-style-type: none"> Employee Welfare Workplace Health and Safety
<ul style="list-style-type: none"> Zero human rights violations during the reporting period, zero incidents of non-compliance with regard to labour matters Diverse ethnicity composition workforce 100% of employees appraised annually 908.5 training hours with an average of 11 hours per employee to support talent development Continuous effort to drive economic performance RM227 million in revenue with RM61 million net profit after tax attributable to owners 100% local procurement spend Almost RM13 million was paid out to employees in benefits and bonuses, including payments for statutory retirement savings 		<ul style="list-style-type: none"> Product and Service Responsibility Economic Performance Compliance and Ethical Business Engagements Customer Care Management Sustainable Procurement Practices Talent Development Efforts
<ul style="list-style-type: none"> Published Scope One, Two and Three emissions data Continuous exploration on innovation processes to manage waste more efficiently Supporting the underprivileged communities 	  	<ul style="list-style-type: none"> Community Contributions and Donations Environmental Conservation and Preservation Initiatives Waste Management Sustainable Procurement Practices
<ul style="list-style-type: none"> Strong female representation on the Board, at 42.9% Continuous focus on managing and enhancing employee welfare 		<ul style="list-style-type: none"> Employee Welfare Workplace Health and Safety Talent Development Efforts
<ul style="list-style-type: none"> Shaped community landscape and supported diverse societal causes Drove urban regeneration to revive local economies and communities 		<ul style="list-style-type: none"> Community Contributions and Donations Environmental Conservation and Preservation Initiatives Waste Management

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

Tambun Indah utilises its business model to generate direct and indirect economic values, as reflected in its revenue and profits. This in turn is responsible for enabling sustained operations and ESG performance.

Considerable financial support is required to drive sustainability strategies, projects and action plan. This underscores the critical importance of ensuring the financial health of the organisation, mirrored in revenue and earnings growth, healthy cashflow and increasing assets. Such financial indicators determine the success of the organisation's drive for its ESG agenda.

Financial performance is also responsible for the creation of indirect economic values for stakeholders. This takes the form of dividends to shareholders, repayments to finances and taxation to the government, which enables social and infrastructure development. This also includes the development and support of community infrastructure and services for a wide range of societal and environmental causes.

In this aspect, Tambun Indah has adopted an integrated values perspective, where value creation is view from a dual lens of financial and non-financial values created.

Further details are available in the Financial Statement of this Report.

Quality and Customer Satisfaction

As a responsible property developer, Tambun Indah maintains quality as the cornerstone of our operations. This has a direct bearing on the Group's financial success as well as its strong reputation, built up steadily over the years.

Quality is critical in ensuring customer satisfaction, not just in new buyers but in cultivating for repeat buyers and buyers through referrals. Additionally, quality also results in improved operational efficiency by reducing waste and resource consumption while shortening the construction period.

We take customer feedback seriously, viewing this as a means of continuous improvement. It is hence imperative that customers' share of voice is cascaded clearly to the appropriate internal stakeholder for their consideration and appropriate action, where required.

Various channels are available to elicit customer feedback, including:

- Direct face-to-face engagement
- Customer satisfaction survey forms
- Email and social media platforms

All complaints are recorded by the Sales Manager and reviewed biweekly at the Operations Meeting.

Quality and customer satisfaction come under the purview of Management, specifically the Quality Control Manager, Sales and Marketing Manager, Property Management and Maintenance Manager.

Quality Assurance/ Quality Control ("QAQC") is conducted internally using a comprehensive and robust checklist.

Customer Satisfaction Survey

In an increasingly competitive market, managing customer satisfaction remains key to measure the success of our projects. A customer satisfaction survey serves as an effective tool to identify challenges and target specific areas of improvement.

Customer Complaints	FY2022	FY2021	FY2020
Received	54	NA	NA
Resolved	53	NA	NA

In FY2022, there had been zero units recalled for health and safety reasons.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Upholding Data Privacy

Being a property developer, Tambun Indah is naturally in possession of a significant amount of personal data, notably data of our customers. The Group complies with the Personal Data Protection Act (“PDPA 2010”), where all data is regarded as private and confidential and is not made available to third parties unless mandated by law or enforcement agencies.

All data has been collected with the consent of customers and with their full understanding and awareness that such data is being collected by Tambun Indah and may be used for internal purposes as agreed by the data owner.

Refresher briefings are also conducted annually to ensure employees can effectively implement data protection principles in their work.

To further safeguard data security, the Group maintains a robust IT security system to ensure that such data remains confidential.

There have been zero cases of data breach in FY2022.

Committed to Local Procurement and Local Supply Chains

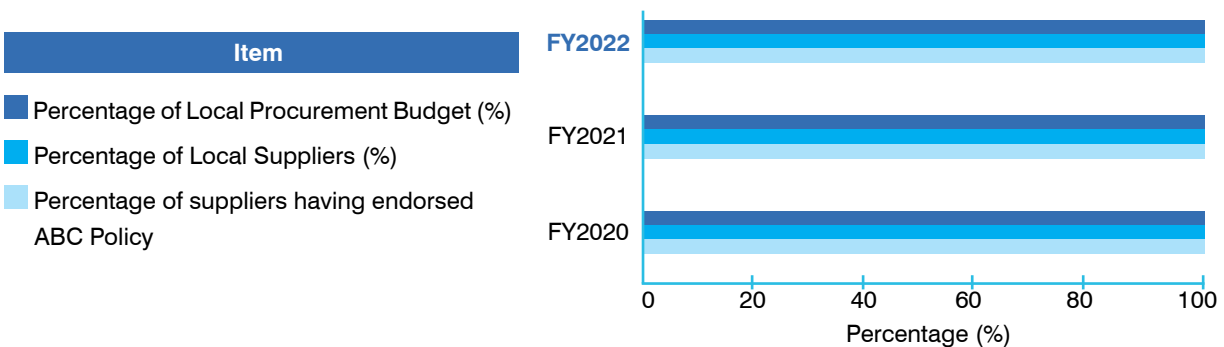
To support its continued achievement of 100% local procurement, the Group has a preferential procurement policy in support of local goods and service providers, unless local providers are unable to provide such goods and services at the required specifications, quality and in a timely manner. This policy falls under the ambit of Tambun Indah’s Project Department.

Local is defined as in the community where Tambun Indah operates.

This preferential procurement policy generates socio-economic benefits for local supply chains, local talent and local communities. Such benefits take the shape of employment opportunities and serve to support a number of small and medium local enterprise and industries, which collectively, support the economic growth of the nation.

Beyond just supporting local businesses, this approach affords better operational and cost control, drives a lower environmental footprint and generally equates to faster delivery response times.

All our contractors and vendors are 100% locally based.



Additionally, the core function of supply chain management is materials management. This involves the planning and execution of supply chains to meet the development timeline. This includes regulating the flow of tender and construction timeline while simultaneously assessing variables like demand, price, availability, quality and delivery schedules.

Material management affects the organisation’s reputation for quality products and timeliness of delivery. It also affects the profit margin of a development project.

Given the resource scarcity and growing demand reflected in the increasing price of construction materials, Tambun Indah is constantly looking to cost engineering methods as a means to heighten efficiency of its use of materials.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Stringent Business Partner Qualification

Tambun Indah recognises that our business partners have a role to play in upholding our established reputation. Hence, there is in place a stringent and robust qualifying process to ensure our corporate values are aligned.

Qualifying criteria include cost, workmanship quality and reputation, occupational health and safety track record and financial stability. Suppliers deemed high risk will be subjected to further scrutiny with a review of their Financial Statement and other publicly available documents.

Even after successfully being enlisted as our business partners, we continue to monitor their performance to ensure compliance with relevant laws and industry standards as well as ensuring competitive business performance. Furthermore, mindful of environmental expectations, our partners must commit to reducing waste generated throughout their tenure working on our projects.

Commitment to Fair Competition

Tambun Indah's approach to securing goods and services is to invite its registered vendors to bid for tenders, with the most competitive bid winning the contract. This process is the responsibility of our Project Department.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL

As a responsible organisation, Tambun Indah commits to play its part in environmental stewardship. We adhere to sustainable and ethical practices to minimise environmental impact throughout our operations.

As a measure of our commitment, the Group has established monitoring mechanisms to manage our energy and water usage at the office as well as the waste generated at our project sites. This requires concerted participation from relevant departments across the Group’s operations to enable smooth and sustained implementation.

This commitment is cascaded across to our contractors at project sites as well, requiring their support to controlled environmental practices such as operating within approved working hours, refraining from open burning, installing tyre-washing bays, earth drain sediment basins, etc. Such actions are governed by the relevant authorities, primarily the:

- Construction Industry Development Board (“CIDB”)
- Department of Occupational Safety and Health (“DOSH”)
- Department of Irrigation and Drainage (“JPS”)
- Department of Environment (“JAS”)
- Seberang Perai City Council (“MBSP”)

This is in addition to the governing environmental laws and regulations applicable to the Group’s operations, essentially the:


- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Clean Air) Regulations 2014
- Environmental Quality Act 1974

For FY2022, we did not have any report of non-compliance in breach of existing environmental laws.

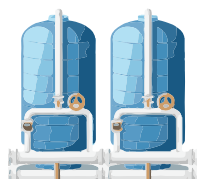
Green Building Initiative

In keeping with its environmental conscious mindset, Tambun Indah is continuously exploring avenues to further incorporate eco-friendly initiatives into its project developments. Where practical, green materials are utilised without compromise to quality.

Examples of Tambun Indah’s green building initiative are as below:

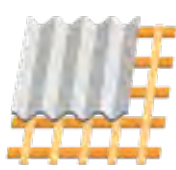



FRP Domestic Tank and Hose Reel Tank




Domestic water tanks and hose reel tanks are usually placed at the roof level of high-rise buildings to supply water to the residents and for firefighting purpose. Replacement of the conventional Hot Dipped Galvanised Pressed Steel tank with Fibreglass Reinforced Plastic (FRP) tank can simplify the installation work, improve the quality of water stored and minimise maintenance, given that FRP tank is lighter and corrosion-free. It also has a longer lifespan, good vibration-absorbing quality and is more resistant to algae growth.

The roof which constitutes the largest (or second largest surface of a landed house, after the external walls), has great potential to be utilised for green building initiatives. By fixing transparent or translucent materials on the roof, natural light can be admitted into the building, whilst window openings also allow for ventilation. Optimising natural light and ventilation will improve the wellbeing of the occupants as well as reduce energy consumption, thus translating into cost savings for the residents.






Creation of Air Well, Window Opening on Roof and Installation of Transparent Roof Tiles



Rainwater Harvesting System



A rainwater harvesting system consists of gutters to collect rainwater from the roof, complete with pipes to enable collected water to flow to a storage tank. It enables the conservation of water resources and reduces the dependency on municipal water. Rainwater collected in this manner is used mainly for gardening and cleaning purposes.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

Energy Consumption Management

As with the property industry, Tambun Indah’s operations similarly consumes significant amounts of energy. These energy sources are defined as Scope 1, Scope 2 and Scope 3 emissions. Scope 1 covers direct emissions that Tambun Indah controls, Scope 2 covers indirect emissions from purchased energy and Scope 3 covers all other indirect emissions that are influenced by Tambun Indah’s activities but occur outside its control.

Scope 1 energy typically comprises use of diesel and petrol consumed by the organisation’s vehicle fleet.

Scope 2 energy comprises mainly electricity sourced from the local national electricity grid. However, given that a large portion of electricity produced in Malaysia comes from coal and other hydrocarbon-fired power plants, the consumption of electricity indirectly contributes to emissions.

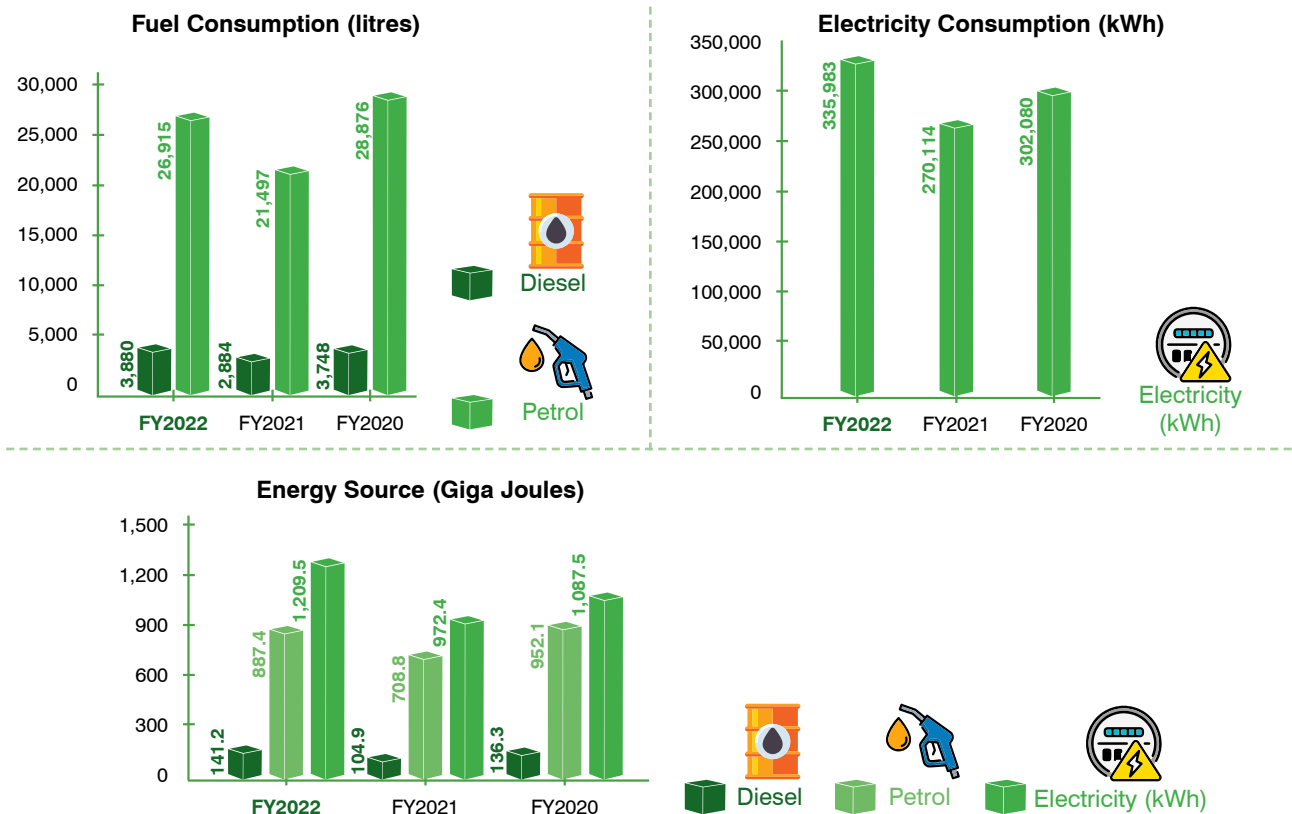
Scope 3 emissions are the result of activities from assets not owned by Tambun Indah but is indirectly affected, such as emissions from business travel and employee commuting. At this point, we just record emission from employees claiming for business travel.

Energy is also consumed at Tambun Indah’s main office, hence its efforts commencing at the heart of its operations to reduce energy consumption towards achieving improved cost and operational efficiencies.

Various campaigns are ongoing, such as utilising LED lighting, alternate looping for saving of power consumption, solar panel compound lighting, promoting natural lighting through architecture design and allocation of car park lots as EV charging stations.

We are currently exploring similar use of solar panel compound lighting for future projects.

Energy Performance Data



SUSTAINABILITY STATEMENT (CONT'D)

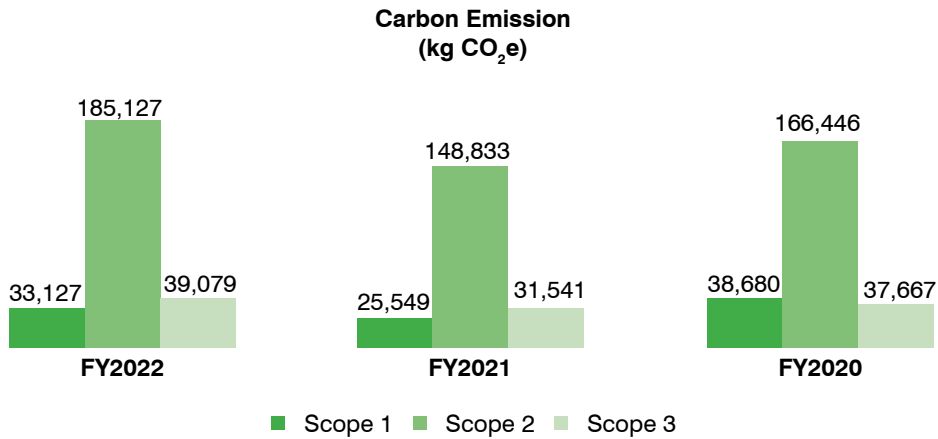
ENVIRONMENTAL (CONT'D)

Energy Performance Data (Cont'd)

In all the sectors above for fuel and electricity, there had been a marked increase in consumption in the financial year under review. In FY2022 compared to FY2021, there was an increase in diesel (34.5%), petrol (25.2%) and electricity (24.4%).

This increased consumption is to be expected, given the opening out of economic sectors following the transition into endemicity phase of COVID-19 and hence, the increased operations at Tambun Indah’s project sites.

This has led to a significant increase in carbon emissions across Scope 1, Scope 2 and Scope 3 in FY2022 over the previous financial period, as below:



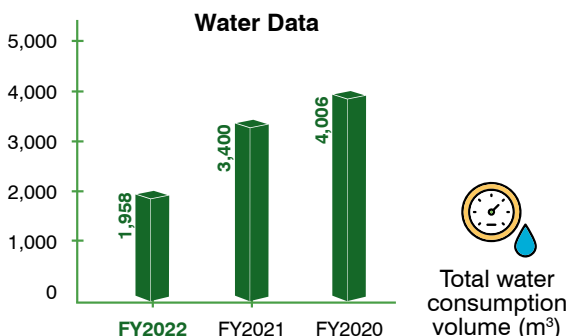
Water Consumption Management

Water is a finite resource and access to it is a basic human right. This life-giving commodity is a shared resource and must be consumed in ways that enable its sustained availability at all times. Hence, it needs to be used prudently and conserved for the future.

Disruption to water supply causes significant commercial loss and affects the quality of life for a great many and this serves as a reminder of how precious water resources are.

As a responsible corporate citizen, Tambun Indah commits to its role in environmental stewardship of this resource to ensure that its consumption of water should not impact water sources or water bodies. This includes not polluting water bodies such as drains and rivers by ensuring all effluents are within the permissible levels set by the Department of Environment (“DOE”). Any discharge exceeding these stipulated levels may cause a shutdown of operational sites and lead to censures and fines from enforcement authorities.

The Group aims to reduce water consumption and various initiatives are implemented to improve usage efficiency such as using SPAN-approved water saving fittings (taps, water closets, etc), installing rainwater harvesting tanks and placing reminder notices at strategic places such as pantries and washrooms in the office.



The decrease of water consumption in FY2022 over FY2021 by 42.4% is demonstrative of the effectiveness of Tambun Indah’s ongoing awareness campaigns and efficient use of water with installation of water saving devices.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

Waste Management

Waste management is a material aspect as waste products produce carbon emissions. Furthermore, if not well managed, it may end up polluting our water systems, contaminate the environment and become an eyesore.

It can also impact the health of communities living nearby and tarnish Tambun Indah's image. This would also mean additional costs to clean up such waste or the contaminated environment as well as the fines imposed by the authorities.

Cognisant of such possibilities and acting as a responsible organisation, Tambun Indah commits to playing its part in environmental stewardship by reducing the amount of waste generated and also ensuring safe disposal of such wastes.

With our company's principal activity being property development, construction waste is naturally a primary focus. Such wastes are collected periodically by authorised vendors for disposal at approved dumping sites. Where possible, a waste recycling/reduction strategy is implemented within our daily operations.

With awareness of this waste recycling/reduction strategy cascaded widely throughout the organisation, we had seen some positive action as a result. Contractors had reused hoarding boards at our Pearl Impiana site, and also utilised recycled material for the deck at Palm Garden.

This environmental conscious mindset change is also seen at the workplace, given the notices of the importance of conserving energy and water. Staff have been playing their part by disposing items appropriately at recycle bins strategically placed at the offices. Medicine disposal boxes are also located at the offices to safely collect unwanted/used medicines for proper disposal.

Paper Usage Management

The Group aspires to ultimately adopt a paperless environment. It currently encourages employees to prioritise electronic means to share and store documents, and thereby reducing dependency on printing or photocopying.

Commencing FY2020, we had urged our shareholders to retrieve our Annual Report from our Company's website. This is a departure from the traditional issuing of hard copies of such voluminous reports.



Wastes Data	FY2022 (kgs)	FY2021 (kgs)	FY2020 (kgs)
Recycled waste			
- Mixed paper and carton	91	101.5	NA
- Plastics	5.5	2	NA

Employees are steadily accepting the concept of paperless environment by sharing and storing documents in electronic form, as seen in the decreased collection of mixed paper and carton. The increase in plastic collection was positive, as a result of increased awareness on recycling plastic items amongst staff.

Climate Change

Tambun Indah recognises that climate change impacts along with adaptation measures may result in financial impacts. Increased in budget allocations may be needed to mitigate or prevent impacts related to climate change, including addressing the physical, transitional and legal risks associated with climate change.

Initiatives already adopted was the use of LED lighting, low carbon cleaning products and even encouraging vegetarian meals amongst its employees. Innovative measures included using eco-friendly paint for projects, rainwater harvesting and allocating car parks equipped with EV charging facility.

Moving forward, Tambun Indah is exploring avenues to rethink development approaches through commitment to green buildings and placing customer use at the forefront of its development approach.

SUSTAINABILITY STATEMENT (CONT'D)

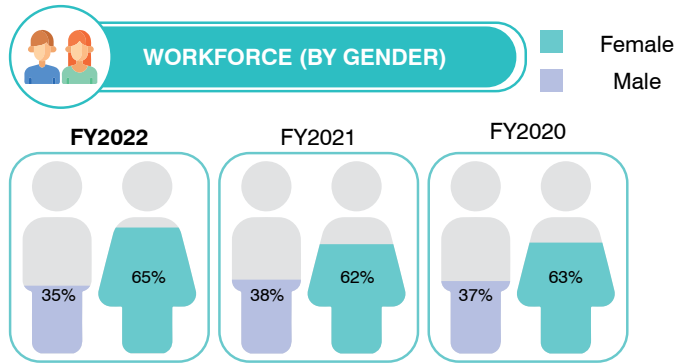
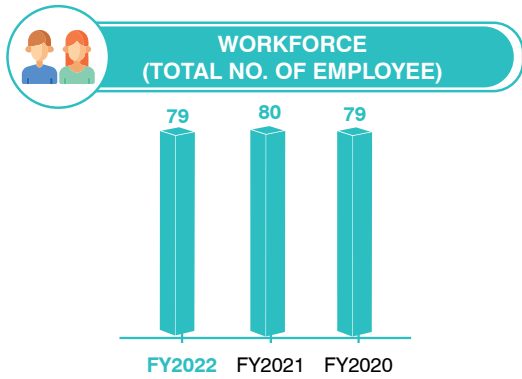
SOCIAL

The Group impacts on society by way of the community in which it operates in as well as its employees.

Advocating Workforce Diversity

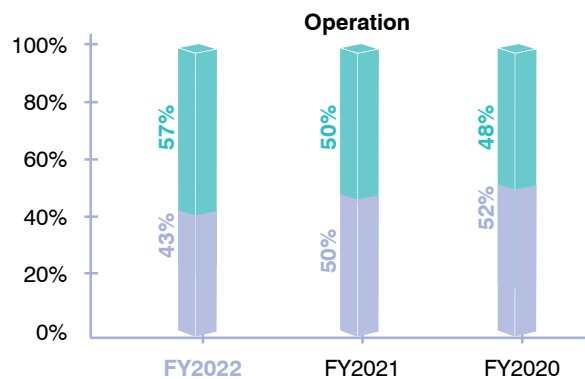
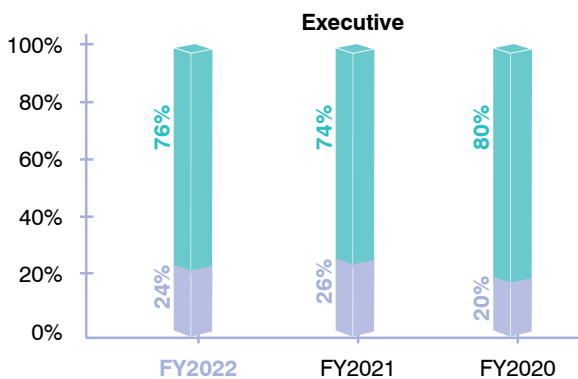
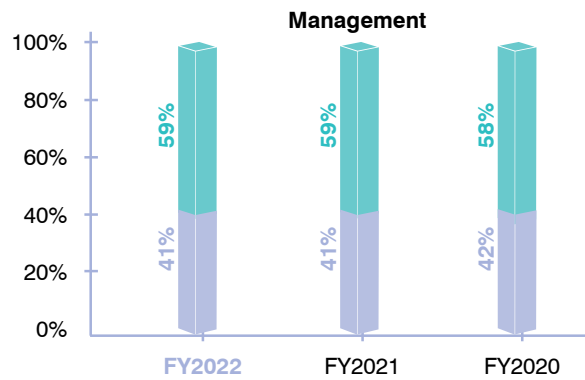
Tambun Indah stands proud of its diverse workforce, comprising talents from different demographic backgrounds. This is in recognition that diversity in professional backgrounds and experiences as well as gender and culture promote a richness of ideas and perspectives which supports innovative thinking and creativity.

Having a multi-cultural workforce provides the company more effective decision-making ability and capability at problem-solving as well. The Group has set out a policy to have at least 30% female representation on the Board and this practice also applies to other categories of its workforce as shown below.



Female
Male

GENDER BREAKDOWN BASED ON EMPLOYMENT POSITION

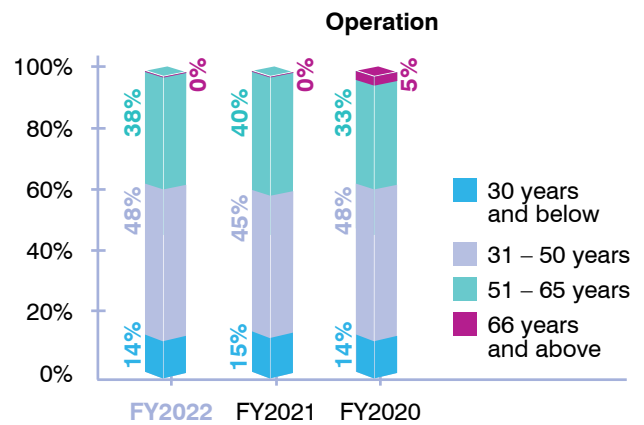
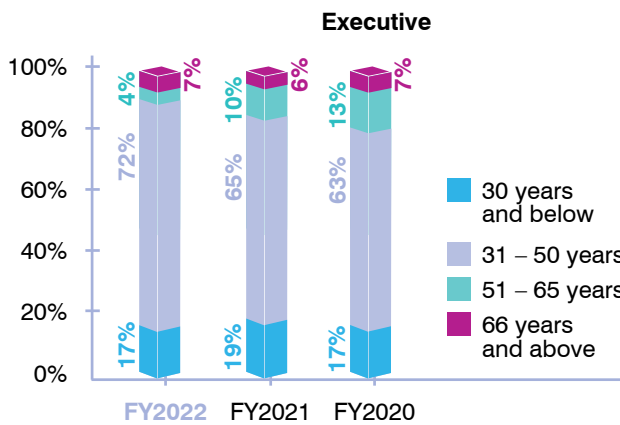
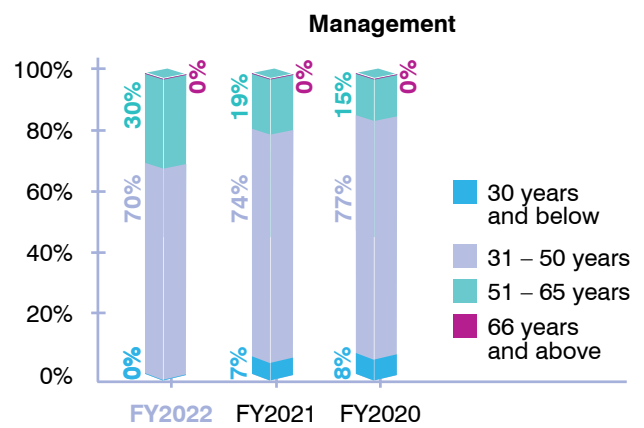
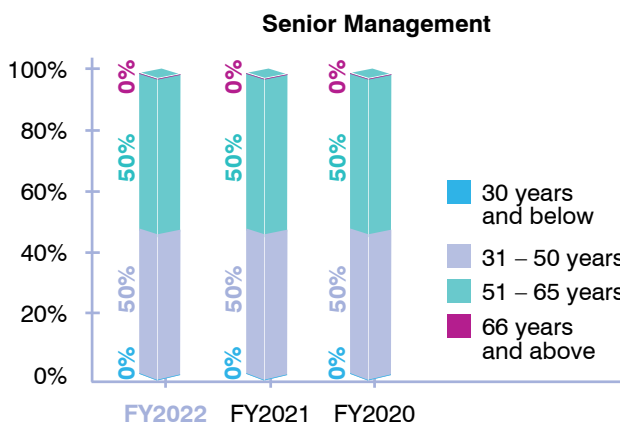


SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

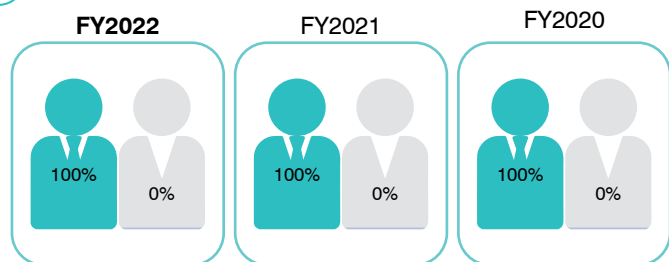
Advocating Workforce Diversity (Cont'd)

WORKFORCE (BY AGE AND DESIGNATION)



WORKFORCE (BY EMPLOYMENT TYPE)

- Permanent employees (%)
- Temporary staff/ Contractors (%)



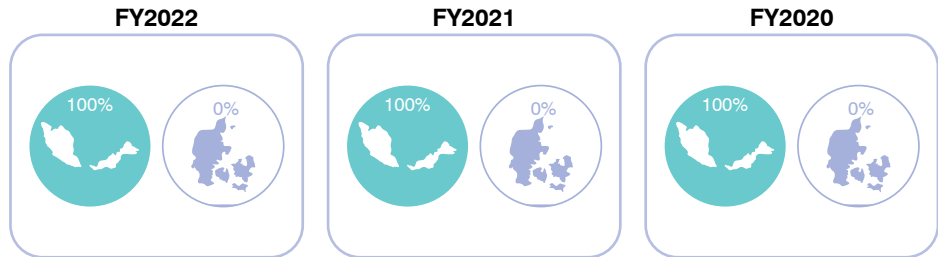
SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

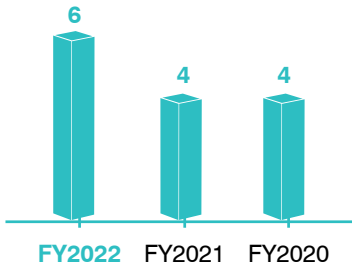
Advocating Workforce Diversity (Cont'd)

WORKFORCE (BY NATIONALITY)

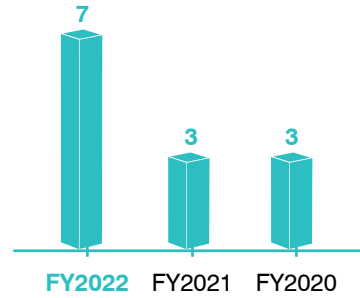
- Malaysians
- Foreigners



NEW HIRES (NUMBER OF STAFF)

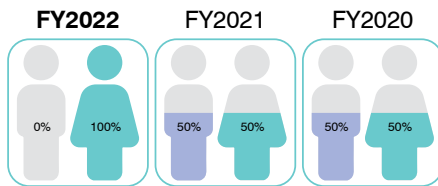


EMPLOYEE TURNOVER (NUMBER OF STAFF)



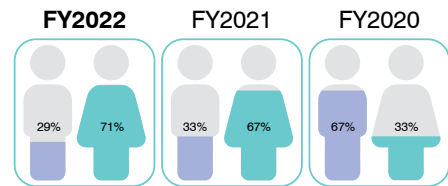
NEW HIRES (BY GENDER)

- Female
- Male

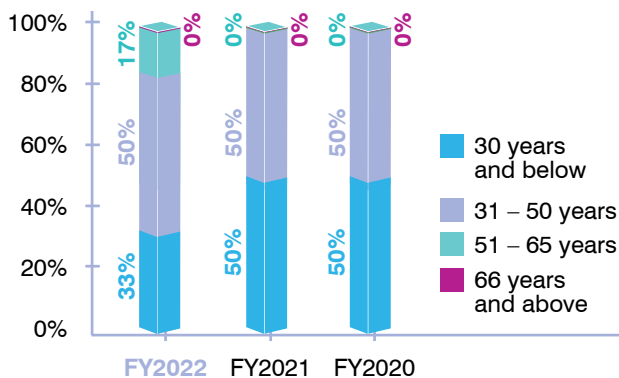


EMPLOYEE TURNOVER (BY GENDER)

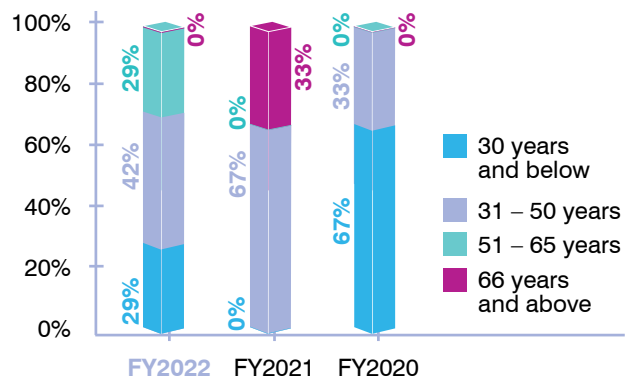
- Female
- Male



NEW HIRES (BY AGE)



EMPLOYEE TURNOVER (BY AGE)



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Employee Engagement

Tambun Indah is cognisant of the importance of employee engagement in maintaining a conducive work environment. With the aim to foster camaraderie and enhance understanding amongst employees across departments, various activities had been organised in the financial year under review, as listed below:

Chinese New Year : Distribution of Mandarin oranges to staff

Christmas : Buffet lunch and Christmas gifts for staff, followed by a karaoke session

SPEND ON EMPLOYEE ENGAGEMENT	FY2022 (RM)	FY2021 (RM)	FY2020 (RM)
Total Spend	23,178	6,874	18,180

Statutory Payments and Retirement Benefits

Tambun Indah complies with legal requirements, making statutory contributions to the Employees' Provident Fund ("EPF") as well as to employees' Social Security Fund ("SOCSSO").

Leave Benefits

Employment benefits at Tambun Indah include not just medical but dental, optical and others to ensure the wellbeing of our staff. In addition, we firmly believe a workplace with family-based culture lends support to our employees in balancing their work and family responsibilities. One of the means to this is by offering leave benefits that respond to specific employee needs such as paternity and maternity leave, time-off and compassionate leave, amongst others.

Number of employees who have taken parental leave	FY2022	FY2021	FY2020
Maternity Leave	1	1	1
Paternity Leave	2	0	2

The employees who had taken parental leave had returned to work, and remained with the organisation for 12 months or more post-parental leave.

Employee Performance Appraisals

Employee appraisal is an established process to enable fair assessment of the employee's performance against the targets set in the employee's performance plan. Such a plan and identified training is mapped out following discussion with the employee's superior and endorsed by the Human Resources Department.

Performance appraisal is conducted annually with discussion between the employee and his/her superior. In FY2022, 100% of employees were appraised.

Commitment to Upholding Human Rights

Tambun Indah is resolutely committed to complying with fair labour practices as stipulated in local statutory laws across its company operations.

The Company condemns all forms of child exploitation and forced labour. All workers, especially those employed by third party contractors or sub-contractors, must be treated with dignity and work under safe conditions.

Working hours at Tambun Indah is regulated under the employment contract with the employee, Malaysia Employment Act 1955 and the Employment (Limitation of Overtime Work) Regulations 1980.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Commitment to Upholding Human Rights (Cont'd)

Workers must be provided decent living quarters, access to healthcare and be accorded all rights including the right to freedom of association and collective bargaining as well as the right to religious freedom. Workers' employment hours, including overtime, must not exceed that stipulated by local labour laws.

In addition, workers at Tambun Indah are paid basic salaries that meet or exceed the stipulated national minimum wage as prescribed under the National Wages Consultative Council Act 2011 [Act 732], Minimum Wages Order 2020.

There had been zero human rights violations during the reporting period.

High Performing Workforce

Tambun Indah competes within a competitive market for talent, focusing on recruiting and retaining high-calibre professionals. The requirement of the property development industry is wide, requiring multi-faceted skillsets and capability. Such attributes cover the technical skills as well as soft skills such as marketing, strategy planning and risk management.

The Group's ability to sustain financial and non-financial values is dependent on the recruitment, retention and development of a competent, capable and experienced workforce across the Group.

There has been significant advancement in technology across key business processes such as marketing, design and construction, procurement, risk management and more. Hence, there is a corresponding requirement to ensure a sufficient talent pool that is technologically savvy and able to leverage this technology to drive for efficient and competitive advantage.

At the operational level, Human Resources Department assumes responsibility for driving talent management, ensuring that its talent pool is suitably positioned to align with the Group's value creation aspirations, including sustainable business growth.

In acknowledging its importance, the Board and Senior Management at Tambun Indah continue to prioritise talent management and development whilst maintaining direct oversight on this material topic.

Employee Performance Development

Cognisant that high-performing employees are critical to driving financial and non-financial value creation at Tambun Indah, suitable training opportunities are accorded to its employees throughout the organisation. The Group has formalised a Staff Training and Development Policy that stipulates minimum training hours for each category of employees and this was successfully achieved for the year under review.

Such training provides employees an opportunity to address gaps in skills as well as upskill themselves for potential career advancement, as outlined in their performance training plan approved by his/her superior and supported by the Executive Management. Training and development plans are championed by their respective Heads of Department, together with the Human Resources Department.

Training offered is comprehensive and includes technical expertise, soft-skills and leadership capabilities. It is the responsibility of the Human Resources Department to ensure sufficient budget and manage logistics to facilitate employee training.

General Training Data	FY2022	FY2021	FY2020
Total training hours	908.5	878.5	632.0
Total training spent (RM)	28,928	10,952	17,689
Average Training Hours per employee	11.0	11.1	10.0

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Employee Performance Development (Cont'd)



Training Hours by Employee Category

Training Hours by Employee Category	2022	2021	2020
Executive Directors	23.0	17.0	49.5
Senior Management	54.5	80.0	47.5
Management	566.0	587.0	413.0
Executive	201.5	147.5	98.5
Operation	63.5	47.0	23.5
Total	908.5	878.5	632.0

Internship

Tambun Indah acknowledges the value of internships to students and offers such opportunities on an ad hoc basis for its Sales and Project Department.

Employee Grievance Mechanism

Employees have full accessibility to a formal grievance mechanism, in which they may use to express any form of dissatisfaction. It allows employees a channel to lodge instances such as disagreements with findings from appraisals or disciplinary measures imposed.

Additionally, this channel may also be utilised in the event of sexual harassment or any other untoward incident or development. In such instances, the Human Resources Department will conduct an investigation and where relevant, maintain the confidentiality of the complainant.

In FY2022, there were zero cases brought up through this grievance mechanism.

Formal Employee Induction and Exit

Tambun Indah has in place a formal orientation process for new employees in which a briefing is conducted about the organisation and its existing policies. Here, they will be guided on the company's zero-tolerance on corruption and workplace health and safety, amongst others.

Such employees will be provided an employee handbook and taken on an introductory tour of premises and people. This process allows new talents to assimilate easier and faster into the prevailing work culture at Tambun Indah.

Likewise, an exit process is also in place for employees resigning from the Group. An official feedback form is provided and the Head of Department or immediate superior will engage the employee concerned with the intention to obtain feedback to enable improvements within the Group.

Occupational Safety and Health ("OSH")

As a responsible company, our duty is to provide a safe and healthy work environment, not just for our employees but also for our stakeholders involved in our business operations.

Having a conducive environment allows our employees to produce their best quality work, to be productive and equally important, to be able to return safely to their families and loved ones. Hence, the safety and health of employees are our top priority at Tambun Indah.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Occupational Safety and Health ("OSH") (Cont'd)

As an ongoing business entity, adopting OSH requirements is similar to having a license to operate in the property development industry. Any OSH incident is likely to disrupt our smooth business operations, leading to delays in project progression. Additionally, damages sustained would likely lead to increased costs for rectification. This does not take into account the negative impact upon the company's image and reputation. The Group aims to maintain a zero fatality and zero loss time incident.

Tambun Indah's contractors are mandated to operate in strict compliance with the requirements as stipulated by DOSH. During the heights of the COVID-19 pandemic, Tambun Indah's operations were fully aligned with guidelines from CIDB and the Ministry of Health (MOH) Malaysia.

At our project sites, contractors conduct health and safety discussions alongside representation from workers on a regular basis. In addition to this, site progress reports are compiled and submitted for review on a fortnightly basis.

Should any untoward incident occur, the contractors at the project site would activate an emergency response team to record information and raise this for investigation at the subsequent toolbox meeting.

Oversight for Tambun Indah's employees is provided by the Human Resources Department which works with their respective Heads of Department to oversee aspects of safety in the various areas. The company has set aside the necessary finance to support health and safety matters.

During the pandemic, Tambun Indah formed an Emergency Response Team and instituted various preventative measures throughout all levels of the organisation. Such measures included daily temperature readings, distribution of sanitisers, COVID-19 testing and weekly declaration, and periodic workplace disinfection. Additionally, COVID-19 prevention posters were displayed at the workplace to reinforce health and safety and online meetings were advocated.

Besides this, safety training for employees was conducted via an annual fire prevention seminar, with health talks and first aid training on an ad hoc basis.

In the same financial year, there were no OSH incidences reported.

Supporting Community Development

Throughout FY2022, Tambun Indah had continued its strong corporate obligation to the deserving and marginalised community. The Group strives to support the community through cash and in-kind contributions.

In the financial year under review, a total of RM54,703 was contributed to 36 organisations, as categorised below:



Supporting the development of the younger generations

We contributed to students' development via various initiatives, including donating to the Majlis Sukan Negeri Pulau Pinang to expand their sporting activities and sponsorship of paint for enhancement work at a school in the local community.

Total contribution: RM9,510

Sponsorship of paint for enhancement work at a school in the local community

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Supporting Community Development (Cont'd)

Supporting the underprivileged communities

We assisted the welfare of the marginalised community, reaching out to senior citizen homes, orphanages, dialysis centre and cancer treatment centre.

Financial support was given to Mount Miriam Cancer Hospital, Little Sisters of the Poor, Persatuan Kebajikan Haemodialisis St. Anne, Montfort Boys Town, Buddhist Tzu-Chi Merits Society Malaysia and others.

Assistance with in-kind donations in the form of food and essential items were distributed to the Persatuan Kebajikan Anak-anak OKU Taman Island Penang and Persatuan Kebajikan Hati Sepati Raja Uda.

Total contribution: RM19,332



In-kind donation of essentials items to charity homes



Supporting community building and infrastructure

We provided financial support and in-kind assistance such as upgrading of a religious building and upgrading of road safety features for the local community.

Total contribution: RM15,861

Advocating environment awareness

A donation was made to the Penang Green Council to support their environment awareness campaign.

Total contribution: RM10,000

Sponsorship for environment awareness event



Rental rebates totalling approximately RM1.9 million were granted to support tenants having financial constraints, thus helping them recover gradually from the adverse economic impact brought on by the pandemic.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE

Integrity and transparency are the two fundamental principles for a business to succeed. It is also our core value in carrying out our duties as a responsible business organisation. As a public listed company, we are cognisant that our long-term growth depends on our diverse group of stakeholders knowing that we will conduct our business fairly, ethically and in full compliance with all applicable laws and regulations.

Fundamentally, we observe all relevant regulations concerning our business operations. For example, we commit to adhering to the Companies Act 2016, Main Market Listing Requirements ("MMLR") of Bursa Malaysia, Malaysian Code of Corporate Governance ("MCCG"), Environmental Quality Act 1974, Occupational Health and Safety Act 1994, and all other best practices and standards practised among our peers.

For more details on our current Corporate Governance practices, kindly refer to the Corporate Governance Statement section in this Annual Report.

MOVING FORWARD

To enable sustainability in a fast-evolving and competitive environment, the Group will review the projects in the pipeline to ensure they respond appropriately to market demands and align to our business directive. The Group will also be consistently on the lookout for new development land to complement the Group's business strategy for current and future years.



DIRECTORS' PROFILE

Lai Fook Hoy

Independent Non-Executive Chairman

Lai Fook Hoy, a Malaysian, aged 72, Male, was appointed to the Board of Tambun Indah on 24 February 2012 and is presently the Independent Non-Executive Chairman.

He has extensive experience in the resources industry, starting work in 1974 with Straits Trading Company Limited, and subsequently Malaysia Smelting Corporation Berhad. He held various positions in the group, and prior to retirement in 2010 he was the Group Chief Operating Officer. He had been a director and Chief Executive Officer of Asian Mineral Resources Limited, a nickel-focused mining company listed on Canada's TSX-V. He was also a director of KM Resources Inc., which operated a polymetallic mining project in the Philippines.

Lai Fook Hoy graduated with BSc (Hons) in Metallurgy and the University Medal from the University of New South Wales in 1974, and subsequently a BSc (Econs) (Hons) degree majoring in Accounting and Finance from the University of London in 1980.

He is a member of the Institute of Materials, Minerals and Mining UK, and a registered Chartered Engineer with the Engineering Council UK. He is also a member of the Institution of Engineers, Malaysia, and a Professional Engineer, registered with the Board of Engineers, Malaysia. He does not hold any other directorship in any public companies and listed issuers.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He does not have family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the Company.

Teh Kiak Seng

Executive Deputy Chairman

Teh Kiak Seng, a Malaysian, aged 73, Male, is the founder of our Group and is presently the Executive Deputy Chairman. He was appointed to the Board of Tambun Indah on 19 March 2008 and was the Managing Director until 2 January 2020 when he was redesignated to his current position.

Teh Kiak Seng has more than 40 years of experience in the housing industry. His initiation into construction was in Indonesia when he started working in a civil construction firm after completing high school in 1971. Three years later, in 1974, he pursued his education in Canada. He graduated with a Bachelor of Civil Engineering degree from the University of Saskatchewan, Canada on 17 May 1979.

He started his engineering career in Johor Bahru in 1979 and was involved in the design and supervision of the 750-acre township of Taman Ungku Tun Aminah in Skudai and Taman Sentosa in Johor Bahru. After coming back to Penang in 1980 to work as a design engineer, he started his own Civil and Structural Engineering Consultancy firm, GTP Jurutera Perunding Sdn. Bhd., in 1985.

Within a short period of 10 years, GTP Jurutera Perunding Sdn. Bhd. was involved in the design and completion of over 100 factories in Penang, Kedah, Perlis, Perak and Johor.

He was also involved in the design and project management of Dell Asia Pacific Sdn. Bhd., Xiamen Company Limited as well as Guangzhou Otis Elevator Co. Ltd. in Guangzhou, China.

Following the success of GTP Jurutera Perunding Sdn. Bhd., he turned his entrepreneurship skills to focus on property development in 1992.

Teh Kiak Seng is currently a member of the Institute of Engineers, Malaysia and a Registered Professional Engineer with the Board of Engineers Malaysia. He presently sits on the board of several private limited companies. He does not hold any other directorship in any public companies and listed issuers.

Teh Kiak Seng and Teh Theng Theng, an Executive Director of Tambun Indah, are siblings and Teh Kiak Seng is the father of Teh Deng Wei, the Managing Director of Tambun Indah.

Save as disclosed herein, he does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DIRECTORS' PROFILE (CONT'D)

Teh Deng Wei

Managing Director

Teh Deng Wei, a Malaysian, aged 36, Male, is presently the Managing Director of Tambun Indah. He was appointed to the Board of Tambun Indah on 18 November 2016 as Executive Director of the Group. He was redesignated to his current position on 2 January 2020.

He graduated with first class honours in Electrical and Electronic Engineering (BEng) from Imperial College London, and subsequently obtained a MSc in Management from London Business School.

Prior to joining the Group, he spent three and a half years in investment banking based in London and Singapore. He started his career in London as an analyst in the European mergers and acquisitions team of an international investment bank and subsequently relocated to Singapore to join the Southeast Asia investment banking team of the same bank. He last held the position of associate before joining the Group as General Manager in 2014. He presently sits on the Board of several private limited companies. He does not hold any other directorship in any public companies and listed issuers.

He is the son of Teh Kiak Seng, the Executive Deputy Chairman of Tambun Indah and the nephew of Teh Theng Theng, an Executive Director of the Group.

Save as disclosed herein, he does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Teh Theng Theng

Executive Director

Teh Theng Theng, a Malaysian, aged 59, Female, was appointed to the Board of Tambun Indah on 23 November 2010 and is presently the Executive Director.

She graduated from Edith Cowan University in Perth, Australia in 1991 with a Bachelor of Accounting degree. After graduation, she joined IJM Corporation Bhd in 1991 which is also involved in property development where she worked for 3 years.

Teh Theng Theng joined our Tambun Indah Group in 1995, and has been involved in the overall administration, financial control, corporate planning and business development of our Group. With her extensive experience and being involved in planning and marketing strategies, she leads the sales team for our Group's projects and is largely credited with our Group successful sales launches. She presently sits on the board of several private limited companies. She does not hold any other directorship in any public companies and listed issuers.

Teh Theng Theng is the sister of Teh Kiak Seng, who is the Executive Deputy Chairman. Teh Deng Wei, who is the Managing Director of Tambun Indah, is the nephew of Teh Theng Theng.

Save as disclosed herein, she does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DIRECTORS' PROFILE (CONT'D)

Tsai Chia Ling

Non-Independent
Non-Executive Director

Tsai Chia Ling, a Taiwanese, aged 44, Female, was appointed to the Board of Tambun Indah on 27 July 2012 as an alternate director to Mr Tsai Yung Chuan. On 19 June 2013, she ceased as an alternate director to Mr Tsai Yung Chuan and was appointed to the Board of Tambun Indah. She is presently the Non-Independent Non-Executive Director. She was appointed as a member of Audit Committee, Nominating Committee and Remuneration Committee on 1 January 2022.

She graduated from National Cheng Kung University, Taiwan in 2001 with Bachelor of Business Administration and started her career as a management Trainee with Gem-Year Industrial Co. Ltd. before she joined Chin Well Fasteners Co. Sdn. Bhd. as a Marketing Executive in 2003. She is currently as Executive Director of Chin Well Holdings Berhad.

She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

She does not have family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the Company.

Lam Voon Kean

Independent Non-Executive Director

Lam Voon Kean, a Malaysian, aged 70, Female, was appointed to the Board of Tambun Indah on 1 June 2018 and is an Independent Non-Executive Director. She is the Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee.

She is a member of the Malaysian Institute of Accountants ("MIA") and Malaysian Institute of Certified Public Accountants ("MICPA"). She joined KPMG Penang in year 1974 as an articled student and qualified as a Certified Public Accountant in 1981. She was one of the senior audit managers of KPMG Penang and acted as the engagement manager for various audit engagements and also for assignments relating to the listing of shares on the Malaysian Stock Exchange and was involved in the review and preparation of profit and cash flow forecasts and projections.

She left KPMG Penang and joined M&C Services Sdn. Bhd. (now known as Boardroom Corporate Services (KL) Sdn. Bhd.) in 1994 and was promoted to Executive Director managing a suite of business solutions and services for public listed companies, private companies, and branches of multi-national companies.

She was promoted to be the Managing Director of Boardroom Corporate Services (Penang) Sdn. Bhd. ("Boardroom") in year 2005 and retired from Boardroom on 31 December 2011. Upon retirement, she accepted a one-year contract to act as consultant to Boardroom effective from 1 January 2012.

She presently sits on the Board of Asia File Corporation Berhad, Globetronics Technology Berhad, RGB International Bhd and Alcom Group Berhad.

She has no convictions for any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

She does not have family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the Company.

DIRECTORS' PROFILE (CONT'D)

Dato' Seri Mokhtar Bin Mohd Jait

Independent Non-Executive Director

Dato' Seri Mokhtar Bin Mohd Jait, a Malaysian, aged 67, Male, was appointed to the Board of Tambun Indah on 1 July 2019 and is an Independent Non-Executive Director. He is also the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee.

He graduated with a Bachelor of Agribusiness and Diploma in Animal Health & Husbandry, both from University of Agriculture Malaysia. Subsequently, he obtained a Diploma in Public Administration from National Institute of Public Administration (INTAN), Kuala Lumpur.

He has more than 30 years of working experience in public sector. He started his career as an Assistant Veterinary Officer at Department of Veterinary Services, Kuala Lumpur in 1981 before joining the Administrative and Diplomatic Service of Malaysia in 1989 and first served as Assistant District Officer (Land Management) of North Seberang Perai, Butterworth, Penang. He has also served as Assistant District Officer of Southwest District and Land Office, Penang in 2001.

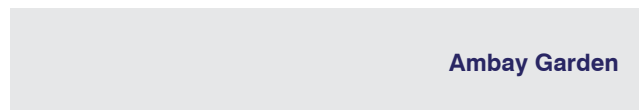
He has served as Director of the Department of Land and Mines (Federal), Selangor in 2005 before he helmed the North District and Land Office of Seberang Perai as the District Officer (DO) in 2007 and became the President of the Seberang Perai Municipal Council in 2009. In 2011, he assumed the position of Penang State Financial Officer and until September 2016 upon reaching a mandatory retirement age. He does not hold any other directorship in any public companies and listed issuers.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He does not have family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the Company.



Aster Villa



Ambay Garden



SENIOR MANAGERMENTS' PROFILE

Lim Beng Hoe

Chief Operating Officer

Lim Beng Hoe, a Malaysian, aged 58, Male, is presently the Chief Operating Officer of Tambun Indah. He joined the Group as Senior General Manager on 3 July 2017 and was redesignated on 1 January 2022 to his current position.

He holds a Bachelor of Science (Housing, Building & Planning) with Honours Degree from University of Science Malaysia.

He is responsible for the planning, budgeting and execution of projects for the Group. He has more than 30 years of working experience in property development industry and is familiar with the property development process in the northern region of Malaysia.

Prior to joining the Group, he was the General Manager of Sunway Property, Northern Region Branch. He was responsible for the Group property division's overall business operations in the northern region and was also involved in identifying new development opportunities for the company. Besides completing a few projects in his 2 years tenure there from September 2015 to June 2017, he successfully led the team in resolving land matters and obtaining planning approvals for a mixed-development project in Paya Terubong and also a mall, hotel and hospital project in Bandar Sunway Seberang Jaya.

He started his career in MBf Group as a site quantity surveyor in 1990. In 1993 he continued his career in the property division of Leader Universal Group for 10 years until he joined Belleview Group in 2004. His last held position in Belleview Group was Executive Director - Project. During his 11 years tenure with Belleview Group, he has accumulated a wealth of experience in managing projects comprising residential, commercial and institutional development. He has vast experience in planning and building shopping malls through the 3 shopping mall projects he completed with Belleview Group, namely 1st Avenue in Penang, Aman Central and Aeon Big hypermarket mall in Alor Setar. He does not hold any directorship in any public companies and listed issuers.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He does not have any family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the Company.

Roselyn Tan

General Manager and Head of Finance

Roselyn Tan, a Malaysian, aged 47, Female, is presently the General Manager and Head of Finance of Tambun Indah. She joined the Group as Deputy General Manager on 1 November 2016 and was redesignated on 2 January 2020 to her current position.

She graduated with a professional accountancy qualification from the Association of Chartered Certified Accountants in 1999 and is a member of the Malaysian Institute of Accountants and fellow member of the Association of Chartered Certified Accountants.

She has over 20 years of professional and commercial working experience. In 1999, she started her career in auditing with Arthur Andersen and continued on with Ernst & Young following the merger in 2002. Her audit exposure was mainly with listed companies in the property development industry. She left Ernst & Young in 2004 and continued her career in the commercial sector. From 2004 until prior to joining the Group in 2016, she held senior managerial roles in various financial management related functions, mainly in privately owned property development companies. She has wide experience in financial management as well as operational experience in the property development industry. She currently heads the finance department and also manages the corporate affairs and general administration of the Group. She does not hold any directorship in any public companies and listed issuers.

She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

She does not have family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance (“CG”) Overview Statement is prepared in accordance with the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia.

This statement provides shareholders an overview of the corporate governance practices of Tambun Indah Land Berhad (“Tambun Indah” or “the Company”) during the financial year ended 31 December 2022 (“FY2022”) and it is to be read together with the Corporate Governance Report 2022 which is available at the Company’s website (www.tambunindah.com).

In FY2022, the Company had applied the following key principles of good corporate governance in the MCCG:

- Board leadership and effectiveness
- Effective audit and risk management
- Integrity in corporate reporting and meaningful relationship with stakeholders

Out of the total 43 recommended practices in the MCCG, the Company had adopted 38 recommended practices while 2 recommended practices were not applicable as Tambun Indah is not a large company (Practice 12.2) and Tambun Indah had held its physical general meeting in the financial year under review (Practice 13.5).

The recommended practices not adopted in FY2022 were as follows:

- Practice 5.2 – At least half of the Board comprises independent directors.
- Practice 8.2 – The board discloses on a named basis the top five senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 13.3 Listed companies should leverage technology to facilitate–
 - ✓ voting including voting in absentia; and
 - ✓ remote shareholders’ participation at general meetings.
 Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

The recommended practices not applicable in FY2022 were as follows:

- Practice 12.2 – Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- Practice 13.5 – The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Amongst the 5 Step-Up advocated by the MCCG, the Company had adopted Practice 4.5 in the financial year under review:

- Practice 4.5 – Step Up – The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I BOARD RESPONSIBILITIES

The Board

The Board essentially assumes the functions of fostering good corporate governance through overall strategic policies, sustainability practices, succession planning, a sound internal control and risk management, shareholders' and investors' relations as well as compliances of relevant applicable laws and regulations. It also plays an important role in overseeing the overall performance objectives and long term success and sustainability of the Group.

There is an agreed list of matters reserved for the Board's approval or upon recommendations as may be made from time to time by the Board Committees as set out in the Board Charter. It is however the general policy of the Company that all major decisions are considered by the Board as a whole.

The governance structure of the Company comprises the Board, various Board Committees and the Executive Management. Specific functions of the Board are delegated to the relevant Board Committees and the Executive Management for effective decision-making process and greater efficiency. This also serves as a control to mitigate or minimize any abuse of authorities.

Each Board Committee has written terms of reference including the authority to approve and/or make recommendations to the Board for consideration and approval. The terms of reference and responsibilities of the Board Committees are clearly set out in the Company's Board Charter.

All deliberations, recommendations and decisions of the Board Committees are minuted, and the minutes are subsequently confirmed at the next meeting of the relevant Board Committees. During the Board meetings, the Chairman of the relevant Board Committees provide reports of the discussions, recommendations and decisions made at their meetings and highlights to the Board for noting or deliberation required at the Board's level.

The Executive Management comprising members of the Board holding executive positions and Senior Management of the Group is governed by a defined organisational chart, framework, policies and the Limit of Authorities (**LOA**) approved by the Board. The LOA sets out clear authority limits pertaining to the operations of the Group through segregation of duties. It also defines the level of authorisation required for specified transactions and its approval limits which the Executive Management is expected to adhere to in carrying out its day-to-day functions.

Roles of Chairman and Managing Director are Separate and Clearly Defined

The Chairman of the Board, Executive Deputy Chairman and the Managing Director were held by different individuals. Their roles were separated to ensure an appropriate balance of power and their respective responsibilities were clearly established and set out in the Board Charter.

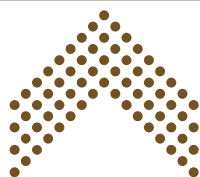
CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I BOARD RESPONSIBILITIES (CONT'D)

GOVERNANCE STRUCTURE at a glance

BOARD OF DIRECTORS Collectively responsible for long-term success of the Group Oversees overall governance, financial performance and sustainability of the Group			
Leadership	Strategy & Financial	Risk Management & Internal Control	Investors Relation
Provides leadership, succession planning, training and development including fixing of remuneration	Focuses on long-term sustainability of business, sets strategy and oversees its implementation	Ensures the adequacy and integrity of the Group's internal control systems and appropriate management of principal risks	Ensures effective communication and continuous engagement with stakeholders



BOARD COMMITTEES			
Audit Committee	Nominating Committee	Remuneration Committee	Risk Management Committee
Oversees financial reporting, risk management and internal audit function	Oversees the overall effectiveness of the Board, Board Committees, Directors and Senior Management	Determines Directors' and Senior Management's remuneration and incentives	Reviews risk management and implements control activities and processes



EXECUTIVE MANAGEMENT		
Executive Deputy Chairman	Managing Director	Executive Director, Senior Management & Management Committee or Working Group
Develops the Group's vision, mission, core values, strategies and business objectives and provides leadership and guidance	Manages the day-to-day business and operations of the Group.	Supports the Managing Director to achieve the performance objectives and growth of the Group

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I BOARD RESPONSIBILITIES (CONT'D)

Leadership Roles and Responsibilities

Role	Key Responsibilities
Chairman of the Board	<p>The Chairman of the Board is an Independent Director with no executive function. His key responsibilities include leading the Board in establishing and monitoring good corporate governance practices, ensuring effectiveness of the Board, and ensuring effective communications with shareholders and other stakeholders.</p> <p>The Chairman of the Board is not a member of the Audit Committee, Nominating Committee and Remuneration Committee.</p>
Executive Deputy Chairman	The Executive Deputy Chairman takes on more strategic role focusing his attention on matters relating to the strategic plans and policies of the Group at the same time, he provides leadership to the overall conduct of the Group's businesses to ensure that the Group is being properly managed.
Managing Director	The Managing Director is responsible for day-to-day management of financial and operational matters, and drives the Group's businesses and performance towards achieving the growth and vision of the Group.
Executive Director/ Senior Management	The Executive Director/Senior Management supported the Managing Director in the day-to-day business and operation in accordance with the strategic direction established by the Board.
Non-Executive Directors	The Non-Executive Directors are responsible for acting as a check and balance of the Board and the Management by providing independent and unbiased views and to protect the long-term interest of shareholders, employees, customers, suppliers and other stakeholders of the Group.

Role of Company Secretaries

The Board is supported by 2 qualified Company Secretaries. Both Company Secretaries have tertiary education and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

All Board, Board Committees and general meetings of the Company are attended by the Company Secretary, who is responsible for the accuracy and adequacy of records of proceedings of the meetings and resolutions. They are also responsible for the proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company.

During FY2022, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes and other areas of governance and secretarial practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I BOARD RESPONSIBILITIES (CONT'D)

Role of Board Committees

As at 31 December 2022, the Board has 4 Board Committees as follows:

1) Audit Committee

The Audit Committee is chaired by Ms. Lam Voon Kean, an Independent Non-Executive Director of the Company.

During FY2022, the Audit Committee met 5 times and the members' attendance for FY2022 is set out in the Audit Committee Report section of this Annual Report.

2) Nominating Committee

The Nominating Committee is chaired by Dato' Seri Mokhtar Bin Mohd Jait, an Independent Non-Executive Director of the Company.

During FY2022, the Nominating Committee met once to conduct assessments and made corresponding recommendations to the Board in respect of the following matters:

- The composition and effectiveness of the Board and the Board Committees;
- The contribution and competencies of each individual Director;
- The independence and time commitment of the Independent Non-Executive Directors;
- The effectiveness of the Board towards Environmental, Social and Governance (“ESG”) and Sustainability Matters;
- The effectiveness and objectivity of the Audit Committee and each of its members;
- The trainings attended by the Directors during the financial year;
- The Boardroom diversity;
- The performance of Senior Management and succession plan of the Group;
- The Directors due for retirement by rotation at the Annual General Meeting (“AGM”); and
- The independence of the Independent Non-Executive Director who had served the Board for more than 9 years due for re-appointment at the AGM.

The members' attendance for FY2022 was as follows:

Members of Nominating Committee	No. of meetings attended	Percentage of attendance
Dato' Seri Mokhtar Bin Mohd Jait	1/1	100%
Lam Voon Kean	1/1	100%
Tsai Chia Ling	1/1	100%

3) Remuneration Committee

The Remuneration Committee is chaired by Dato' Seri Mokhtar Bin Mohd Jait, an Independent Non-Executive Director of the Company.

During FY2022, the Remuneration Committee met twice to review and recommend the remuneration packages of the Executive Directors and Senior Management as well as the Directors' benefits, incentives and fees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I BOARD RESPONSIBILITIES (CONT'D)

Role of Board Committees (Cont'd)

3) Remuneration Committee (Cont'd)

The members' attendance for FY2022 was as follows:

Members of Remuneration Committee	No. of meetings attended	Percentage of attendance
Dato' Seri Mokhtar Bin Mohd Jait	2/2	100%
Lam Voon Kean	2/2	100%
Tsai Chia Ling	2/2	100%

4) Risk Management Committee

The Risk Management Committee comprised of Executive Directors and Senior Management and chaired by the Managing Director, Mr. Teh Deng Wei.

During FY2022, the Risk Management Committee met once to review and discuss the risks profile, risk controls and mitigation policies to ensure their relevance in the Group's business environment and also to review the identified risks affecting the Group were being addressed, managed and mitigated on an ongoing basis.

The members' attendance for FY2022 was as follows:

Members of Risk Management Committee	No. of meetings attended	Percentage of attendance
Teh Kiak Seng	1/1	100%
Teh Theng Theng	1/1	100%
Teh Deng Wei	1/1	100%
Lim Beng Hoe	1/1	100%
Roselyn Tan	1/1	100%

Board Meetings

The Board commits to meet at least 4 times in a financial year. The meetings of the Board and Board Committees are held separately and the proceedings thereat are properly documented in the minutes of the respective meetings.

Each Director is expected to commit and devote enough time in carrying out his/her role as a Director and/or member of the Board Committees. The Board meetings for each financial year are scheduled before the end of the preceding financial year to ensure the Directors plan and fit the year's meetings into their schedules.

During FY2022, a total of 6 meetings were held virtually and 1 physical meeting was held after the physical AGM of the Company. For the virtual meetings, all the Directors had participated remotely and in a secure, efficient and convenient manner.

To facilitate a more effective check on the affairs of the Company, the Non-Executive Directors held 2 meetings each with the Internal Auditors and External Auditors respectively during the financial year without the presence of the Executive Management (Private Sessions).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I BOARD RESPONSIBILITIES (CONT'D)

Board Meetings (Cont'd)

The Directors' attendance for FY2022 was as follows:

Members of the Board	No. of meetings attended	Percentage of attendance
Lai Fook Hoy	7/7	100%
Teh Kiak Seng	7/7	100%
Teh Deng Wei	7/7	100%
Teh Theng Theng	7/7	100%
Tsai Chia Ling	7/7	100%
Lam Voon Kean	7/7	100%
Dato' Seri Mokhtar Bin Mohd Jait	7/7	100%

During FY2022, the Board had also approved certain matters relating to the Company's affairs by way of Directors' Circular Resolution signed by all the Directors for the time being of the Company. A total of twelve (12) Directors' Circular Resolution were circulated and duly passed.

Board Succession

As part of the Group's effort on succession planning, the Nominating Committee is tasked to review the leadership succession plan at the end of each financial year to ensure the Group is well positioned to deliver on its value proposition to shareholders and stakeholders of the Company.

As at 31 December 2022, the Board was satisfied that the current organisational structure has the capabilities and leaderships expected from them in spearheading the Group in the best interest of the Company, shareholders and its stakeholders.

Board Policies

In upholding the Company's obligation in corporate governance, the Board had embedded a clear framework and takes zero-tolerance approach to bribery and corruption in the Group's culture. In conjunction thereto, the Company had undertaken an extensive exercise to implement the Anti-Bribery Management System.

The Company had revamped its existing policies and procedures, undertaking rigorous risk review, compliance monitoring, trainings and communications of Section 17A of the Malaysian Anti-Corruption & Commission Act 2009 and other requirements necessary to prevent bribery and corruption.

The following policies serve as a guide to strengthen the governance and internal control of the Group:

- Board Charter;
- Whistle-Blowing Policy;
- Code of Business Conducts and Ethics;
- Anti-Bribery & Corruption Policy;
- Directors' Fit and Proper Policy; and
- Corporate Disclosure as set out in Shareholders' Communication section in the Board Charter.

The Board reviewed the above policies annually, or as and when required. Copies of the above policies are available on Company's website (www.tambunindah.com).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I BOARD RESPONSIBILITIES (CONT'D)

Access to Information or Advice

The Company recognises the importance of providing the Directors with complete, accurate and relevant information on a timely basis.

Prior to the Board and the Board Committee meetings, a formal agenda together with a set of meeting materials which are complete with accurate documents for deliberation together with the minutes of the previous Board and Board Committees are circulated to all Directors and members of the respective Board Committees at least 7 days' before the relevant Board and Board Committee meetings. This is to give the Directors sufficient time to evaluate and consider issues relevant to the businesses and operations of the Company and to participate effectively in discharging their duties.

Upon conclusion of the relevant meeting, the minutes are circulated in a timely manner.

Apart from the detailed meeting materials provided at every meeting of the Board and Board Committees, the Directors in discharging their duties also have direct access to the Senior Management and unrestricted access to all information of the Group.

Besides, the Directors are given independent access to the advice and support services of the Company Secretary. If further information, which they may require in discharging their duties, the Directors may seek independent professional advice at the Company's expense subject to prior approval of the Board.

II BOARD COMPOSITION

Board Independence

The Board comprises of 3 Independent Directors, 1 Non-Independent Non-Executive Director and 3 Executive Directors, which is equivalent to 43% of Independent Non-Executive Directors represented in the Company's boardroom.

The Company complies with the requirement of the Main LR of Bursa Securities where at least 2 Directors or 1/3 of the Board members, whichever is higher are Independent Directors. The Company however did not adopt Practice 5.2 of MCGG that requires at least 50% of the Board being Independent Directors.

In the event of any vacancy in the Board, resulting in non-compliance with the total number of Independent Non-Executive Directors, the Company will ensure that the vacancy is filled within 3 months. If the number of Directors is not 3 or a multiple of 3, then the number nearest to 1/3 will be used to determine the number of Independent Non-Executive Directors of the Company.

The Board measures the independence of its Independent Non-Executive Directors based on a set of criteria and the Nominating Committee reviews the independence of each Independent Non-Executive Directors annually.

Upon the recent assessment, the Nominating Committee and the Board was satisfied with the independence of the current Independent Non-Executive Directors of the Company based on the following justifications:

- i) All the Independent Directors complied with the Main LR of Bursa Securities;
- ii) None of Independent Directors participated in any business dealings with the Group in FY2022;
- iii) All the Independent Directors had no conflict of interest that could affect their independent judgement or ability to act in the best interest of the Company;
- iv) All the Independent Directors had devoted sufficient time commitment in fulfilling their role as independent directors adequately in FY2022; and
- v) All the Independent Directors had demonstrated objective participations in Board discussions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II BOARD COMPOSITION (CONT'D)

Board Independence (Cont'd)

The independent assessments and opinions of the Independent Non-Executive Directors are important in ensuring the effectiveness of corporate governance practices of the Company. No individual Director can dominate the decision-making of the Board despite the Board has representatives of the substantial shareholders.

All Directors of the Company are fully aware of their responsibilities towards the shareholders and stakeholders of the Company. They act diligently in dealing with the affairs of the Company and are obliged to act in good faith and to take objective decisions in the best interest of the Company. The Independent Non-Executive Directors monitor the performance of corporate governance by providing independent assessment and opinion.

The presence of 43% independent directors in the Company's boardroom sufficiently represents a strong independent element for effective check and balance on the functioning of the Board.

Conflict of Interest

Every Director of the Company is required to disclose any conflict or potential conflict of interest, whether directly or indirectly, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his or her knowledge. On an annual basis, each Director is also required to submit their declaration on conflict of interest together with the annual assessment questionnaires that was provided.

When there is an actual or potential conflict of interest, the concerned Director shall abstain from voting, and recuse himself from discussion or decision making involving the issue of conflict and related matters.

As at 31 December 2022, none of the Directors have any conflict of interest with the Company and the Group.

Board Experience

The Board has appropriate balance and mix of credentials and diversity of background which are essential and/or valuable for decision-making in the best interest of the Company and its stakeholders.

As at 31 December 2022, the Board comprised of Directors with core competencies in the areas of construction, civil engineering, finance, manufacturing, public policy and regulatory as well as business development. Coupled with the Directors' work experiences and skills, the existing composition of the Board is adequately appropriate in leading the Group to meet the objectives and business direction of the Group.

The composition and diversity of the Board as at 31 December 2022 was as follows:

Gender Diversity		Age Diversity		Tenure of Independent Directors	
Male	57 %	Below 40 years	14 %	Below 9 years	67 %
Female	43 %	40 - 55 years	14 %	Above 9 years	33 %
		56 - 70 years	43 %		
		Above 70 years	29 %		

Gender Diversity

The Board embraces gender diversity to strengthen its Board composition as female Directors may offer different breadth of perspectives which leads to better collective decision. In this respect, the Board has established a policy to have at least 30% female Directors represented on the Board.

As at 31 December 2022, the Board comprised of 3 female Directors, which was equivalent to 43% female representation in the Company's boardroom.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II BOARD COMPOSITION (CONT'D)

Age Diversity

The Board believes that the Directors with diverse age profiles would provide different perspectives and ideas to strengthen the composition of the Board.

As at 31 December 2022, the age profile of the directors ranged from below 40 to 73 years of age.

Tenure of Independent Directors

The Board does not have a policy that limits the tenure of its Independent Directors to 9 years. The Board however, adopts Practice 5.3 of the MCCG as any Independent Director who has served on the Board beyond 9 years will subject to annual shareholders' approval should the Board intends to retain the Independent Director beyond the 9 years.

The tenure of one of the Company's Independent Non-Executive Directors, Mr. Lai Fook Hoy had exceeded a cumulative term limit of 9 years. Mr. Lai was appointed as an Independent Non-Executive Director on 24 February 2012.

The Nominating Committee had assessed the independence of Mr. Lai Fook Hoy and recommended to retain him as an Independent Non-Executive Director of the Company by virtue of his integrity, objectivity and caliber. During FY2022, Mr. Lai had demonstrated his objectivity and independence in expressing his opinions in the decision making of the Board. The length of his service on the Board has not in any way interfered with his independence.

The Board agreed with the recommendation of the Nominating Committee and had resolved to recommend that Mr. Lai Fook Hoy be retained and continue to act as an Independent Non-Executive Director of the Company for shareholders' approval through a two tier voting process at the forthcoming AGM.

Mr. Lai Fook Hoy had abstained from deliberating and voting on the above.

Notwithstanding the above, the Board is cognisant of the amended Main LR of Bursa Securities which now places an outright limit of 12 years on the tenure of Independent Director. Given that the amended Main LR of Bursa Securities will become effective from 01 June 2023, the Board will undertake the necessary process to comply with the requirement.

Re-elections and Appointments

An election of Director shall take place every year. In accordance with the Company's Constitution, 1/3 of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the Directors shall retire from office at least once every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the AGM at which he retires.

The Nominating Committee is responsible to assess and recommend the re-election of Directors due for retirement under the Company's Constitution. In discharging its duties, the Nominating Committee will assess the Directors who have offered themselves for re-election, taking into consideration their experiences, strengths, time commitment, qualities, independence and objectivity. The Board will then make recommendations to the shareholders for approval at the AGM.

Ms. Teh Theng Theng and Mr. Teh Deng Wei will be retiring by rotation as Directors of the Company in accordance with the Company's Constitution. Being eligible for re-election, they had provided their consents to seek for re-election at the forthcoming 15th AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II BOARD COMPOSITION (CONT'D)

Re-elections and Appointments (Cont'd)

The Board through the Nominating Committee had assessed and recommended them for re-election as Directors at the forthcoming 15th AGM having regard to the following assessment criteria:

- (i) The individual Director's contributions based on their respective self-assessment results/outcome;
- (ii) The individual Director's contribution to the Board through their respective skills, experience and strength in qualities; and
- (iii) Their capacity to bring independent judgement and ability to act in the best interests of the Company as a whole.

The Nominating Committee also tasked to assess and recommend new appointments to the Board. In evaluating the candidate, the Nominating Committee will consider amongst others, the following factors:

- the structure, size and composition of the Board at the time, taking into account succession planning, where appropriate;
- the candidate's background, education, age, relevant skills and experiences;
- the candidate's reputation for integrity, accomplishments and likely commitment in terms of time and interest;
- the number of directorships held in public companies and the candidate's ability to devote sufficient time to the Board; and
- the independence of the candidate proposed to be appointed as an independent non-executive director, in particular by reference to the independence requirements under the Main LR of Bursa Securities.

The Nominating Committee shall make their recommendations and put to the Board for endorsement of appointment. The Board will consider the recommendations of the Nominating Committee and make its final decision as to the appointment.

The Company Secretaries are responsible to ensure the relevant procedures relating to the appointment of the new director are properly executed.

Annual Assessments

The Nominating Committee performs annual assessments to review the effectiveness of the Board as a whole, the Board Committees, the Audit Committee and each of its members, and makes its recommendations to the Board. Additionally, the Nominating Committee also assesses the contributions of individual directors and the independence of the Independent Directors and makes its recommendations to the Board.

The assessment of the Board as a whole, Board Committees, the Audit Committee and each of its members are carried out by way of evaluation questionnaires. The results of the annual assessments are compiled by the Company Secretary and presented to the Nominating Committee for evaluation and consideration. The Nominating Committee will evaluate and table its recommendations to the Board. The Director concerned shall abstain from deliberating on his/her own assessment.

The Board was satisfied that the size and composition of the Board and the Board Committees in FY2022 were adequate with diverse backgrounds, skillsets and capabilities, and objectivity with integrity that are required to support the execution of the Company's vision and business strategy.

The assessments of individual Directors, Independent Directors and Senior Management are carried out by way of self-assessment questionnaires. The self-assessment questionnaires include amongst others the character, integrity, contributions in meetings, quality of input, and understanding of role and time commitment.

The Board was satisfied that all the Directors and Senior Management in FY2022 were able to discharge their duties and responsibilities diligently in the best interest of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II BOARD COMPOSITION (CONT'D)

Board Commitments

The Board has members who hold external directorships outside the business interests of the Group, which the Board recognizes it is a benefit to the Company due to the concerned Directors' boardroom exposures. Notwithstanding this, the Directors who hold multiple board representation must provide their assurance that any new or additional appointments will not impact their time commitment to their roles in the Company.

The Nominating Committee also assesses whether the Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. The assessment of each Director's ability to discharge his/her duties adequately is not confined to the criterion of the number of his/her board representations as time requirements are very subjective.

In view of the above, the Nominating Committee takes into account the contributions by the Directors in meetings, their attendance at meetings and their participation outside the boardroom, in addition to their principal duties as Non-Executive Directors of the Company.

As at 31 December 2022, all the Directors complied with Paragraph - 15.06 (1) of the Main LR of Bursa Securities as none of them had held more than 5 directorships in public listed companies.

If anyone Director wishes to accept a new directorship, they are required to notify the Managing Director before accepting any new directorships in public listed companies, and of his/her time commitment in fulfilling his/her role to make positive contributions to the Board.

The Board was satisfied with the level of commitment by the Directors in FY2022 as all of them had attended all the Board and relevant Board Committee meetings including the AGM of the Company held during FY2022.

Board Development

Any Director appointed to the Board is required to complete the Mandatory Accreditation Programme ("MAP") within 4 months from the date of appointment. In addition to the MAP, the Directors are to determine their own training needs.

The Board is also regularly updated on the latest key changes to the listing requirements and other applicable legislation as well as the developments in accounting principles, by way of briefing updates by the Company Secretary, Management and/or the Auditors.

The Directors are encouraged to attend structure trainings to keep abreast with the developments in the business environments. At the end of each financial year, the Directors will provide to the Company, a record of his/her trainings attended during the year. The Nominating Committee will assess the continuous development of the Directors and tables its recommendation to the Board.

As at 31 December 2022, all the Directors had participated in various programmes to enhance their knowledge and understanding of recent developments in accounting, sustainability, corporate governance, tax, sales and leadership to aid them in the discharge of their duties and responsibilities as Directors of the Company.

The Board through the Nominating Committee had assessed the trainings attended by the directors in FY2022 and was satisfied with the Directors' own evaluation of their training needs and therefore, a policy on Directors' training is not required.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II BOARD COMPOSITION (CONT'D)

Board Development (Cont'd)

During FY2022, the trainings attended by the Directors were as follows:

Name	Trainings attended
Lai Fook Hoy	<ul style="list-style-type: none"> Safeguarding our UNESCO Heritage Sites in Penang through Professional Conservation Efforts-Preserving the Past for the Future Getting Started with Climate-Related Financial Reporting Seismic Design and Earthquake Engineering (Part 2 of 5) Towards Smarter Transport Failure Analysis and Material Analysis
Dato' Seri Mokhtar Bin Mohd Jait	<ul style="list-style-type: none"> Truth, Trust and Climate Reporting
Lam Voon Kean	<ul style="list-style-type: none"> Tax Governance: It's Time to Embrace It Getting Started with Climate-Related Financial Reporting Building Experience in Climate-Related Financial Reporting Audit Oversight Board's Conversation with Audit Committee Insights into Task Force on Climate-Related Financial Disclosures ("TCFD") and Sustainable Finance Developing Malaysia's Roadmap to Net Zero ISSB-MASB Outreach Session on IFRS Sustainability Disclosure Exposure Drafts Navigating through the Evolution of Corporate Governance with the Introduction of Tax Corporate Governance Framework ("TCGF") Common Transfer Pricing Challenges in Malaysia Human Rights Risk Management for Malaysian Companies Understanding the requirements in Bursa Malaysia's Enhanced Sustainability Reporting Framework 2022 MFRS Updates Seminar
Teh Kiak Seng	<ul style="list-style-type: none"> The Power of Construction Management Tool in Construction Industry- Machine Learning Safeguarding our UNESCO Heritage Sites in Penang through Professional Conservation Efforts-Preserving the Past for the Future Seismic Design and Earthquake Engineering (Part 2 of 5) Commercial Building with a Flat Roofing System
Teh Theng Theng	<ul style="list-style-type: none"> Fire Safety and Prevention - Burn Your Ignorance to Ashes, Ignite Your Attention to Flames! Circular Economy Conference 2022 - Building Sustainability Cyber Security: What Directors Need to Know
Teh Deng Wei	<ul style="list-style-type: none"> Advocacy Session for Directors and Senior Management of Main Market Listed Issuers
Tsai Chia Ling	<ul style="list-style-type: none"> Virtual Investing Roundtable: 2022 Market Outlook Getting Started with Climate-Related Financial Reporting AOB Conversation with Audit Committees The Trend: What's Next for Ukraine The 2H2022 Outlook and Beyond - In the Eye of the Storm The Trend: Are We Entering a Second Cold War Recession and the US Economic Outlook The Trend: 2022 U.S. Midterm Elections

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III REMUNERATION

Remuneration Policies

The Board has established a formal and transparent process in determining the remuneration package of the Executive Directors. The remuneration of the Executive Directors is structured to link rewards to their respective contributions in supporting the Group's corporate policies, objectives, and strategies. The objective of the policy is to ensure that a competitive remuneration framework is in place to reward, motivate and retain talent to drive the Group's businesses to greater growth and to maximise long term shareholders' value.

The remuneration framework for Executive Directors covers all aspects of remuneration including fees, salaries, allowances, bonuses, incentives, ESOS options, statutory contributions and benefits-in-kind.

The Board determines the remuneration package of the Executive Directors and Senior Management as recommended by the Remuneration Committee. No Executive Director or Senior Management participates in deciding his/her own remuneration.

The Remuneration Committee also reviews and recommends to the Board, the remunerations of the Non-Executive Directors based on their level of responsibilities and commitment required. In addition to the Directors' fees, all the Non-Executive Directors are paid meeting allowance and other benefits such as insurance and training.

The Directors' fees and benefits payable to Directors are subject to annual shareholders' approval at the AGM.

Remuneration of Directors

The remuneration of the Directors for FY2022 was as follows:

Name	Fees	Allowance	Salaries & other emoluments	Bonus	Defined contribution plan	Benefits-in-kinds	Total
Non-Executive Director (in RM)							
Lai Fook Hoy	62,000	3,500	-	-	-	-	65,500
Lam Voon Kean	60,000	3,500	-	-	-	-	63,500
Dato' Seri Mokhtar Bin Mohd Jait	54,000	3,500	-	-	-	-	57,500
Tsai Chia Ling	50,000	3,500	-	-	-	-	53,500
Executive Director (in RM)							
Teh Kiak Seng	40,000	-	689,143	280,500	145,350	40,100	1,195,093
Teh Deng Wei	40,000	-	1,702,001	693,000	359,100	27,000	2,821,101
Teh Theng Theng	40,000	-	468,102	155,700	93,420	11,100	768,322
	346,000	14,000	2,859,246	1,129,200	597,870	78,200	5,024,516

Save as disclosed above, none of the Directors provided services or received fees for services rendered to the Company or its subsidiaries in FY2022.

Remuneration of Senior Management

The Remuneration Committee seeks to build, motivate and retain Senior Management to successfully manage the Company for the long term and to drive the business to greater growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III REMUNERATION (CONT'D)

Remuneration of Senior Management (Cont'd)

In determining the remuneration package of Senior Management, the Remuneration Committee takes into account a set of criteria that reflects the person's role, responsibilities, level of skills, experience and performance. The level of remuneration paid was also linked to the Group's financial results, individual performance and comparable statistics in the same industry.

The Company did not adopt the Practice 8.2 of MCGG which required the disclosure on a named basis the top five Senior Management's remuneration in bands of RM50,000.

The Board is of the opinion that specific disclosure on named basis will not be favorable towards the Group due to the competitive environment for personnel with the requisite knowledge and experience in the industry.

For FY2022, the aggregate sum of remunerations paid to the Senior Management Team was approximately RM0.95 million.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

The Board had established the Audit Committee to independently oversee the Group's financial reporting process, audit processes, statutory and regulatory compliances, corporate governance and any other matter which the Board may delegate from time to time and when necessary.

The Nominating Committee assesses the performance of the Audit Committee and its members annually to ensure an independent and effective Audit Committee. The Nominating Committee then tables its recommendation to the Board.

The Board was satisfied that all members of its Audit Committee are financially literate and possessed the appropriate level of expertise and commitment in discharging their responsibilities effectively.

Further details are set out in the Audit Committee Report section of this Annual Report.

External Auditors

The Audit Committee and the Board place great emphasis on the objectivity and independence of the Company's external auditors in providing relevant and transparent reports to the shareholders.

During FY2022, the Audit Committee reviewed the scope and approach of the external audit, the reporting obligations, the audit procedures, deliverables and key dates for the year's audit before the external auditors commenced their audits of the Company and its subsidiaries.

The Audit Committee also discussed with the External Auditors the accuracy and completeness of the accounting records, the impact of adoption of the new accounting standards, the effectiveness of the Group's internal controls and risk management including any other pertinent matter that was brought to the attention of the Audit Committee relating to the audit of the Group's financial statements.

In addition to the above, the Audit Committee also ensured that Management provides a timely response to any request of documents or queries raised by the External Auditors. Chairman of the Audit Committee then reported to the Board on the progress and findings of the audits as well as matters that required the Board's decision.

The Audit Committee also met with the External Auditors twice without the presence of the executive directors and management of the Group in FY2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I AUDIT COMMITTEE (CONT'D)

Assessment of External Auditors

The Audit Committee is responsible to assess the External Auditors annually. The Audit Committee evaluates the performance of the External Auditors using the evaluation metrics from the Corporate Governance Guide issued by Bursa Securities.

The Audit Committee has considered a number of aspects such as the adequacy of resources, quality of work, the experience of the staff assigned to the audit of the Group and of the Company as well as the independence and objectivity of the external auditors.

BDO PLT, had been the Company's External Auditors since FY2010. For maintaining integrity and objectivity as the External Auditors of the Company, BDO PLT implements policies and procedures to comply with professional ethics and independence policies and requirements applicable to the work they performed. Additionally, they rotate their engagement partner every 7 years in compliance with the Malaysian Institute of Accountants, to ensure objectivity, independence and integrity of their audit opinions.

BDO PLT had confirmed to the Audit Committee in writing that they complied with the ethical requirements regarding independence with respect to the audit of the Company and its subsidiaries for FY2022 in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conducts and Practice.

Upon its recent assessment, the Audit Committee was satisfied with the suitability of BDO PLT based on their audit approach, quality of work done, sufficiency of resources and independence. The Audit Committee had proposed that the Board recommends the re-appointment of BDO PLT as the External Auditors of the Company at the forthcoming AGM.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management

The Board places significant emphasis on a sound risk management process and internal control mechanism that are necessary to protect the business from identified material risks and to safeguard the Group's assets and shareholders' investment.

The Board had established the Risk Management Committee led by the Managing Director to oversee the adequacy of the Group's risk management framework to ensure risk management and internal controls are in place. The Risk Management Committee also tasked to identify new risks including reviewing and monitoring identified risks are being addressed, managed and mitigated on an on-going basis.

A dedicated risk report is prepared for this purpose and the Risk Management Committee will update the Audit Committee and the Board periodically on the Group's risk profile including actions undertaken by the management to manage or mitigate the risks identified.

The Board confirmed that there was an on-going process of risks identification and mitigation and such risks are updated in risk registers according to the risk nature namely strategic, operational and financial.

This process had been in place for FY2022 and up to the date of issuance of the Statement on Risk Management and Internal Control.

Further details of risk management are set out in the Statement on Risk Management and Internal Control section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Internal Audit Function

In FY2022, the Group had outsourced its internal audit function to an independent professional firm of consultants, Sterling Business Alignment Consulting Sdn. Bhd., a member of The Institute of Internal Auditors Malaysia (IIAM), to provide the Board with the assurance it required regarding the adequacy and integrity of the systems of internal control of the Group.

The Internal Auditors confirmed that there were no relationships or conflict of interest in the discharge of their responsibilities during FY2022 and they remained independent and had no direct operational responsibility or authority over any of the activities audited.

The Internal Auditors report directly to the Audit Committee.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control section and the Audit Committee Report section of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I COMMUNICATION WITH STAKEHOLDERS

Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's financial position and prospects to the public in accordance with the provisions of the Companies Act 2016, International Financial Reporting Standards and the Malaysian Financial Reporting Standards.

The Company has put in place, a financial reporting procedures and disciplines across its subsidiaries in ensuring the Group maintains accurate records and timely reporting of its financial performance.

The Finance Division prepares the annual consolidated financial statements and quarterly financial results of the Company. The Head of Finance shall update the Audit Committee and the Board on any new applicable approved accounting standards that are relevant to the Group including changes to the Company's accounting policies on an annual basis in the first quarter of the financial year. It has also been a practice that the Head of Finance to discuss and agreed with the external auditors in respect of any new and amended accounting standards and requirements, including any changes in accounting policies adopted by the Group before tabling to the Audit Committee and the Board for adoption.

In the preparation of the consolidated financial statements for FY2022, the Board in discharging its duties had taken the necessary steps to ensure all applicable accounting policies were applied consistently, and supported by reasonable and prudent judgement.

The Audit Committee assisted the Board to oversee the Group's financial reporting processes by reviewing the financial and statutory compliance aspects of the annual financial statements and quarterly financial results prior to deliberation at the Board's level.

The Board then discussed and approved the annual financial statements and quarterly financial results for release to Bursa Securities after the close of trading.

Stakeholders Communications

The Board recognises the importance of an effective communication channel between the Board, shareholders and general public, and at the same time, in full compliance with the disclosure requirements as set out in the Main LR of Bursa Securities. The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Stakeholders Communications (Cont'd)

The Company's Investor Relations team is tasked with, and focuses to build long term relationships and trust with the shareholders and the investment community. The team communicates regularly with shareholders and the investment community, with timely disclosures of material or other pertinent information through announcements to Bursa Securities. The team also conducts analyst presentations and corporate briefings to keep investors apprised of the Group's development and financial performance.

SHAREHOLDERS ENGAGEMENT

<p>Electronic Communication and Online Information</p>	<p>Sufficient and Timely Information</p>
<ul style="list-style-type: none"> Key corporate governance policies, board charter, minutes of AGM, Summary of Key Matters Discussed, financial reports and announcements are available on the Company's website. Hard copies of the Annual Reports and Circulars available on the Company's website are provided to shareholders (on request) free of charge. 	<ul style="list-style-type: none"> The AGM notice and Annual Report (including audited financial statements) are given to shareholders at least 28 days before the date for holding the AGM which exceeds the statutory requirement of 21 days. For each resolution to be proposed for approval by shareholders under special business, there are explanatory notes setting the rationale for shareholders to make an informed decision when exercising their voting rights.
<p>Accountability to Shareholders and Corporate Reporting</p>	<p>Dynamic engagement with Shareholders</p>
<ul style="list-style-type: none"> Disclosures of annual report, interim report and results, press releases and pertinent announcements are submitted to Bursa Securities on timely basis. 	<ul style="list-style-type: none"> Regular dialogues, meetings including regular presentation or conference calls between Senior Management and investors, fund managers and analysts.
<p>Corporate Disclosure</p>	<p>Dividend Policy</p>
<ul style="list-style-type: none"> Tambun Indah's Board Charter – Shareholders Communication provides guidance on the disclosure of material information to investors, analysts and media. This guidance identifies the spokespersons and outlines the responsibilities or communication with each stakeholder group. 	<ul style="list-style-type: none"> Tambun Indah's longstanding policy is to provide stable ordinary dividends to shareholders. The dividend payout is based on 40% to 60% of the Group's audited net profit excluding any valuation gain or loss on investment properties for the financial year.
<p>Voting</p>	
<ul style="list-style-type: none"> All the resolutions set out in the notice of meeting of members are put to vote by poll. The poll will be conducted by the Company's Share Registrar and scrutinised by an independent scrutineer. Procedures for conducting the poll are explained to members during the meeting prior to the taking of the poll. Poll results are announced and posted on the Bursa Securities' and the Company's websites on the same day after the meeting. 	

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II CONDUCT OF GENERAL MEETINGS

The Annual Report of the Company together with the notice of AGM is given to shareholders at least 28 days before the date of the AGM. Each item of special business included in the notice of AGM will be accompanied by explanatory statement to facilitate a full understanding and evaluation of the proposed resolution.

For general meetings other than the AGM, the Company provides the notice of general meeting at least 21 days for special resolution and 14 days for ordinary resolution.

The Board regards the general meeting is a principal forum for dialogue and interaction with shareholders. As such, at every general meeting, shareholders are encouraged to participate in the Question and Answer (Q&A) session during the general meeting wherein the Directors, Senior Management as well as the Company's External Auditors are available to respond to the questions posted.

In accordance with the Company's Constitution, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his/her behalf in any general meeting. The proxy need not be a member of the Company.

All the resolutions set out in the notice of general meeting will be put to vote by poll. During the meeting, the Independent Non-Executive Chairman will invite shareholders to raise questions pertaining to the proposed resolution before putting the motion to vote by poll.

Before the commencement of poll voting, the Company Secretary will brief shareholders on the poll voting procedures. An independent scrutineer will be appointed to undertake the polling and vote counting verification whilst the Company's Share Registrar will be the polling administrator.

The Company Secretary will announce the results of the poll and the outcome of the general meeting to Bursa Securities via the Bursa LINK and the said announcement can also be accessed via the Company's website (www.tambunindah.com).

Annual General Meeting

The Company held its 14th AGM physically on 16 June 2022.

At the commencement of the 14th AGM, the Managing Director presented the Group's performance and future plan to the shareholders and this had enabled them to share feedbacks and post questions relating to the Company's prospects during the meeting.

Before the proposed resolutions of the 14th AGM were put to the vote by poll, the Independent Non-Executive Chairman invited shareholders to raise questions relating to the proposed resolutions which the Board and Senior Management were present to respond to any questions from the shareholders. The Company's External Auditors were also present to address issues relating to the audits and the auditors' reports.

The minutes of the 14th AGM was made available on the Company's website within 30 days from the said meeting.

This statement was approved by the Board on 13 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Securities, the Board of Directors (“the Board”) of Tambun Indah Land Berhad (“the Company”) is pleased to provide the following statement on risk management and internal control of Tambun Indah Land Berhad and its subsidiaries (“the Group”) for the financial year ended 31 December 2022. This has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), Malaysian Code on Corporate Governance (“MCCG”) and “Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers”.

Responsibility for Risk Management and Internal Control

The Board acknowledges its overall responsibility for the Group’s system of risk management and internal control, and for reviewing its adequacy and effectiveness. The risk management system is designed to manage the Group’s risks within an acceptable risk profile, rather than to totally avoid or eliminate the risks that are inherent to the Group’s activities.

The Board recognizes the importance of internal audits to establish and maintain a sound system of internal control. In view of the limitations that are inherent in any system of internal control, it can only provide reasonable but not absolute assurance against material misstatement of financial information, loss or fraud. The Board regularly receives and reviews reports on internal control, and is of the view that the system of internal control is adequate to safeguard shareholders’ interests and the Group’s assets.

The role of Management is to implement the Board’s policies and guidelines on risks and controls, to identify and evaluate the risks faced, and to operate a suitable system of internal control to manage these risks. The Board has received assurances from Management that the Group’s system of Risk Management and Internal Control is operating adequately and effectively throughout the financial year under review.

Risk Management

The Board confirms that there is an on-going process of identifying risks, evaluating and managing the significant risks faced by the Group. This process is in place for the year under review, and up to the date of issuance of the Statement on Risk Management and Internal Control.

As part of the Risk Management process, a Registry of Risk and a Risk Management Handbook had been prepared. The Risk Management Handbook summarizes risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The respective risk owners are accountable to identify risks and ensuring that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in various work processes and procedures of the respective operational functions and management team.

The key elements of the Group’s risk management framework include:

- A Risk Management Working Group is established to support and advise the Board on the implementation and monitoring of the Group Risk Management Policies and Strategies. The working group comprises the Executive Management team that includes Executive Deputy Chairman, Managing Director, Executive Director, Senior Management and Managers from respective departments.
- The duties of the Risk Management Working Group include:
 - o Assess and monitor all risks including corporate liabilities risks associated with the operations of the Group;
 - o Develop and implement internal compliance and control systems and procedures to manage risks;
 - o Assess and monitor the effectiveness of controls instituted;
 - o Review and make recommendations to the Board in relation to Risk Management;
 - o Consider and make recommendations to the Board in connection with the compliance by the Group with its Risk Management Strategy;
 - o Report to the Board on any material changes to the risk profile of the Group;
 - o Monitor and refer to the Board any instances involving material breaches or potential breaches to the Group’s Risk Management Strategy;
 - o Report to the Board in connection with the Group’s annual reporting responsibilities in relation to matters pertaining to the Group’s Risk Management Strategy; and
 - o Undertake an independent review on an annual basis in accordance with the Group’s Risk Management framework and make recommendations to the Board in connection with changes required to be made to the Group’s Risk Management Strategy.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management (cont'd)

- The Risk Management Working Group reviews the Terms of Reference to ensure that it is operating at maximum effectiveness, recommending any changes it considers necessary to the Group.
- The Risk Management Working Group updates the Board on the Group's risk profile and reports any new significant risks once a year.
- The Group has established a business continuity plan to minimize disruptions to the business and operations.

Internal Audit Functions

The Board, in its efforts to provide adequate and effective internal control, had appointed an independent consulting firm, Sterling Business Alignment Consulting Sdn Bhd ("Sterling") to review the adequacy and integrity of its system of internal control. Sterling acts as the internal auditor and reports directly to the Audit Committee quarterly during the Audit Committee Meeting. Sterling is free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited.

The Audit Committee is of the opinion that the internal audit function is effective and able to function independently.

Sterling uses the Committee of Sponsoring Organizations of the Treadway Commission - Internal Control (COSO - IC) Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. On a quarterly basis, the internal auditor reports to the Audit Committee on areas for possible improvement, and Management's responses to such recommendations. Follow-up audits are also carried out and the outcomes were reported to the Audit Committee to ensure weaknesses identified have been or are being addressed.

The internal audit reviews are conducted according to the approved internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process.

During the financial year, the internal auditor had reviewed the adequacy and integrity of the Group's internal control system of the key functions including the system for compliance with applicable laws, regulations, rules, directives and guidelines.

For the financial year ended 31 December 2022, four (4) internal audit reviews had been carried out and reported by Sterling:

Audit Period	Reporting Month	Audited Areas
1 st Quarter (Jan 2022 – Mar 2022)	May 2022	<ul style="list-style-type: none"> • Sales and Marketing • Sales Administration
2 nd Quarter (Apr 2022 – Jun 2022)	Aug 2022	<ul style="list-style-type: none"> • Finance and Accounts
3 rd Quarter (Jul 2022 – Sep 2022)	Nov 2022	<ul style="list-style-type: none"> • Risk Management
4 th Quarter (Oct 2022 – Dec 2022)	Feb 2023	<ul style="list-style-type: none"> • Pre-Contract Management • Post-Contract Management

For the financial year ended 31 December 2022, four (4) follow-up status reviews on previously reported audited findings had been carried out and reported by Sterling.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Other Key Elements of Internal Controls

The Group has also put in place the following key elements of internal controls:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, appropriate segregation of duties and levels of delegated authority;
- A set of documented internal policies and procedures, which is subject to regular review and improvement by management;
- Budgets for the financial year are reviewed on a yearly basis and major variances if any, are followed up and remedial actions are taken where necessary;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Report by the Management to the Board on significant operational matters and other issues that affect the Group;
- Regular visits to operating units and/or project sites by Executive Deputy Chairman, Managing Director, Executive Director and Senior Management;
- The internal audit function carries out quarterly internal audit reviews to ascertain the adequacy of, and monitor the effectiveness of operational and financial procedures; and
- During the Audit Committee and Board meetings, quarterly results, annual financial statements, related party transactions and updates on business development are reviewed and key risks highlighted by the management are deliberated upon.

The Board is of the view that there was no significant breakdown or weaknesses in the system on internal controls of the Group that had resulted in material losses to the Group for the financial year ended 31 December 2022.

Assurance from the Management

The Board had received assurance from the Managing Director and General Manager- Head of Finance that the Group's risk management and internal control is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Review of Statement by the External Auditors

The external auditors had reviewed this Statement in accordance with Paragraph 15.23 of the MMLR of Bursa Securities. The review of this Statement by external auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA").

Based on their review, the external auditors had reported to the Board that nothing had come to the attention that caused them to believe that this Statement on Risk Management and Internal Control is not, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

Conclusion

The Board remains committed to maintaining a sound system of internal control and risk management to achieve a balance between the Group's business objectives and operational efficiency. The Board is of the view that there were no material losses incurred during the financial year ended 31 December 2022 as a result of weaknesses in internal control that would require separate disclosure in the Group's Annual Report. The Board continually evaluates and takes measures to strengthen the internal control systems.

This statement is made in accordance with the Board Resolution dated 13 April 2023.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee as at 31 December 2022 consisted of:

Name	Designation	Directorate
Lam Voon Kean	Chairman	Independent Non-Executive
Dato' Seri Mokhtar Bin Mohd Jait	Member	Independent Non-Executive
Tsai Chia Ling	Member	Non-Independent Non-Executive

MEETINGS AND ATTENDANCE

A total of 5 Audit Committee meetings were held during the financial year ended 31 December 2022 and the details of attendance were as follows:

Name	No. of Meetings Attended
Lam Voon Kean	5 / 5
Dato' Seri Mokhtar Bin Mohd Jait	5 / 5
Tsai Chia Ling	5 / 5

The Chief Operating Officer and General Manager, a representative of the external auditors and a representative of the internal auditors normally attend the meetings. Other members of the Board or senior management may attend the meetings upon invitation. The Audit Committee also meets with the external auditors without executive Board members and management present at least twice a year.

SUMMARY ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 31 December 2022 were summarised as follows:

- a) Reviewed the unaudited quarterly financial results before presentation to the Board for approval and for release to the authorities and public.
- b) Reviewed and approved the internal and external audit plans.
- c) Reviewed the draft audited financial statements before presentation to the Board for approval and for release to the authorities and public.
- d) Reviewed the related party transactions that arose within the Group.
- e) Reviewed and assessed the risk management activities of the Company and the Group.
- f) Reviewed and verified the allocation of options to eligible employees of the Group pursuant to the Share Option Scheme.
- g) Reviewed the internal audit reports and the management action plan on recommendations noted in the reports.
- h) Reviewed the external audit findings with the External Auditors.
- i) Appraised the performance of the Internal Auditor and approve any appointment and termination of the Internal Auditor.
- j) Appraised the performance of the External Auditors and considered the appointment and/or re-appointment of the External Auditor.
- k) Oversaw the implementation adequacy and effectiveness of the Group's Anti-Bribery Management System.
- l) Approved non-audit services rendered by the External Auditors and its affiliate.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Company engages the services of an independent professional firm of consultants, Sterling Business Alignment Consulting Sdn. Bhd. to carry out the internal audit functions of the Group in order to assist the Audit Committee in discharging its duties and responsibilities. The internal auditors also assist in meeting the business objectives of the Company by establishing and maintaining a systematic, disciplined approach to evaluate and improve the effectiveness of the Company's risk management framework.

The internal auditor adopts a risk-based audit methodology to develop its audit plan and activities. The internal audit functions of the Group are then carried out according to the internal audit plan as approved by the Audit Committee. Greater focus and appropriate review intervals are set for higher-risk activities, material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

The findings by the Internal Auditors and recommendations are provided to the Management who would respond to the actions to be taken. Each quarter, the internal auditors present its report to the Audit Committee. The Audit Committee then monitors the timely and proper implementation of required corrective or preventive or improvement measures undertaken by the Management so as to continuously improve the system of internal control of the Group.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2022 was RM83,657.

The activities of the internal auditors during the financial year ended 31 December 2022 were summarised as follows:

- 1) Followed up reviews on the findings reported in previous financial quarters.
- 2) Reviewed the Sales and Marketing, and Sales Administration functions.
- 3) Reviewed the Finance and Accounts functions.
- 4) Reviewed the Risk Management function.
- 5) Reviewed the Pre-Contract Management and Post-Contract Management functions.

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

No material contracts entered by the Company or its subsidiaries involving directors' and major shareholders' interests since the previous financial year ended 31 December 2021 and in the financial year ended 31 December 2022.

2. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

3. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the external auditor or a firm or corporation affiliated to the auditor firm by the Company and the Group for the financial year ended 31 December 2022 were as follow:

	Group (RM)	Company (RM)
Fees paid or payable to the external auditor		
- Audit Fees	178,200	50,000
- Non-Audit Fees	15,100	5,000
Non-Audit fees paid or payable to an affiliated firm of the external auditor for tax compliance, tax advisory services and sustainability reporting review	169,900	64,500
Total	363,200	119,500

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during the financial year ended 31 December 2022.

STATEMENTS OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors acknowledge that they are responsible for the Annual Audited Financial Statements so as to give a true and fair view of the state of affairs as at the end of the financial year of the Group and of the Company and of their results and their cash flows.

In preparing the financial statements for the financial year ended 31 December 2022, the Directors had:

1. applied reasonable and prudent judgement and estimates;
2. followed all applicable approved accounting standards in Malaysia; and
3. prepared financial statements on a going concern basis.

The Directors had ensured the Company maintains appropriate accounting policies that disclose with reasonable accuracy of the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors had also taken steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud, other irregularities and material misstatements.

This statement is made in accordance with the Board Resolution dated 13 April 2023.

LIST OF PROPERTIES HELD BY THE GROUP

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
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DEVELOPMENT PROPERTIES

1. Lot 24938, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Rumah Pangsa Mutiara Indah – Fasa 2 (Blok B), Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.1	13,575,490	04.05.2011
2. Lot 24939, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Rumah Pangsa Mutiara Indah – Fasa 3 (Blok C), Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.15	11,459,584	04.05.2011
3. Lot 24940 to Lot 24941, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Low Cost Flat, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	4.68	4,021,558	04.05.2011
4. Lot 24539 to Lot 24717, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Ambay Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	6.72	10,149,902	04.05.2011
5. Lot 24718 to Lot 24926, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Dahlia Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	7.05	9,732,227	04.05.2011
6. Lot 25297, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Palm Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.61	1,218,760	04.05.2011
7. Lot 25298, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Avenue Heights, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.38	2,503,295	04.05.2011
8. Lot 25860 (Formerly known as PT 3178), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Botanik, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	30.26	22,639,981	04.05.2011

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
DEVELOPMENT PROPERTIES						
9. Lot 25712 to 25859 (Formerly known as PT 3030 to PT 3177), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Impiana, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	5.58	11,010,763	04.05.2011
10. Lot 25446 to Lot 25700, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Ambay Park, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	7.58	2,069,906	04.05.2011
11. Part of Lot 13, Part of Lot 23201, Part of Lot 25705, Lot 1383, Lot 25704, Part of Lot 25706 and Part of Lot 25703, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Development land approved for residential or commercial development	N/A	43.69	28,757,700	04.05.2011
12. Lot 25291, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Aster Villa, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	19.48	19,564,200	04.05.2011
13. Lot 33146 (Formerly known as Lots 32472, 32474 and 32476 and Plots B & D), Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang. (Residensi Permai, Bukit Mertajam).	Freehold	Development land approved for residential development	N/A	5.17	905,432	21.05.2015
14. Lot 114 & Lot 1067, Mukim 15, Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	44.33	30,547,456	30.06.2010
15. Lot 1063 & Lot 1064, Mukim 15, Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	32.53	21,005,393	21.02.2022

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
DEVELOPMENT PROPERTIES						
16. Lot 23213, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	2.60	1,565,829	04.05.2011
17. Part of Lot 13, Lot 8936, Lot 10016, Lot 10017, Lot 10023, Lot 25702, Part of Lot 25706 & Part of Lot 25703 and Lot 25331 & Lot 25332, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	33.93	23,823,915	04.05.2011
18. Lot 10272, Mukim 10, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	0.41	701,543	03.11.2009
19. Lot 148, Seksyen 5, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	0.47	799,111	14.05.2012
20. Part of Lot 25705, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	0.16	126,102	07.05.2013
21. Lots 8764, 8768, 8775 & 11159 Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang and PT 1427 & PT 1428, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Amenities Land, Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	18.62	442,070	04.05.2011
22. Lot 1368, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	24.09	15,471,908	13.11.2013
23. Lot 21030, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	15.62	5,797,917	30.06.2010
24. Lots 4738 & 4741, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	20.88	13,404,088	21.10.2013

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
DEVELOPMENT PROPERTIES						
25. Lots 1428, 1433, 1445, 8748, 25292 & 25293, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	38.32	21,719,622	04.05.2011
26. Lot 21024, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	0.58	231,976	11.06.2014
27. Lots 159, 1429, 33147 to 33149 (Formerly known as Lots 32473, 32475 & 32477) and Lots 32942, 32944, 32946 to 32953 (Formerly known as Plots A, C, E, F, G, H, I, J, K & L), Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	14.38	29,847,861	21.05.2015
28. Lots 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	209.53	144,861,876	25.04.2019

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area/ Building Area (Meter Square)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
1. No. 6 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang	Freehold	3-storey terrace shop office	24	153/ 459.12	950,000	31.12.2022
2. No. 1-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/147	290,000	31.12.2022
3. No. 1-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/125	245,000	31.12.2022
4. No. 7-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/145	300,000	31.12.2022
5. No. 7-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/120	250,000	31.12.2022
6. No. 7-06 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	6 levels of multi-storey 128 bays of covered car parks, and 1 new office lot	26	NA/6,171	3,900,000	31.12.2022
7. No. 5099 Dahlia Park Jalan Kampung Benggali 12200 Butterworth Pulau Pinang	Freehold	Double storey terrace shop office	9	205/ 409.98	1,500,000	31.12.2022
8. Part of Lot 23201 & Part of Lot 23202, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for investment purpose	N/A	143,925/ NA	32,733,780	04.05.2011

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area/ Building Area (Meter Square)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
9. Lot 24317, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (International School, Bandar Tasek Mutiara).	Freehold	International School	8	32,255/ 19,508	51,000,000	31.12.2022
10. Part of Lot 23202, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Sports Complex, Bandar Tasek Mutiara).	Freehold	Sport Complex	4	14,447/ 7,311	13,700,000	31.12.2022
11. No. 10-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/143	295,000	31.12.2022
12. No. 10-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/169	350,000	31.12.2022
13. No. 10-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/131	270,000	31.12.2022
14. No. 10-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/151	315,000	31.12.2022
15. No. 2-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/169	300,000	31.12.2022
16. 349-01-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/88	950,000	31.12.2022
17. 349-02-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/288	1,270,000	31.12.2022
18. 349-03-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/288	1,100,000	31.12.2022

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area/ Building Area (Meter Square)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
19. 349-01-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/125	1,340,000	31.12.2022
20. 349-02-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	440,000	31.12.2022
21. 349-03-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	385,000	31.12.2022
22. 349-01-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/125	1,340,000	31.12.2022
23. 349-02-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	440,000	31.12.2022
24. 349-03-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	385,000	31.12.2022
25. 349-01-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/125	1,340,000	31.12.2022
26. 349-02-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	440,000	31.12.2022
27. 349-03-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	385,000	31.12.2022
28. 349-01-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/125	1,340,000	31.12.2022
29. 349-02-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	440,000	31.12.2022
30. 349-03-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/105	385,000	31.12.2022
31. 349-01-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot, and 4 levels of multi-storey 102 bays of covered car parks	7	NA/1,376	3,740,000	31.12.2022
32. 349-02-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/217	960,000	31.12.2022
33. 349-03-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/217	830,000	31.12.2022
34. 349-01-10, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	7	NA/18	95,000	31.12.2022

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area/ Building Area (Meter Square)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
PROPERTIES HELD FOR OPERATIONAL PURPOSE/PROPERTY, PLANT & EQUIPMENT						
1. No. 2-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/137	153,893	19.06.2013
2. No. 3-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/169	299,110	01.12.2018
3. No. 4-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/117	176,777	04.06.2014
4. No. 4-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/169	231,111	03.01.2020
5. No. 4-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/135	165,966	24.07.2012
6. No. 4-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	26	NA/126	120,000	22.12.2010
7. No. 12-01, 12-02 & 12A-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	3 penthouse office lots	26	NA/878	1,069,691	30.06.2010

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Total number of issued shares	:	439,311,917
Class of shares	:	Ordinary shares
Voting right	:	One vote per ordinary share

Distribution of shareholders

Size of holdings	No. of shareholders		No. of shares	
		%		%
1 - 99	23	0.41	584	0.00
100 to 1,000	683	12.21	471,642	0.11
1,001 to 10,000	3,022	54.00	16,060,200	3.65
10,001 to 100,000	1,588	28.38	51,333,081	11.68
100,001 to 21,965,594 (*)	277	4.95	119,737,201	27.26
21,965,595 and above (**)	3	0.05	251,709,209	57.30
TOTAL	5,596	100.00	439,311,917	100.00

Remarks : * - less than 5% of issued shares
 ** - 5% and above of issued shares

List of substantial shareholders as shown in the Register of Substantial Shareholders

Substantial Shareholders	No. of issued shares			
	Direct	%	Deemed	%
Siram Permai Sdn. Bhd.	142,800,001	32.51	-	-
Amal Pintas Sdn. Bhd.	36,602,449	8.33	-	-
Teh Kiak Seng	72,306,759	16.46	142,800,001 ^(N1)	32.51
Tsai Yung Chuan	-	-	36,602,449 ^(N2)	8.33
Tsai Chang Hsiu-Hsiang	-	-	36,602,449 ^(N2)	8.33
Tsai Chia Ling	-	-	36,602,449 ^(N2)	8.33

Notes :

N1 Deemed interested by virtue of Section 8 of the Companies Act 2016 held through Siram Permai Sdn. Bhd.
 N2 Deemed interested by virtue of Section 8 of the Companies Act 2016 held through Amal Pintas Sdn. Bhd.

List of directors' shareholdings as shown in the Register of Directors

Directors	No. of issued shares			
	Direct	%	Deemed	%
Teh Kiak Seng	72,306,759	16.46	142,800,001 ^(N1)	32.51
Tsai Chia Ling	300,000	0.07	36,602,449 ^(N2)	8.33
Lai Fook Hoy	4,316,262	0.98	-	-
Lam Voon Kean	350,000	0.08	-	-
Teh Deng Wei	500,000	0.11	-	-

Notes :

N1 Deemed interested by virtue of Section 8 of the Companies Act 2016 held through Siram Permai Sdn. Bhd.
 N2 Deemed interested by virtue of Section 8 of the Companies Act 2016 held through Amal Pintas Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023 (CONT'D)

LIST OF TOP 30 HOLDERS AS AT 31 MARCH 2023

NO	HOLDER NAME	HOLDINGS	%
1	SIRAM PERMAI SDN. BHD.	142,800,001	32.51%
2	TEH KIAK SENG	72,306,759	16.46%
3	AMAL PINTAS SDN. BHD.	36,602,449	8.33%
4	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI</i>	6,299,500	1.43%
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)</i>	5,000,000	1.14%
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (PHEIM)</i>	4,859,000	1.11%
7	LAI FOOK HOY	4,316,262	0.98%
8	QUAH TEE PENG	3,364,600	0.77%
9	LIM KHUAN ENG	3,020,000	0.69%
10	THZEW BEE CHOO	2,779,000	0.63%
11	UOB KAY HIAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS)</i>	2,731,800	0.62%
12	ZHENG TIANDONG	2,125,400	0.48%
13	TEH CHING CHING	2,003,497	0.46%
14	FOO LEE FEI	1,550,000	0.35%
15	CHUAH BENG KIAT	1,500,000	0.34%
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIEW JEW FOOK (E-PDG)</i>	1,382,900	0.31%
17	FOO KAM MEE	1,350,000	0.31%
18	CHAN HOOI LING	1,342,800	0.31%
19	YEO KHEE HUAT	1,250,000	0.28%
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)</i>	1,180,000	0.27%
21	TEH PENG PENG	1,179,400	0.27%
22	TAN AIK CHOON	1,063,300	0.24%
23	SOW TIAP	1,050,000	0.24%
24	RONIE TAN CHOO SENG	1,020,000	0.23%
25	LEE JOO PING SDN BHD	1,015,500	0.23%
26	CHEE KHAY LEONG	1,010,000	0.23%
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI (7003683)</i>	1,000,000	0.23%
28	YEO KHEE HUAT	1,000,000	0.23%
29	KENANGA NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MONEX BOOM SECURITIES (HK) LIMITED</i>	965,000	0.22%
30	LOH KOK WAI	962,700	0.22%

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly involved in property development, project and construction management, property management, operation of car park and investment holding.

There had been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>60,118,234</u>	<u>22,857,809</u>
Attributable to:		
Owners of the parent	61,164,106	22,857,809
Non-controlling interests	<u>(1,045,872)</u>	<u>0</u>
	<u>60,118,234</u>	<u>22,857,809</u>

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM
In respect of financial year ended 31 December 2021:	
Single tier first and final dividend of 5.9 sen per ordinary share, paid on 12 September 2022	<u>25,919,403</u>

The Directors propose a single tier first and final dividend of 5.6 sen per ordinary share amounting to RM24,601,467 in respect of the financial year ended 31 December 2022, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Note 18 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from 436,040,617 to 439,311,917 by way of issuance of 3,271,300 new ordinary shares pursuant to 3,271,300 options exercised under the Employees' Share Options Scheme for cash.

The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issue of shares during the financial year.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Options Scheme ('ESOS').

The ESOS of the Company came into effect on 5 June 2012. The ESOS shall be in force for a period of five (5) years until 5 June 2017 ('the option period'). On 23 February 2017, the Board of Directors of the Company approved the extension of the scheme for five (5) years until 4 June 2022. The main features of the ESOS are as follows:

- (a) Directors and confirmed employees of the Group who have served at least 2 years of continuous services are eligible under the ESOS;
- (b) The maximum number of new shares, which may be issued and allotted pursuant to the exercise of the options shall not at any point in time in aggregate exceed 5% of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time during the duration of the ESOS;
- (c) Not more than 50% of the new shares available under the scheme shall be allocated in aggregate, to the Directors and senior management of the Group;
- (d) The allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares), does not exceed 10% of the total number of the new shares to be issued under the ESOS;
- (e) The options granted may be exercised any time within the option period from the date of offer;
- (f) The option price of a new ordinary share under the ESOS shall be the five (5)-days weighted average market price of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad ('Bursa Securities') immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (g) The options granted are not entitled for any dividend, voting rights, allotment and/or other distribution declared, made or paid to shareholders unless the new shares so allotted have been credited to the relevant securities accounts of the shareholders maintained by the Bursa Depository before the entitlement date and will be subjected to all provisions of the Articles relating to the transfer, transmission and otherwise;
- (h) The ESOS Committee at any time and from time to time recommends to the Board any addition or amendment to or deletion of the By-laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-laws upon such recommendation. Any subsequent modifications or changes to the By-laws do not need the prior approval of the Bursa Securities and/or any other relevant authorities; and
- (i) The employees and Directors to whom the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the option period.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

The details of the options over the ordinary shares of the Company are as follows:

Date of offer	Option price RM	← Number of options over ordinary shares →					Outstanding as at 31.12.2022	Exercisable as at 31.12.2022
		Outstanding as at 1.1.2022	Movements during the financial year					
			Granted	Exercised	Lapsed*			
15 November 2013	1.27	414,000	0	0	(414,000)	0	0	
28 May 2014	1.75	163,000	0	0	(163,000)	0	0	
17 December 2014	1.45	1,046,000	0	0	(1,046,000)	0	0	
15 June 2015	1.51	258,000	0	0	(258,000)	0	0	
1 December 2015	1.25	476,000	0	0	(476,000)	0	0	
21 June 2016	1.25	70,000	0	0	(70,000)	0	0	
16 December 2016	1.24	59,000	0	0	(59,000)	0	0	
3 July 2017	1.30	125,000	0	0	(125,000)	0	0	
18 December 2017	0.92	19,000	0	0	(19,000)	0	0	
8 June 2018	0.69	107,000	0	(97,000)	(10,000)	0	0	
26 February 2019	0.71	641,300	0	(581,300)	(60,000)	0	0	
3 September 2019	0.69	536,000	0	(355,000)	(181,000)	0	0	
26 February 2020	0.60	688,500	0	(672,500)	(16,000)	0	0	
27 August 2020	0.47	1,594,500	0	(1,266,500)	(328,000)	0	0	
26 August 2021	0.62	20,000	0	(20,000)	0	0	0	
14 April 2022	0.75	0	285,000	(279,000)	(6,000)	0	0	
		6,217,300	285,000	(3,271,300)	(3,231,000)	0	0	

* Due to staff resignation during the financial year and expiry of ESOS on 4 June 2022.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Teh Kiak Seng *
 Teh Theng Theng *
 Lai Fook Hoy
 Tsai Chia Ling
 Teh Deng Wei *
 Lam Voon Kean
 Dato' Seri Mokhtar Bin Mohd Jait

* These Directors of the Company are also the Directors of certain subsidiaries of the Company.

Subsidiaries of Tambun Indah Land Berhad (excluding those who are listed above)

Ooi Boon Ewe
 Ooi Boon Hwa (Alternate to Ooi Boon Ewe)
 Suraiya Binti Mohamad Shafie
 Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			
	Balance as at 1.1.2022	Bought	Sold	
Shares in the Company				
Direct interests				
Teh Kiak Seng	60,666,794	8,332,765	0	68,999,559
Teh Theng Theng	1,860,965	0	(1,860,965)	0
Lai Fook Hoy	4,316,262	0	0	4,316,262
Lam Voon Kean	50,000	300,000	0	350,000
Teh Deng Wei	0	500,000	0	500,000
Tsai Chia Ling	0	300,000	0	300,000
Indirect interests				
Teh Kiak Seng ^	142,800,001	0	0	142,800,001
Tsai Chia Ling **	36,602,449	0	0	36,602,449

^ Deemed interested by virtue of shareholdings in Siram Permai Sdn. Bhd.

** Deemed interested by virtue of shareholdings in Amal Pintas Sdn. Bhd.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

	← Number of options over ordinary shares →				Balance as at 31.12.2022
	Balance as at 1.1.2022	Movement during the financial year			
		Granted	Exercised	Lapsed	
Share options in the Company					
Teh Deng Wei	1,500,000	0	(500,000)	(1,000,000)	0
Lam Voon Kean	300,000	0	(300,000)	0	0
Tsai Chia Ling	300,000	0	(300,000)	0	0
Dato' Seri Mokhtar Bin Mohd Jait	300,000	0	0	(300,000)	0

By virtue of his interest in the ordinary shares of the Company, Teh Kiak Seng is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

None of the other Director holding office at the end of the financial year held any interest in ordinary shares, warrants or options over ordinary shares in the Company of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those remunerations received by certain Directors as directors executives of the subsidiaries and those transactions entered into in the ordinary course of business with companies in which certain Directors of the Company have substantial interests as disclosed in Note 32(c) to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS as disclosed in Note 30 to the financial statements.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	Company RM
Total Directors' remuneration		
- fee	364,000	346,000
- other emoluments	4,600,316	14,000
	4,964,316	360,000

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The insurance premium paid by the Group during the financial year amounted to RM21,780.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision have been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off for bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 21 February 2022, Tambun Indah Development Sdn. Bhd ("TID"), a wholly-owned subsidiary of the Company, has entered into Sale and Purchase Agreement to acquire 2 parcels of land for a total cash consideration of RM19,958,000. The sales and purchase transaction was completed during the year.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2022 amounted to RM50,000 and RM128,200 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Teh Kiak Seng

Director

Penang

13 April 2023

Teh Deng Wei

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 93 to 154 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Teh Kiak Seng

Director

Penang

13 April 2023

Teh Deng Wei

Director

STATUTORY DECLARATION

I, Roselyn Tan Bee Tee (IC No.: 760527-07-5060) (MIA 23344), being the officer primarily responsible for the financial management of Tambun Indah Land Berhad, do solemnly and sincerely declare that the financial statements set out on pages 93 to 154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang this 13 April 2023.

Roselyn Tan Bee Tee

General Manager, Head of Finance

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMBUN INDAH LAND BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tambun Indah Land Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 93 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue and cost of sales recognition for property development activities

Revenue from property development activities during the financial year as disclosed in Note 23 to the financial statements amounted to RM219,863,569. Cost of sales from property development activities for the financial year as disclosed in Note 24 to the financial statements amounted to RM121,198,979.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMBUN INDAH LAND BERHAD

(CONT'D)

Audit response

Our audit responses to address the assessed risk on revenue and cost of sales recognition for property development activities were as follows:

- (a) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (b) Recomputed transaction prices based on historical profit margins of the Group, and compared these transaction prices allocated to profit margins of similar contracts subsequent to the end of reporting period;
- (c) Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (d) Inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (e) Compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls; and
- (f) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMBUN INDAH LAND BERHAD

(CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMBUN INDAH LAND BERHAD

(CONT'D)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206

Chartered Accountants

Penang

13 April 2023

Lee Beng Tuan

03271/07/2024 J

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	NOTE	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	3,295,170	3,436,313	0	0
Right-of-use assets	6	179,288	268,932	0	0
Investment properties	7	124,003,780	123,734,404	0	0
Investment in subsidiaries	8	0	0	335,095,444	336,068,874
Investment in an associate	9	341,278	340,411	366,206	366,206
Investment in a joint venture	10	27,784,295	27,346,871	0	0
Deferred tax assets	11	9,180,900	5,787,490	0	0
Inventories	12	307,074,310	281,399,771	0	0
Trade and other receivables	13	0	0	26,060,000	12,320,000
		<u>471,859,021</u>	<u>442,314,192</u>	<u>361,521,650</u>	<u>348,755,080</u>
Current assets					
Inventories	12	105,907,758	114,532,839	0	0
Trade and other receivables	13	59,635,727	27,523,818	6,622,801	8,844,249
Contract assets	14	55,083,767	119,176,420	0	0
Current tax assets		6,041,746	2,724,625	0	30,100
Short term funds	15	96,548,648	27,913,408	2,265,081	13,009,995
Cash and bank balances	16	89,829,641	113,670,961	7,133,479	12,969,499
		<u>413,047,287</u>	<u>405,542,071</u>	<u>16,021,361</u>	<u>34,853,843</u>
TOTAL ASSETS		<u>884,906,308</u>	<u>847,856,263</u>	<u>377,543,011</u>	<u>383,608,923</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 (CONT'D)

	NOTE	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	291,301,952	289,096,030	290,834,373	288,628,451
Reserves	18	451,619,364	416,611,064	86,653,875	89,951,872
		<u>742,921,316</u>	<u>705,707,094</u>	<u>377,488,248</u>	<u>378,580,323</u>
Non-controlling interests	8(d)	<u>(3,717,900)</u>	<u>(2,672,028)</u>	<u>0</u>	<u>0</u>
TOTAL EQUITY		<u>739,203,416</u>	<u>703,035,066</u>	<u>377,488,248</u>	<u>378,580,323</u>
LIABILITIES					
Non-current liabilities					
Borrowings	19	78,280,752	87,088,000	0	0
Lease liabilities	6	104,102	203,385	0	0
Deferred tax liabilities	11	0	1,048,000	0	0
		<u>78,384,854</u>	<u>88,339,385</u>	<u>0</u>	<u>0</u>
Current liabilities					
Trade and other payables	22	40,556,006	32,811,850	36,000	28,600
Contract liabilities	14	1,607,115	0	0	0
Borrowings	19	24,380,347	21,302,127	0	5,000,000
Lease liabilities	6	99,281	94,685	0	0
Current tax liabilities		675,289	2,273,150	18,763	0
		<u>67,318,038</u>	<u>56,481,812</u>	<u>54,763</u>	<u>5,028,600</u>
TOTAL LIABILITIES		<u>145,702,892</u>	<u>144,821,197</u>	<u>54,763</u>	<u>5,028,600</u>
TOTAL EQUITY AND LIABILITIES		<u>884,906,308</u>	<u>847,856,263</u>	<u>377,543,011</u>	<u>383,608,923</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	NOTE	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	23	227,487,621	255,878,728	24,053,600	9,553,600
Cost of sales	24	(123,474,498)	(156,500,867)	0	0
Gross profit		104,013,123	99,377,861	24,053,600	9,553,600
Other income					
- Interest income		2,167,752	1,269,280	1,122,004	969,816
- Other income		464,974	3,823,237	0	0
Selling and distribution expenses		(5,484,045)	(4,718,776)	0	0
Administrative expenses		(15,268,551)	(15,205,742)	(1,987,714)	(903,371)
Reversal of impairment loss on trade receivables	13(d)	83,639	57,300	0	0
Finance costs		(3,609,153)	(3,537,224)	(6,930)	(14,974)
Share of profit/(loss) of an associate, net of tax	9(e)	867	(612)	0	0
Share of profit of a joint venture, net of tax	10(e)	437,424	281,831	0	0
Profit before tax		82,806,030	81,347,155	23,180,960	9,605,071
Tax expense	26	(22,687,796)	(20,591,316)	(323,151)	(126,039)
Profit for the financial year		60,118,234	60,755,839	22,857,809	9,479,032
Total other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		<u>60,118,234</u>	<u>60,755,839</u>	<u>22,857,809</u>	<u>9,479,032</u>
Profit for the financial year and total comprehensive income attributable to:					
Owners of the parent		61,164,106	61,629,623	22,857,809	9,479,032
Non-controlling interests	8(d)	(1,045,872)	(873,784)	0	0
		<u>60,118,234</u>	<u>60,755,839</u>	<u>22,857,809</u>	<u>9,479,032</u>
Earnings per ordinary share attributable to owners of the parent:					
Basic (Sen)	27(a)	<u>13.96</u>	<u>14.17</u>		
Diluted (Sen)	27(b)	<u>13.96</u>	<u>14.15</u>		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	NOTE	Share capital RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2021		288,189,478	1,215,784	364,325,968	653,731,230	(1,798,244)	651,932,986
Profit for the financial year		0	0	61,629,623	61,629,623	(873,784)	60,755,839
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	61,629,623	61,629,623	(873,784)	60,755,839
Transactions with owners							
Issuance of ordinary shares pursuant to ESOS	17	906,552	(102,721)	0	803,831	0	803,831
Dividend	28	0	0	(10,464,255)	(10,464,255)	0	(10,464,255)
Share options granted under ESOS		0	6,665	0	6,665	0	6,665
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(1,970)	1,970	0	0	0
Total transactions with owners		906,552	(98,026)	(10,462,285)	(9,653,759)	0	(9,653,759)
Balance as at 31 December 2021		289,096,030	1,117,758	415,493,306	705,707,094	(2,672,028)	703,035,066
Balance as at 1 January 2022		289,096,030	1,117,758	415,493,306	705,707,094	(2,672,028)	703,035,066
Profit for the financial year		0	0	61,164,106	61,164,106	(1,045,872)	60,118,234
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	61,164,106	61,164,106	(1,045,872)	60,118,234
Transactions with owners							
Issuance of ordinary shares pursuant to ESOS	17	2,205,922	(260,913)	0	1,945,009	0	1,945,009
Dividend	28	0	0	(25,919,403)	(25,919,403)	0	(25,919,403)
Share options granted under ESOS		0	24,510	0	24,510	0	24,510
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(881,355)	881,355	0	0	0
Total transactions with owners		2,205,922	(1,117,758)	(25,038,048)	(23,949,884)	0	(23,949,884)
Balance as at 31 December 2022		291,301,952	0	451,619,364	742,921,316	(3,717,900)	739,203,416

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

Company	NOTE	Share capital RM	Share options reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2021		287,721,899	1,215,784	89,817,367	378,755,050
Profit for the financial year		0	0	9,479,032	9,479,032
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	9,479,032	9,479,032
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	17	906,552	(102,721)	0	803,831
Dividend	28	0	0	(10,464,255)	(10,464,255)
Share options granted under ESOS		0	6,665	0	6,665
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(1,970)	1,970	0
Total transactions with owners		906,552	(98,026)	(10,462,285)	(9,653,759)
Balance at 31 December 2021		288,628,451	1,117,758	88,834,114	378,580,323
Balance at 1 January 2022		288,628,451	1,117,758	88,834,114	378,580,323
Profit for the financial year		0	0	22,857,809	22,857,809
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	22,857,809	22,857,809
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	17	2,205,922	(260,913)	0	1,945,009
Dividend	28	0	0	(25,919,403)	(25,919,403)
Share options granted under ESOS		0	24,510	0	24,510
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(881,355)	881,355	0
Total transactions with owners		2,205,922	(1,117,758)	(25,038,048)	(23,949,884)
Balance at 31 December 2022		290,834,373	0	86,653,875	377,488,248

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	NOTE	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		82,806,030	81,347,155	23,180,960	9,605,071
Adjustments for:					
Depreciation of property, plant and equipment	5	458,520	418,505	0	0
Depreciation of right-of-use assets	6	89,644	120,605	0	0
Dividend income		0	0	(24,053,600)	(9,553,600)
Gain on disposal of property, plant and equipment		(58,998)	0	0	0
Impairment loss on investment in subsidiaries	8	0	0	973,430	0
Reversal of impairment loss on trade receivables	13(d)	(83,639)	(57,300)	0	0
Bad debt written off		0	2,000	0	0
Interest income		(2,167,752)	(1,269,280)	(1,122,004)	(969,816)
Interest expense		3,609,153	3,537,224	6,930	14,974
Net (gain)/loss from fair value adjustments on investment properties	7	(100,000)	2,000,000	0	0
Property, plant and equipment written off		12,444	1,402	0	0
Share of profit of a joint venture, net of tax	10(e)	(437,424)	(281,831)	0	0
Share of (profit)/loss of an associate, net of tax	9(e)	(867)	612	0	0
Share options granted under ESOS		24,510	6,665	24,510	6,665
Operating profit/(loss) before changes in working capital		84,151,621	85,825,757	(989,774)	(896,706)
Changes in working capital:					
Inventories		(17,049,458)	41,949,251	0	0
Trade and other receivables		(32,028,270)	2,295,296	(11,518,552)	(4,839,750)
Contract assets		64,092,653	(62,560,993)	0	0
Trade and other payables		7,744,156	10,840,239	7,400	(68,850)
Contract liabilities		1,607,115	0	0	0
Cash generated from/(used in) operations		108,517,817	78,349,550	(12,500,926)	(5,805,306)
Interest received		2,167,752	1,269,280	1,122,004	969,816
Tax paid		(33,330,238)	(15,223,883)	(274,288)	(213,739)
Tax refunded		1,286,050	6,700	0	0
Net cash from/(used in) operating activities		78,641,381	64,401,647	(11,653,210)	(5,049,229)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

	NOTE	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend income from:					
- subsidiaries		0	0	24,053,600	9,553,600
Redemption of RPS in a joint venture	10(f)	0	1,000,000	0	0
Proceeds from disposal of property, plant and equipment		58,999	0	0	0
Proceeds from disposal of investment properties	7	0	285,000	0	0
Purchase of investment properties	7	(169,376)	(169,157)	0	0
Purchase of property, plant and equipment	5	(329,822)	(131,741)	0	0
Net changes in deposits pledged with licensed banks		(50,450)	(41,251)	0	0
Net cash (used in)/from investing activities		(490,649)	942,851	24,053,600	9,553,600
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(25,919,403)	(10,464,255)	(25,919,403)	(10,464,255)
Drawdowns of bank borrowings		20,966,400	30,000,000	5,000,000	5,000,000
Interest paid		(3,597,040)	(3,520,443)	(6,930)	(14,974)
Proceeds from the issuance of shares pursuant to ESOS		1,945,009	803,831	1,945,009	803,831
Repayments of bank borrowings		(26,695,428)	(38,069,344)	(10,000,000)	0
Repayments of lease liabilities		(106,800)	(126,250)	0	0
Net cash used in financing activities		(33,407,262)	(21,376,461)	(28,981,324)	(4,675,398)
Net increase/(decrease) in cash and cash equivalents		44,743,470	43,968,037	(16,580,934)	(171,027)
Cash and cash equivalents at beginning of the financial year		138,822,004	94,853,967	25,979,494	26,150,521
Cash and cash equivalents at end of the financial year	16(d)	183,565,474	138,822,004	9,398,560	25,979,494

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6)		Borrowings (Note 19)	
	Group RM	Company RM	Group RM	Company RM
At 1 January 2021	407,539	0	116,459,471	0
Cash flows	(126,250)	0	(8,069,344)	5,000,000
Non-cash flows:				
Unwinding of interest	16,781	0	0	0
At 31 December 2021	<u>298,070</u>	<u>0</u>	<u>108,390,127</u>	<u>5,000,000</u>
At 1 January 2022	298,070	0	108,390,127	5,000,000
Cash flows	(106,800)	0	(5,729,028)	(5,000,000)
Non-cash flows:				
Unwinding of interest	12,113	0	0	0
At 31 December 2022	<u>203,383</u>	<u>0</u>	<u>102,661,099</u>	<u>0</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 12-01, Penthouse, Wisma Pantai, Jalan Wisma Pantai, Kampung Gajah, 12200 Butterworth, Penang.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries and the interests of the Group in an associate and a joint venture. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 13 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly involved in property development, project and construction management, property management, operation of car park and investment holding.

There had been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 35.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

Tambun Indah Land Berhad and its subsidiaries are principally engaged in investment holding, property development, construction and project management.

Tambun Indah Land Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the services, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- | | |
|--|--|
| (i) Investment holding | - Operation of car park and rental income |
| (ii) Property development and management | - Development and management of land into vacant lots, residential, commercial and/or industrial buildings |
| (iii) Other operations | - Construction and project management activities |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring gain/(losses), such as bargain purchase gain and goodwill on consolidation written off.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and segment liabilities exclude tax liabilities.

(a) Business segments

	Investment holding RM	Property development and management RM	Other operations RM	Group RM
2022				
Revenue:				
Total revenue	27,919,337	228,246,773	0	256,166,110
Inter-segment revenue	(24,526,466)	(4,152,023)	0	(28,678,489)
Revenue from external customers	<u>3,392,871</u>	<u>224,094,750</u>	<u>0</u>	<u>227,487,621</u>
Interest income	315,084	1,798,463	54,205	2,167,752
Finance costs	(6,930)	(3,602,223)	0	(3,609,153)
Net finance income/(expense)	<u>308,154</u>	<u>(1,803,760)</u>	<u>54,205</u>	<u>(1,441,401)</u>
Depreciation of property, plant and equipment	94,380	364,140	0	458,520
Depreciation of right-of-use assets	0	89,644	0	89,644
Segment profit before income tax	2,868,093	80,080,916	42,010	82,991,019
Share of profit of an associate, net of tax	0	867	0	867
Share of profit of a joint venture, net of tax	437,424	0	0	437,424
Tax expense	(566,631)	(22,114,798)	(6,367)	(22,687,796)
Other non-cash items:				
- net gain from fair value adjustments on investment properties	100,000	0	0	100,000
- property, plant and equipment written off	0	(12,444)	0	(12,444)
Investment in an associate	0	341,278	0	341,278
Investment in a joint venture	0	27,784,295	0	27,784,295
Additions to non-current assets other than financial instruments and tax assets	169,376	28,317,980	0	28,487,356
Segment assets	<u>400,521,462</u>	<u>843,362,792</u>	<u>2,816,326</u>	<u>1,246,700,580</u>
Segment liabilities	<u>115,194</u>	<u>186,203,689</u>	<u>3,600</u>	<u>186,322,483</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

	Investment holding RM	Property development and management RM	Other operations RM	Group RM
2021				
Revenue:				
Total revenue	13,089,802	267,751,297	0	280,841,099
Inter-segment revenue	(10,024,972)	(14,937,399)	0	(24,962,371)
Revenue from external customers	<u>3,064,830</u>	<u>252,813,898</u>	<u>0</u>	<u>255,878,728</u>
Interest income	365,884	856,894	46,502	1,269,280
Finance costs	<u>(14,974)</u>	<u>(3,522,250)</u>	<u>0</u>	<u>(3,537,224)</u>
Net finance income/(expense)	<u>350,910</u>	<u>(2,665,356)</u>	<u>46,502</u>	<u>(2,267,944)</u>
Depreciation of property, plant and equipment	(94,380)	(324,125)	0	(418,505)
Depreciation of right-of-use assets	0	(120,605)	0	(120,605)
Segment profit before income tax	2,483,014	79,013,138	34,408	81,530,560
Share of profit of an associate, net of tax	0	(612)	0	(612)
Share of profit of a joint venture, net of tax	281,831	0	0	281,831
Tax expense	(356,205)	(20,229,423)	(5,688)	(20,591,316)
Other non-cash items:				
- net loss from fair value adjustments on investment properties	(2,000,000)	0	0	(2,000,000)
- property, plant and equipment written off	0	(1,402)	0	(1,402)
Investment in an associate	0	340,411	0	340,411
Investment in a joint venture	0	27,346,871	0	27,346,871
Additions to non-current assets other than financial instruments and tax assets	169,157	421,753	0	590,910
Segment assets	<u>405,783,400</u>	<u>796,274,076</u>	<u>2,780,540</u>	<u>1,204,838,016</u>
Segment liabilities	<u>5,112,323</u>	<u>165,182,724</u>	<u>3,400</u>	<u>170,298,447</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

Revenue

	2022 RM	2021 RM
Total revenue for reportable segments	256,166,110	280,841,099
Elimination of inter-segmental revenues	(28,678,489)	(24,962,371)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	<u>227,487,621</u>	<u>255,878,728</u>

Profit for the financial year

Total profit for reportable segments	82,991,019	81,530,560
Unallocated amounts:		
- corporate expenses	(184,989)	(183,405)
Profit before tax	82,806,030	81,347,155
Tax expense	(22,687,796)	(20,591,316)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	<u>60,118,234</u>	<u>60,755,839</u>

Assets

	2022 RM	2021 RM
Total assets for reportable segments	1,246,700,580	1,204,838,016
Elimination of investments in subsidiaries	(335,722,038)	(336,695,468)
Elimination of inter-segment balances	(41,294,880)	(28,798,400)
	869,683,662	839,344,148
Deferred tax assets	9,180,900	5,787,490
Current tax assets	6,041,746	2,724,625
Group's assets per consolidated statement of financial position	<u>884,906,308</u>	<u>847,856,263</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows (Cont'd):

Liabilities

	2022 RM	2021 RM
Total liabilities for reportable segments	186,322,483	170,298,447
Elimination of inter-segment balances	(41,294,880)	(28,798,400)
	<u>145,027,603</u>	<u>141,500,047</u>
Deferred tax liabilities	0	1,048,000
Current tax liabilities	675,289	2,273,150
Group's liabilities per consolidated statement of financial position	<u>145,702,892</u>	<u>144,821,197</u>

Geographical segments

The segmental financial information by geographical segments is not presented as the Group's activities are carried out in Malaysia.

There are no single external customers that the revenue generated from exceeded 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings		Computers		Furniture, fittings and office equipment		Motor vehicles		Renovation		Air conditioners		Construction-in-progress		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At cost															
Balance as at 1 January 2022	3,032,966	831,013	1,305,850	2,439,154	466,014	17,530	56,877	8,149,404							
Additions	0	31,052	33,975	164,923	0	0	99,872	329,822							
Disposal	0	0	0	(148,231)	0	0	0	(148,231)							
Written off	0	(39,530)	(57,198)	0	0	0	0	(96,728)							
Balance as at 31 December 2022	3,032,966	822,535	1,282,627	2,455,846	466,014	17,530	156,749	8,234,267							
Accumulated depreciation															
Balance as at 1 January 2022	724,062	767,564	857,206	2,067,791	278,938	17,530	0	4,713,091							
Current charge	92,356	28,475	107,496	197,030	33,163	0	0	458,520							
Disposal	0	0	0	(148,230)	0	0	0	(148,230)							
Written off	0	(39,518)	(44,766)	0	0	0	0	(84,284)							
Balance as at 31 December 2022	816,418	756,521	919,936	2,116,591	312,101	17,530	0	4,939,097							
Carrying amount															
Balance as at 31 December 2022	2,216,548	66,014	362,691	339,255	153,913	0	156,749	3,295,170							

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation conditioners RM	Air conditioners RM	Construction- in- progress RM	Total RM
At cost								
Balance as at 1 January 2021	3,032,966	790,817	1,225,874	2,228,044	466,014	17,530	56,877	7,818,122
Additions	0	40,196	86,845	4,700	0	0	0	131,741
Transfer from right-of-use assets *								
(Note 6)	0	0	0	206,410	0	0	0	206,410
Written off	0	0	(6,869)	0	0	0	0	(6,869)
Balance as at 31 December 2021	3,032,966	831,013	1,305,850	2,439,154	466,014	17,530	56,877	8,149,404
Accumulated depreciation								
Balance as at 1 January 2021	631,706	742,069	741,948	1,807,499	245,775	17,530	0	4,186,527
Current charge	92,356	25,495	120,725	146,766	33,163	0	0	418,505
Transfer from right-of-use assets *								
(Note 6)	0	0	0	113,526	0	0	0	113,526
Written off	0	0	(5,467)	0	0	0	0	(5,467)
Balance as at 31 December 2021	724,062	767,564	857,206	2,067,791	278,938	17,530	0	4,713,091
Carrying amount								
Balance as at 31 December 2021	2,308,904	63,449	448,644	371,363	187,076	0	56,877	3,436,313

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period and rates are as follows:

Buildings	35 years
Computers	20%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%
Renovation	10%
Air conditioners	10%

Construction-in-progress represents building in progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

- (b) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

- (c) The buildings with carrying amount of RM1,985,437 (2021: RM2,068,164) have been charged to banks for credit facilities granted to the Group (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group

Right-of-use assets

	Office lots RM	Motor vehicle RM	Total RM
2022			
At cost			
Balance as at 1 January/31 December 2022	556,625	0	556,625
Accumulated depreciation			
Balance as at 1 January 2022	287,693	0	287,693
Current charge	89,644	0	89,644
Balance as at 31 December 2022	377,337	0	377,337
Carrying amount			
Balance as at 31 December 2022	179,288	0	179,288
2021			
At cost			
Balance as at 1 January 2021	556,625	206,410	763,035
Transfer to property, plant and equipment * (Note 5)	0	(206,410)	(206,410)
Balance as at 31 December 2021	556,625	0	556,625
Accumulated depreciation			
Balance as at 1 January 2021	198,050	82,564	280,614
Current charge	89,643	30,962	120,605
Transfer to property, plant and equipment * (Note 5)	0	(113,526)	(113,526)
Balance as at 31 December 2021	287,693	0	287,693
Carrying amount			
Balance as at 31 December 2021	268,932	0	268,932

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Group

Lease liabilities

	Office lots RM	Motor vehicle RM	Total RM
2022			
Carrying amount			
Balance as at 1 January 2022	298,070	0	298,070
Lease payments	(106,800)	0	(106,800)
Interest expense	12,113	0	12,113
Balance as at 31 December 2022	<u>203,383</u>	<u>0</u>	<u>203,383</u>
2021			
Carrying amount			
Balance as at 1 January 2021	388,371	19,168	407,539
Lease payments	(106,800)	(19,450)	(126,250)
Interest expense	16,499	282	16,781
Balance as at 31 December 2021	<u>298,070</u>	<u>0</u>	<u>298,070</u>
Represented by:		2022	2021
		RM	RM
Current liabilities		99,281	94,685
Non-current liabilities		104,102	203,385
		<u>203,383</u>	<u>298,070</u>
Lease liabilities owing to financial institutions		0	0
Lease liabilities owing to non-financial institutions		203,383	298,070
		<u>203,383</u>	<u>298,070</u>

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Office lots	5 - 6 years
Motor vehicle	5 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) The Group has certain low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(c) The following are the amounts recognised in profit or loss:

	Group	
	2022	2021
	RM	RM
Depreciation charge of right-of-use assets (included in cost of sales)	89,644	120,605
Interest expense on lease liabilities (included in finance costs)	12,113	16,781
Expense relating to lease of low-value assets (included in administrative expenses)	15,341	14,316
	117,098	151,702

(d) The following are total cash outflows for leases as a lessee:

	Group	
	2022	2021
	RM	RM
Included in net cash from operating activities:		
Payment relating to low-value assets	15,341	14,316
Included in net cash used in financing activities:		
Repayment of lease liabilities	106,800	126,250
Total cash outflows for leases	122,141	140,566

(e) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

There are no potential future rental payments that are not included in the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rate, effective interest rate and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group	Weighted average incremental borrowing rate per annum (%)	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to five (5) years RM	Total RM
31 December 2022					
Lease liabilities					
Floating rates	4.75	99,281	104,102	0	203,383
31 December 2021					
Lease liabilities					
Floating rates	4.75	94,685	99,282	104,103	298,070

A sensitivity analysis has been performed based on the outstanding floating rate lease liabilities of the Group as at 31 December 2022. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's profit after tax would increase or decrease by RM1,189 (2021: RM1,577), as a result of higher or lower interest expense on these lease liabilities.

- (g) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
31 December 2022			
Lease liabilities	106,800	106,800	213,600
31 December 2021			
Lease liabilities	106,800	213,600	320,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessor

The Group has entered into a non-cancellable lease agreement on certain property for terms of thirty (30) years and renewable at the end of the lease period subject to an increase clause.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	2022 RM	2021 RM
Less than one (1) year	1,600,000	1,600,000
One (1) to two (2) years	1,600,000	1,600,000
Two (2) to three (3) years	1,600,000	1,600,000
Three (3) to four (4) years	1,900,000	1,600,000
Four (4) to five (5) years	2,500,000	1,900,000
More than five (5) years	57,088,481	59,588,481
	<u>66,288,481</u>	<u>67,888,481</u>

7. INVESTMENT PROPERTIES

	Group	
	2022 RM	2021 RM
Fair value		
Freehold land and buildings		
Balance as at 1 January	91,170,000	93,455,000
Disposal	0	(285,000)
Gain/(Loss) on fair value adjustment	100,000	(2,000,000)
Balance as at 31 December	<u>91,270,000</u>	<u>91,170,000</u>
At cost		
Construction-in-progress		
Balance as at 1 January	32,564,404	32,389,911
Additions	169,376	169,157
Transfer from land held for property development (Note 12(a))	0	5,336
Balance as at 31 December	<u>32,733,780</u>	<u>32,564,404</u>
Total investment properties	<u>124,003,780</u>	<u>123,734,404</u>

- (a) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value which reflects market conditions at the end of the reporting period and change in fair value is recognised in profit or loss for the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

- (b) If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.
- (c) Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and have recent experience in the location and category of the investment properties being valued.

The carrying amounts of the investment properties were based on valuation carried out by Henry Butcher Malaysia (Seberang Perai) Sdn. Bhd. and PA International Property Consultants (Penang) Sdn. Bhd. on 31 December 2022. Fair value is determined primarily based on comparison approach. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use.

Comparison method/Depreciated replacement cost method

The comparison/cost method of valuation entails separate valuations of the land and certain buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land and certain buildings is valued by reference to transactions of similar lands and buildings in the surrounding area with adjustments made for differences in location, size, building differences, improvements and amenities, time element and other relevant characteristics. The estimated fair value would be higher if the differential rate is lower and vice versa.

Certain buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building. The estimated fair value would be higher if the estimated replacement cost is lower and vice versa.

- (d) The fair values of investment properties of the Group are categorised as follows:

	Group	
	2022	2021
	RM	RM
Level 3		
Freehold land and buildings	<u>91,270,000</u>	<u>91,170,000</u>

Investment properties at Level 3 fair value were determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair value of the investment property portfolio of the Group every year. It has been derived from observable recent transacted prices of similar land and buildings in the local market.

- (e) Investment properties with a carrying amount of RM55,765,000 (2021: RM55,665,000) have been charged to bank for credit facilities granted to the Group (Note 20 and Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

- (f) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group	
	2022	2021
	RM	RM
Insurance	59,788	59,688
Quit rent and assessment	215,892	197,302
Repair and maintenance	101,354	98,882
	377,034	355,872

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
At cost		
Unquoted ordinary shares	166,066,516	166,066,516
Redeemable preference shares ('RPS')	190,000,000	190,000,000
Less: Impairment losses	(20,971,072)	(19,997,642)
	335,095,444	336,068,874

Movement in accumulated impairment losses:

	Company	
	2022	2021
	RM	RM
Balance as at 1 January	19,997,642	19,997,642
Impairment losses recognised in profit or loss	973,430	0
Balance as at 31 December	20,971,072	19,997,642

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Company reviews the investment in subsidiaries for impairment annually. The recoverable amounts of the investment in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of RM973,430 was recognised in respect of investment in Perquest Sdn. Bhd. during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022	2021	
Cenderaman Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Denmas Sdn. Bhd.	Malaysia	100%	100%	Project and construction management
Denmas Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Epiland Properties Sdn. Bhd.	Malaysia	100%	100%	Property management
Hong Hong Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Intanasia Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Jasnia Sdn. Bhd.	Malaysia	100%	100%	Property development
Juru Heights Sdn. Bhd.	Malaysia	100%	100%	Property development
Langstone Sdn. Bhd.	Malaysia	100%	100%	Investment holding and operation of car park
Mustiara Sdn. Bhd.	Malaysia	70%	70%	Property development
Palmington Sdn. Bhd.	Malaysia	100%	100%	Property development and investment holding
Perquest Sdn. Bhd.	Malaysia	100%	100%	Property development
Premcourt Development Sdn. Bhd.	Malaysia	100%	100%	Property development and investment holding
Pridaman Sdn. Bhd.	Malaysia	100%	100%	Property development
Tokoh Edaran Sdn. Bhd.	Malaysia	100%	100%	Construction management
Tambun Indah Sdn. Bhd.	Malaysia	100%	100%	Property development
Tambun Indah Development Sdn. Bhd.	Malaysia	100%	100%	Property development
TID Development Sdn. Bhd.	Malaysia	100%	100%	Property development
TKS Land Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Zipac Development Sdn. Bhd.	Malaysia	100%	100%	Property development

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022	2021	
Held through TKS Land Sdn. Bhd.:				
Ascention Sdn. Bhd. ^	Malaysia	50%	50%	Property development
CBD Land Sdn. Bhd.	Malaysia	50%	50%	Property development
Held through Palmington Sdn. Bhd.:				
Novinia Sdn. Bhd.	Malaysia	100%	100%	Dormant
^ In the process of winding up				

All subsidiaries above are audited by BDO PLT, Malaysia.

(c) The Group considers that it controls Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. even though it owns fifty percent (50%) of the voting rights. This is because the Group is the single largest shareholder of Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. with a fifty percent (50%) equity interests. The remaining fifty percent (50%) of the equity shares in Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. are held by few shareholders, (as recorded in the shareholders' register of CBD Land Sdn. Bhd. from 10 May 2010 to 31 December 2022, and Ascention Sdn. Bhd. from 29 December 2011 to 31 December 2022). Since 10 May 2010 and 29 December 2011, which were the dates of acquisitions of Ascention Sdn. Bhd. and CBD Land Sdn. Bhd., there is no history of the other few shareholders collaborating to exercise their votes collectively or to outvote the Group.

(d) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Mustiara Sdn. Bhd.	Total
2022				
NCI percentage of ownership interest and voting interest	50%	50%	30%	
Carrying amount of NCI (RM)	54,724	399,540	(4,172,164)	(3,717,900)
Profit/ (Loss) allocated to NCI (RM)	0	2,843	(1,048,715)	(1,045,872)
2021				
NCI percentage of ownership interest and voting interest	50%	50%	30%	
Carrying amount of NCI (RM)	54,724	396,697	(3,123,449)	(2,672,028)
(Loss)/ Profit allocated to NCI (RM)	(5,001)	1,422	(870,205)	(873,784)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Mustiara Sdn. Bhd.
2022			
Assets and liabilities			
Non-current asset	0	0	144,861,876
Current assets	111,147	801,392	2,356,279
Non-current liabilities	0	0	(59,680,000)
Current liabilities	(1,700)	(2,312)	(45,445,368)
Net assets	109,447	799,080	42,092,787
Less: Redeemable preference shares held by the Company	0	0	(56,000,000)
	<u>109,447</u>	<u>799,080</u>	<u>(13,907,213)</u>
Results			
Revenue	0	0	0
Profit/(Loss) for the financial year	0	5,687	(3,495,715)
Total comprehensive income/(loss)	<u>0</u>	<u>5,687</u>	<u>(3,495,715)</u>
Cash flows from operating activities	0	5,608	16,543,126
Cash flows used in investing activities	0	0	(42,184)
Cash flows used in financing activities	0	0	(16,504,057)
Net increase/(decrease) in cash and cash equivalents	<u>0</u>	<u>5,608</u>	<u>(3,115)</u>
2021			
Assets and liabilities			
Non-current asset	0	0	138,298,910
Current assets	111,147	795,593	2,317,592
Non-current liabilities	0	0	(72,640,000)
Current liabilities	(1,700)	(2,199)	(22,388,000)
Net assets	109,447	793,394	45,588,502
Less: Redeemable preference shares held by the Company	0	0	(56,000,000)
	<u>109,447</u>	<u>793,394</u>	<u>(10,411,498)</u>
Results			
Revenue	0	0	0
(Loss)/Profit for the financial year	(10,002)	2,844	(2,900,683)
Total comprehensive (loss)/income	<u>(10,002)</u>	<u>2,844</u>	<u>(2,900,683)</u>
Cash flows (used in)/from operating activities	(7,787)	3,213	8,367,605
Cash flows used in investing activities	0	0	(34,326)
Cash flows used in financing activities	0	0	(8,339,499)
Net (decrease)/increase in cash and cash equivalents	<u>(7,787)</u>	<u>3,213</u>	<u>(6,220)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (f) In previous financial year, TKS Land Sdn Bhd, a wholly owned subsidiary of Tambun Indah Land Berhad had resolved by way of a special resolution together with the remaining shareholders of Ascention Sdn Bhd, at an Extraordinary General Meeting held on 10 November 2021, that Ascention Sdn Bhd be wound up voluntarily pursuant to Section 439 (1) (b) of the Companies Act 2016.

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At cost				
Unquoted ordinary shares	831,079	831,079	831,079	831,079
Share of post acquisition reserves, net of dividends received	(489,801)	(490,668)	0	0
Less: Impairment losses	0	0	(464,873)	(464,873)
	<u>341,278</u>	<u>340,411</u>	<u>366,206</u>	<u>366,206</u>

- (a) Investment in an associate is measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- (b) The details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2022	2021	
Ikhtiar Bitara Sdn. Bhd. #	Malaysia	45%	45%	Property development

Associate not audited by BDO PLT, Malaysia

The financial statements of the above associate has a financial year end of 31 October. In applying the equity method of accounting, the audited financial statements of Ikhtiar Bitara Sdn. Bhd. for the financial year ended 31 October 2022 have been used and appropriate adjustments have been made for the effects of transactions between 31 October 2022 to 31 December 2022.

- (c) Significant influence

Significant influence is presumed to exist when the Group hold twenty percent (20%) or more of the voting rights of another entity, unless it can be clearly demonstrated otherwise. The Group has board representation and holds a 45% (2021: 45%) equity interest in Ikhtiar Bitara Sdn. Bhd. for which the Group has determined that it has significant influence.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

(d) The summarised financial information of the associate is as follows:

	2022 RM	2021 RM
Assets and liabilities		
Current assets	840,244	839,163
Current liabilities	(1,800)	(2,644)
Net assets	<u>838,444</u>	<u>836,519</u>
Results		
Revenue	0	0
Profit/ (Loss) for the financial year	1,926	(1,360)
Total comprehensive income/(loss)	<u>1,926</u>	<u>(1,360)</u>
Cash flows from operating activities	1,081	328
Cash flows from investing activity	0	0
Cash flows from financing activity	0	0
Net increase in cash and cash equivalents	<u>1,081</u>	<u>328</u>

(e) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate are as follows:

	2022 RM	2021 RM
As at 31 December		
Share of net assets of the Group	(389,175)	(390,042)
Goodwill	730,453	730,453
Carrying amount in the statement of financial position	<u>341,278</u>	<u>340,411</u>
Share of results of the Group for the financial year ended 31 December		
Share of profit/(loss) of the Group	867	(612)
Share of other comprehensive income of the Group	0	0
Share of total comprehensive income/(loss) of the Group	<u>867</u>	<u>(612)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

10. INVESTMENT IN A JOINT VENTURE

	Group	
	2022 RM	2021 RM
Unquoted equity shares, at cost	1	1
Redeemable preference shares	21,500,000	21,500,000
Share of post acquisition reserves, net of dividend received	6,284,294	5,846,870
	<u>27,784,295</u>	<u>27,346,871</u>

- (a) Investment in a joint venture is accounted for using the equity method in the consolidated financial statements.
- (b) The details of the joint venture are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2022	2021	
TNC Capital Sdn. Bhd.	Malaysia	50%	50%	Building and leasing of properties

The joint venture above is audited by BDO PLT, Malaysia.

- (c) Classification of joint arrangement

For its joint arrangement structured in a separate vehicle, the Group assesses the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether there are any factors that give the Group rights to the net assets of the joint arrangement (in which case it is classified as a joint venture), or rights to specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). These factors include:

- (i) Structure;
- (ii) Legal form;
- (iii) Contractual agreement; and
- (iv) Other facts and circumstances.

Upon consideration of these factors, the Group has determined that its joint arrangement structured through a separate vehicle provide rights to the net assets and is therefore, classified as a joint venture.

- (d) TNC Capital Sdn. Bhd., the only joint venture in which the Group participates, is an unlisted separate structured entity whose quoted market price is not available. The contractual arrangement stipulates unanimous consent of all parties over relevant activities of joint ventures and provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with TNC Capital Sdn. Bhd.. This joint arrangement has been classified as a joint venture and has been included in the consolidated financial statements using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

10. INVESTMENT IN A JOINT VENTURE (CONT'D)

- (e) The summarised financial information of the joint venture, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	2022 RM	2021 RM
Assets and liabilities		
Non-current assets	53,304,073	53,304,073
Current assets	3,006,939	2,131,141
Current liabilities	(742,422)	(741,472)
Net assets	<u>55,568,590</u>	<u>54,693,742</u>
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in a joint venture	<u>27,784,295</u>	<u>27,346,871</u>
Results		
Revenue	1,499,852	1,105,052
Other income	24,503	30,050
Expenses including taxation	(649,507)	(571,440)
Profit for the financial year	<u>874,848</u>	<u>563,662</u>
Share of profit by the Group for the financial year	<u>437,424</u>	<u>281,831</u>

- (f) Redemption of RPS

In the previous financial year, the Group redeemed RPS amounting to RM1,000,000 in respect of the TNC Capital Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

11. DEFERRED TAX

(a) The deferred tax (assets) and liabilities are made up of the following:

	Group	
	2022	2021
	RM	RM
Balance as at 1 January	(4,739,490)	(8,274,770)
Recognised in profit or loss (Note 26):		
- property development costs	(3,062,910)	3,521,580
- investment properties	199,600	190,800
Underprovision in prior years	(1,578,100)	(177,100)
Balance as at 31 December	<u>(9,180,900)</u>	<u>(4,739,490)</u>
Presented after appropriate offsetting:		
Deferred tax assets, net	(9,180,900)	(5,787,490)
Deferred tax liabilities, net	0	1,048,000
	<u>(9,180,900)</u>	<u>(4,739,490)</u>

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	2022	2021
	RM	RM
Deferred tax liabilities of the Group		
Balance as at 1 January		
- property development costs	1,048,000	630,530
Recognised in profit or loss (Note 26):		
- property development costs	(1,048,000)	391,270
Overprovision in prior year	0	26,200
Balance as at 31 December		
- property development costs	<u>0</u>	<u>1,048,000</u>
Deferred tax assets of the Group		
Balance as at 1 January		
- property development costs	(5,787,490)	(8,905,300)
Recognised in profit or loss (Note 26):		
- property development costs	(2,014,910)	3,130,310
- investment properties	199,600	190,800
Underprovision in prior year		
- property development costs	(1,578,100)	(193,500)
- investment properties	0	(9,800)
Balance as at 31 December		
- property development costs	<u>(9,180,900)</u>	<u>(5,787,490)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

11. DEFERRED TAX (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of the financial position are as follows:

	Group	
	2022 RM	2021 RM
Property, plant and equipment	47,000	47,000
Unused tax losses		
- Expired by 31 December 2028	872,645	928,772
- Expired by 31 December 2029	6,183	113,168
- Expired by 31 December 2030	31,669	175,512
- Expired by 31 December 2031	372,398	377,208
- Expired by 31 December 2032	229,090	0
Other deductible temporary differences	13,625,652	9,504,323
	<u>15,184,637</u>	<u>11,145,983</u>

Deferred tax assets of certain subsidiaries had not been recognised in respect of these items as it was not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the local tax authority. Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

12. INVENTORIES

	Note	Group	
		2022 RM	2021 RM
Non-current			
Land held for property development	(a)	<u>307,074,310</u>	<u>281,399,771</u>
Current			
Property development costs	(b)	96,029,466	104,819,050
Completed properties held for sale, at cost	(c)	<u>9,878,292</u>	<u>9,713,789</u>
		<u>105,907,758</u>	<u>114,532,839</u>
		<u>412,982,068</u>	<u>395,932,610</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

12. INVENTORIES (CONT'D)

(a) Land held for property development

	Group	
	2022	2021
	RM	RM
Balance as at 1 January		
- Freehold land, at cost	251,171,409	251,171,409
- Development costs	30,228,362	32,126,438
	281,399,771	283,297,847
Add: Cost incurred during the financial year		
- Freehold land, at cost	19,958,000	0
- Development costs	8,030,158	290,012
	27,988,158	290,012
Less: Transfer to Investment Properties (Note 7)		
- Development costs	0	(5,336)
	0	(5,336)
Less: Transfers to property development costs (Note 12(b))		
- Freehold land, at cost	0	0
- Development costs	(2,313,619)	(2,182,752)
	(2,313,619)	(2,182,752)
Balance as at 31 December		
- Freehold land, at cost	271,129,409	251,171,409
- Development costs	35,944,901	30,228,362
	307,074,310	281,399,771

(i) Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Land held for property development with carrying amount of RM222,526,289 (2021: RM267,636,466) have been charged to banks for credit facilities granted to subsidiaries (Note 20 and Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

12. INVENTORIES (CONT'D)

(b) Property development costs

Group	Freehold land, at cost RM	Development costs RM	Total RM
Cumulative property development costs			
Balance as at 1 January 2022	106,106,489	291,041,944	397,148,433
Incurred during the financial year	0	112,993,984	112,993,984
Reclassification	(1,221)	1,221	0
Transfer from land held for property development (Note 12(a))	0	2,313,619	2,313,619
Transferred to completed properties held for sale	(505,719)	(2,392,489)	(2,898,208)
Cost elimination due to completion projects	(14,617,983)	(85,738,147)	(100,356,130)
Balance as at 31 December 2022	<u>90,981,566</u>	<u>318,220,132</u>	<u>409,201,698</u>
Cumulative costs recognised in the statement of profit or loss and other comprehensive income			
Balance as at 1 January 2022	(33,640,723)	(258,688,660)	(292,329,383)
Recognised during the financial year (Note 24)	(13,010,432)	(108,188,547)	(121,198,979)
Reclassification	41,025	(41,025)	0
Cost elimination due to completion projects	14,617,983	85,738,147	100,356,130
Balance as at 31 December 2022	<u>(31,992,147)</u>	<u>(281,180,085)</u>	<u>(313,172,232)</u>
Property development costs as at 31 December 2022	<u>58,989,419</u>	<u>37,040,047</u>	<u>96,029,466</u>
Cumulative property development costs			
Balance as at 1 January 2021	106,106,489	176,464,545	282,571,034
Incurred during the financial year	0	113,982,097	113,982,097
Transfer from land held for property development (Note 12(a))	0	2,182,752	2,182,752
Cost elimination due to completion projects	0	(1,587,450)	(1,587,450)
Balance as at 31 December 2021	<u>106,106,489</u>	<u>291,041,944</u>	<u>397,148,433</u>
Cumulative costs recognised in the statement of profit or loss and other comprehensive income			
Balance as at 1 January 2021	(9,711,386)	(136,364,680)	(146,076,066)
Recognised during the financial year (Note 24)	(23,929,337)	(123,911,430)	(147,840,767)
Cost elimination due to completion projects	0	1,587,450	1,587,450
Balance as at 31 December 2021	<u>(33,640,723)</u>	<u>(258,688,660)</u>	<u>(292,329,383)</u>
Property development costs as at 31 December 2021	<u>72,465,766</u>	<u>32,353,284</u>	<u>104,819,050</u>

Property development costs with carrying amount of RMNil (2021: RM36,339,350) have been charged to banks for credit facilities granted to subsidiaries (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

12. INVENTORIES (CONT'D)

- (c) Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Non-current</u>				
Other receivable				
Amounts due from subsidiaries	0	0	26,060,000	12,320,000
<u>Current</u>				
Trade receivables				
Third parties	38,543,410	18,542,948	0	0
Retention sums	20,396,275	8,181,300	0	0
	58,939,685	26,724,248	0	0
Less: Impairment losses	(6,106)	(89,745)	0	0
Total trade receivables	58,933,579	26,634,503	0	0
Other receivables				
Third parties	180,462	252,773	0	1,450
Amounts due from subsidiaries	0	0	6,605,000	8,825,000
Deposits	508,274	622,483	4,500	4,500
Total other receivables	688,736	875,256	6,609,500	8,830,950
Total current trade and other receivables (excluding prepayments)	59,622,315	27,509,759	6,609,500	8,830,950
Prepayments				
Prepayments	13,412	14,059	13,301	13,299
Total current trade and other receivables	59,635,727	27,523,818	6,622,801	8,844,249
Total trade and other receivables	59,635,727	27,523,818	32,682,801	21,164,249

All trade and other receivables are denominated in RM.

- (a) Total trade and other receivables (exclude prepayments) are classified as financial assets measured at amortised cost.
- (b) The normal trade credit terms granted by the Group are generally on 21 working days term (2021: 21 working days) and 30 days term (2021: 30 days). They are recognised at their original billing amounts, which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current conditions and forecast of future economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (unemployment rate in Malaysia) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Lifetime expected loss provision for trade receivables as at 31 December 2022 and 31 December 2021 are as follows:

	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	More than 60 days past due RM	Total RM
2022					
Gross carrying amount	31,134,885	8,557,167	6,638,258	12,609,375	58,939,685
Impairment	1,096	685	430	3,895	6,106
Total	<u>31,133,789</u>	<u>8,556,482</u>	<u>6,637,828</u>	<u>12,605,480</u>	<u>58,933,579</u>
2021					
Gross carrying amount	16,648,223	6,182,156	3,819,149	74,720	26,724,248
Impairment	40,981	191	29,063	19,510	89,745
Total	<u>16,607,242</u>	<u>6,181,965</u>	<u>3,790,086</u>	<u>55,210</u>	<u>26,634,503</u>

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (d) Movements in the impairment allowance for trade receivables are as follows:

	Group	
	2022 RM	2021 RM
At 1 January	89,745	147,045
Reversal of impairment losses	(83,639)	(57,300)
At 31 December	<u>6,106</u>	<u>89,745</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The retention sums are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2022	2021
	RM	RM
Within one (1) year	12,428,715	4,461,750
Within two (2) years	7,967,560	3,719,550
	20,396,275	8,181,300

- (f) Impairment for amounts due from subsidiaries and other receivables are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on payment trends and operational performance of other receivables and subsidiaries.

The probability of non-payment by other receivables and amounts due from subsidiaries is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables and amounts due from subsidiaries. The Group has identified the unemployment rate in Malaysia as the key macroeconomic factors of the forward-looking information.

Non-current amounts due from subsidiaries represent unsecured advances, which bear interest at a range of 3.36% to 4.36% (2021: 3.36%) per annum. The advances together with the interest receivable thereon were not payable within the next twelve months.

Current amounts due from subsidiaries are non-trade in nature, unsecured, payable within next twelve month in cash and cash equivalents and bear interest at a range of 3.36% to 4.36% (2021: 3.36%) per annum.

No expected credit loss is recognised arising from amounts due from subsidiaries and other receivables as it is negligible.

- (g) Credit risk concentration profile

The Group and the Company do not have any significant exposure to any individual customer or counterparty and do not have any major concentration of credit risk related to any financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) The following table sets out the carrying amounts, the interest rates as at the end of the reporting period and the remaining maturities of the amounts due from subsidiaries of the Company that are exposed to interest rate risk:

Company	Interest rate per annum (%)	Within one (1) year RM	More than one (1) year RM	Total RM
31 December 2022				
Floating rate	3.36% - 4.36%	6,605,000	26,060,000	32,665,000
31 December 2021				
Floating rate	3.36%	8,825,000	12,320,000	21,145,000

- (i) A change of 50 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Company to be higher/(lower) by RM124,127 (2021: RM80,351).

14. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022 RM	2021 RM
Property development contracts		
Aggregate pre-contract costs incurred to date	347,047,048	332,072,062
Add: Attributable profits	260,097,098	198,734,067
	607,144,146	530,806,129
Less: Progress billings	(553,667,494)	(411,629,709)
	53,476,652	119,176,420
Represented by:		
Contract assets		
Property development contracts	55,083,767	119,176,420
Contract liabilities		
Property development contracts	(1,607,115)	0
	53,476,652	119,176,420

- (a) Property development contracts

Property development contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings reflect physical completion of the contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Property development contracts (Cont'd)

Contract assets (accrued billings to be billed to purchasers) are recognised in the statement of financial position as excess of cumulative revenue recognised over the progress billings to purchaser. Contract liabilities are recognised in the statement of financial position as excess of progress billings to purchasers over the cumulative revenue recognised.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Contract assets have decreased by RM64,092,653 as a result of the latest progress of property development projects having met the milestone billings as prescribed in the sale and purchase agreement's progressive payment schedule, in which the Group issues more billing to the customer as compared to the previous financial year ended 31 December 2021.

Contract liabilities have increased by RM1,607,115 as excess of progress billings to purchasers over the cumulative revenue recognised for the financial year ended 31 December 2022.

(b) Contract assets from property development contracts

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	GROUP			Total RM
	2022 RM	2023 RM	2024 RM	
31 December 2022	0	68,274,336	8,843,874	77,118,210
31 December 2021	119,567,690	10,186,354	1,386,222	131,140,266

(c) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 13(c) to the financial statements.

No expected credit loss is recognised arising from contract assets as it is negligible.

15. SHORT TERM FUNDS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets at fair value through profit or loss				
Fixed income trust funds in Malaysia (Note 16)	96,548,648	27,913,408	2,265,081	13,009,995

All short term funds are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

15. SHORT TERM FUNDS (CONT'D)

- (a) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (b) Short term funds of the Group and of the Company are investments in money market fund on highly liquid investments, which are readily convertible to a known amounts of cash and be subject to an insignificant risk of changes in value.
- (c) Short term funds of the Group and the Company are stated at Level 2 fair value.

16. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	76,744,977	99,393,469	7,126,804	12,962,943
Deposits with licensed banks	13,084,664	14,277,492	6,675	6,556
	<u>89,829,641</u>	<u>113,670,961</u>	<u>7,133,479</u>	<u>12,969,499</u>

All cash and bank balances are denominated in RM.

- (a) Included in the cash and bank balances of the Group is an amount of RM48,764,426 (2021: RM67,925,150) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015.
- (b) The interest rate of deposits with both licensed banks of the Group and of the Company are 1.25% to 2.62% (2021: 1.25% to 1.90%) and 1.50% to 2.40% (2021: 1.50% to 1.70%) per annum respectively.
- (c) Included in the deposits with licensed banks is an amount of RM2,812,815 (2021: RM2,762,365) pledged as securities for bank guarantees granted to the Group.
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Short term funds placed with a financial institution (Note 15)	96,548,648	27,913,408	2,265,081	13,009,995
Cash and bank balances	76,744,977	99,393,469	7,126,804	12,962,943
Deposits with licensed banks	13,084,664	14,277,492	6,675	6,556
	<u>186,378,289</u>	<u>141,584,369</u>	<u>9,398,560</u>	<u>25,979,494</u>
Less:				
Deposits pledged with licensed banks	<u>(2,812,815)</u>	<u>(2,762,365)</u>	<u>0</u>	<u>0</u>
	<u>183,565,474</u>	<u>138,822,004</u>	<u>9,398,560</u>	<u>25,979,494</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

16. CASH AND BANK BALANCES (CONT'D)

(e) At the end of the reporting period, the interest rate profile of the cash and cash equivalents was:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate				
Cash and bank balances	10,767,843	15,287,491	685,329	5,550,318
Deposits with licensed banks	13,084,664	14,277,492	6,675	6,556
	<u>23,852,507</u>	<u>29,564,983</u>	<u>692,004</u>	<u>5,556,874</u>
Floating rates				
Short term funds (Note 15)	96,548,648	27,913,408	2,265,081	13,009,995
Cash and bank balances	65,977,134	84,105,978	6,441,475	7,412,625
	<u>162,525,782</u>	<u>112,019,386</u>	<u>8,706,556</u>	<u>20,422,620</u>

Sensitivity analysis for fixed rate cash and cash equivalents at the end of the reporting period is not presented as fixed rate instrument is not affected by change in interest rates.

A change of 50 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group and the Company to be higher/(lower) by RM733,456 (2021: RM459,170) and RM35,803 (2021: RM93,218) respectively.

(f) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

17. SHARE CAPITAL

	2022		2021	
	Number of shares	RM	Number of shares	RM
Group				
Issued and fully paid with no par value				
Balance as at 1 January	436,040,617	289,096,030	434,492,017	288,189,478
Issued for cash pursuant to ESOS	3,271,300	2,205,922	1,548,600	906,552
Balance as at 31 December	<u>439,311,917</u>	<u>291,301,952</u>	<u>436,040,617</u>	<u>289,096,030</u>
Company				
Issued and fully paid with no par value				
Balance as at 1 January	436,040,617	288,628,451	434,492,017	287,721,899
Issued for cash pursuant to ESOS	3,271,300	2,205,922	1,548,600	906,552
Balance as at 31 December	<u>439,311,917</u>	<u>290,834,373</u>	<u>436,040,617</u>	<u>288,628,451</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

17. SHARE CAPITAL (CONT'D)

- (a) During the financial year, the issued and paid-up share capital of the Company was increased from 436,040,617 to 439,311,917 by way of 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
No. of shares issued	1,266,500	672,500	20,000	452,000

Exercise price (RM)			0.75	0.71
No. of shares issued			279,000	581,300

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) In the previous financial year, the issued and paid-up share capital of the Company was increased from 434,492,017 to 436,040,617 by way of issuance of 1,548,600 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price (RM)	0.47	0.59	0.60	0.62
No. of shares issued	1,031,100	40,000	366,000	25,000

Exercise price (RM)			0.69	0.71
No. of shares issued			45,000	41,500

- (c) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

18. RESERVES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-distributable:				
Share options reserve	0	1,117,758	0	1,117,758
Distributable:				
Retained earnings	451,619,364	415,493,306	86,653,875	88,834,114
	<u>451,619,364</u>	<u>416,611,064</u>	<u>86,653,875</u>	<u>89,951,872</u>

The share options reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options. Share options reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
<u>Current liabilities</u>				
Secured				
Revolving credits (Note 20)	7,983,200	5,000,000	0	5,000,000
Term loans (Note 21)	16,397,147	16,302,127	0	0
	<u>24,380,347</u>	<u>21,302,127</u>	<u>0</u>	<u>5,000,000</u>
<u>Non-current liability</u>				
Secured				
Term loans (Note 21)	78,280,752	87,088,000	0	0
	<u>78,280,752</u>	<u>87,088,000</u>	<u>0</u>	<u>0</u>
<u>Total borrowings</u>				
Revolving credits (Note 20)	7,983,200	5,000,000	0	5,000,000
Term loans (Note 21)	94,677,899	103,390,127	0	0
	<u>102,661,099</u>	<u>108,390,127</u>	<u>0</u>	<u>5,000,000</u>

All borrowings are denominated in RM.

- Borrowings are classified as financial liabilities measured at amortised cost.
- Fair value of the borrowings of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- The interest rate per annum of borrowings that were effective as at the end of reporting period were as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Revolving credits	4.38 - 4.58	3.27 - 3.47	N/A	3.27 - 3.47
Term loans	4.10 - 4.36	3.14 - 3.20	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. BORROWINGS (CONT'D)

(d) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Floating rate				
Revolving credits	7,983,200	5,000,000	0	5,000,000
Term loans	94,677,899	103,390,127	0	0
	<u>102,661,099</u>	<u>108,390,127</u>	<u>0</u>	<u>5,000,000</u>

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 December 2022. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the profit after tax of the Group and of the Company would decrease or increase by RM506,844 (2021: RM556,143) and RMNil (2021: RM956) respectively, as a result of higher or lower interest expense on these borrowings.

(e) The maturity of the revolving credits is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Not later than one (1) year	<u>7,983,200</u>	<u>5,000,000</u>	<u>0</u>	<u>5,000,000</u>

(f) The maturity of the term loans is as follows:

	Group	
	2022 RM	2021 RM
Not later than one (1) year	16,397,147	16,302,127
Later than one (1) year and not later than two (2) years	16,462,836	15,016,000
Later than two (2) years and not later than three (3) years	16,462,836	15,132,000
Later than three (3) years and not later than four (4) years	16,462,836	15,132,000
Later than four (4) years and not later than five (5) years	16,462,836	15,132,000
Later than five (5) years	12,429,408	26,676,000
	<u>94,677,899</u>	<u>103,390,127</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. BORROWINGS (CONT'D)

- (g) The maturity profile of borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
As at 31 December 2022				
Borrowings	28,476,907	72,415,878	14,100,432	114,993,217
As at 31 December 2021				
Borrowings	24,324,727	67,666,208	27,488,877	119,479,812
Company				
As at 31 December 2022				
Borrowings	0	0	0	0
As at 31 December 2021				
Borrowings	5,013,886	0	0	5,013,886

20. REVOLVING CREDITS

The revolving credits are secured by:

- (a) Legal charge over the Group's property, plant and equipment, investment properties and development land as disclosed in Note 5, Note 7 and Note 12(a) to the financial statements; and
- (b) Corporate guarantee by certain subsidiaries.

21. TERM LOANS

The term loans are secured by:

- (a) Legal charge over the Group's investment properties and development land as disclosed in Note 7, Note 12(a) and Note 12(b) to the financial statements; and
- (b) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables				
Third parties	13,455,867	11,724,467	0	0
Other payables				
Third parties	214,035	1,083,585	0	0
Accruals	22,752,113	15,977,257	36,000	28,600
Deposits received	4,133,991	4,026,541	0	0
	27,100,139	21,087,383	36,000	28,600
Total trade and other payables	40,556,006	32,811,850	36,000	28,600

All trade and other payables are denominated in RM.

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2021: 30 days). Included in trade payables of the Group is retention sum on contracts amounting to RM13,455,867 (2021: RM11,724,467).
- (c) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

23. REVENUE

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers:					
Property development	(a)	219,863,569	238,333,710	0	0
Sale of completed properties	(b)	4,145,681	14,299,688	0	0
Operation of car park	(d)	140,415	118,647	0	0
Property management fees	(d)	85,500	180,500	0	0
		224,235,165	252,932,545	0	0
Other revenue:					
Rental income from investment properties	(c)	3,252,456	2,946,183	0	0
Dividend income	(e)	0	0	24,053,600	9,553,600
		227,487,621	255,878,728	24,053,600	9,553,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

23. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers of the Group is derived from Malaysia and disaggregated in the table below by timing of revenue recognition.

	Property development RM	Sale of completed properties RM	Operation of car park RM	Property management fees RM	Total RM
31 December 2022					
Timing of revenue recognition					
Transferred over time	219,863,569	0	0	0	219,863,569
Transferred at a point in time	0	4,145,681	140,415	85,500	4,371,596
Revenue from external customers	<u>219,863,569</u>	<u>4,145,681</u>	<u>140,415</u>	<u>85,500</u>	<u>224,235,165</u>

31 December 2021

Timing of revenue recognition

Transferred over time	238,333,710	0	0	0	238,333,710
Transferred at a point in time	0	14,299,688	118,647	180,500	14,598,835
Revenue from external customers	<u>238,333,710</u>	<u>14,299,688</u>	<u>118,647</u>	<u>180,500</u>	<u>252,932,545</u>

(a) Revenue from property development

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the cost incurred relative to the total expected cost for satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

23. REVENUE (CONT'D)

- (a) Revenue from property development (Cont'd)

There is no significant financing component in the revenue arising from property development as the contracts are made on the normal credit terms not exceeding twelve months.

- (b) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Company will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

- (c) Rental income from investment properties is recognised based on accrual basis.

- (d) Operation of car park income and property management fees are recognised at a point in time when the services have been rendered to the customer.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms not exceeding twelve months.

- (e) Dividend income is recognised when the right to receive payment is established.

24. COST OF SALES

	Group	
	2022	2021
	RM	RM
Property development (Note 12)	121,198,979	147,840,767
Others	2,275,519	8,660,100
	<u>123,474,498</u>	<u>156,500,867</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

25. DIRECTORS' REMUNERATION

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
Directors' fee	120,000	120,000	120,000	120,000
Salaries and other emoluments	2,859,246	2,511,640	0	0
Bonus	1,129,200	1,220,500	0	0
Defined contribution plan	597,870	559,455	0	0
Total Executive Directors' remuneration (exclude benefits-in-kind)	4,706,316	4,411,595	120,000	120,000
Estimated money value of benefits-in-kind	78,200	76,531	0	0
Total Executive Directors' remuneration (including benefits-in-kind)	4,784,516	4,488,126	120,000	120,000
Directors of the Company				
Non-executive Directors				
Directors' fee	226,000	210,000	226,000	210,000
Other emoluments	14,000	13,500	14,000	13,500
Total Non-Executive Directors' remuneration	240,000	223,500	240,000	223,500
Total Directors' remuneration				
- fee	346,000	330,000	346,000	330,000
- other emoluments	4,600,316	4,305,095	14,000	13,500
	4,946,316	4,635,095	360,000	343,500
Directors of the subsidiaries				
Executive Directors				
Directors' fee	18,000	18,000	0	0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

25. DIRECTORS' REMUNERATION (CONT'D)

Movements in share options granted under the ESOS during the financial year were as follows:

	2022 Unit	2021 Unit
Directors of the Company		
Executive Director		
As at 1 January	1,500,000	1,500,000
Exercised	(500,000)	0
Lapsed	(1,000,000)	0
As at 31 December	<u>0</u>	<u>1,500,000</u>
Non-executive Director		
As at 1 January	900,000	1,100,000
Exercised	(600,000)	0
Lapsed	(300,000)	(200,000)
As at 31 December	<u>0</u>	<u>900,000</u>

The number of Directors of the Group whose total remuneration during the financial year which fell within the following bands is analysed as below:

	Number of Directors	
	2022	2021
Executive Directors		
RM700,001 - RM750,000	0	1
RM750,001 - RM800,000	1	0
RM1,100,001 - RM1,150,000	0	1
RM1,150,001 - RM1,200,000	1	0
RM2,650,001 - RM2,700,000	0	1
RM2,800,001 - RM2,850,000	1	0
	<u>1</u>	<u>0</u>
Non-executive Directors		
RM1 - RM50,000	0	1
RM50,001 - RM100,000	4	3
	<u>4</u>	<u>3</u>
Directors of the Subsidiaries		
Executive Director		
RM1 - RM50,000	1	1
	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

26. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense based on profit for the financial year	25,126,020	17,206,300	204,200	122,900
Real property gain tax	0	5,500	0	0
Under/(Over)provision of tax in prior years	2,003,186	(155,764)	118,951	3,139
	<u>27,129,206</u>	<u>17,056,036</u>	<u>323,151</u>	<u>126,039</u>
Deferred tax (Note 11):				
- relating to origination and reversal of temporary differences	(2,863,310)	3,712,380	0	0
- underprovision in prior years	(1,578,100)	(177,100)	0	0
	<u>22,687,796</u>	<u>20,591,316</u>	<u>323,151</u>	<u>126,039</u>

The Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	<u>82,806,030</u>	<u>81,347,155</u>	<u>23,180,960</u>	<u>9,605,071</u>
Tax at the applicable tax rate of 24% (2021: 24%)	19,873,400	19,523,300	5,563,400	2,305,200
Tax effects in respect of:				
Non-taxable income	(154,100)	(172,700)	(5,701,900)	(2,294,200)
Non-allowable expenses	1,793,310	1,296,480	342,700	111,900
Special tax deduction	(219,200)	(521,000)	0	0
Deferred tax assets not recognised during the financial year	1,042,600	792,600	0	0
Utilisation of previously unrecognised capital allowances	(73,300)	0	0	0
Real property gain tax	0	5,500	0	0
Under/(Over)provision of tax in prior years	2,003,186	(155,764)	118,951	3,139
Underprovision of deferred tax in prior years	(1,578,100)	(177,100)	0	0
Tax expense for the financial year	<u>22,687,796</u>	<u>20,591,316</u>	<u>323,151</u>	<u>126,039</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

27. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
	RM	RM
Profit attributable to equity holders of the parent	61,164,106	61,629,623
	Group	
	2022	2021
	Unit	Unit
Weighted average number of ordinary shares in issue	436,040,617	434,492,017
Effects of exercise of ESOS	1,988,948	323,840
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	438,029,565	434,815,857
Basic earnings per ordinary share (sen)	13.96	14.17

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2022	2021
	RM	RM
Profit attributable to equity holders of the parent	61,164,106	61,629,623
	Group	
	2022	2021
	Unit	Unit
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share	438,029,565	434,815,857
Effects of dilution:		
- ESOS	0	614,303
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	438,029,565	435,430,160
Diluted earnings per ordinary share (sen)	13.96	14.15

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

28. DIVIDENDS

	Group/Company			
	2022		2021	
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
Dividends paid/declared:				
In respect of financial year ended 31 December 2020:				
Single tier first and final dividend	0	0	2.4	10,464,255
In respect of financial year ended 31 December 2021:				
Single tier first and final dividend	5.9	25,919,403	0	0
	<u>5.9</u>	<u>25,919,403</u>	<u>2.4</u>	<u>10,464,255</u>

A single tier first and final dividend in respect of the financial year ended 31 December 2022 of 5.6 sen per ordinary share amounting to RM24,601,467 has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2023.

29. EMPLOYEE BENEFITS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Wages, salaries and bonuses	10,980,101	9,941,668	0	0
Directors' fee	138,000	138,000	120,000	120,000
Contributions to defined contribution plan	1,460,560	1,328,949	0	0
Social security contributions	67,625	63,384	0	0
Share options granted under ESOS	24,510	6,665	0	0
Other benefits	736,242	537,176	0	0
	<u>13,407,038</u>	<u>12,015,842</u>	<u>120,000</u>	<u>120,000</u>

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM4,724,316 and RM120,000 (2021: RM4,429,595 and RM120,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS')

The Employees Share Options Scheme ('ESOS') of the Company came into effect on 5 June 2012. The ESOS shall be in force for a period of five (5) years until 5 June 2017 ('the option period'). On 23 February 2017, the Board of Directors of the Company approved the extension of the scheme for five (5) years until 4 June 2022. The main features of the ESOS are as follows:

- (a) Directors, and confirmed employees of the Group who have served at least 2 years of continuous services are eligible under the ESOS;
- (b) The maximum number of new shares which may be issued and allotted pursuant to the exercise of the options shall not at any point in time in aggregate exceed 5% of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time during the duration of the ESOS;
- (c) Not more than 50% of the shares available under the ESOS should be allocated in aggregate, to Directors and senior management of the Group;
- (d) The allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares), does not exceed 10% of the total number of the new shares to be issued under the ESOS;
- (e) The options granted may be exercised any time within the option period from the date of offer;
- (f) The option price of a new ordinary share under the ESOS shall be the five (5)-days weighted average market price of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad ('Bursa Securities') immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (g) The options granted are not entitled for any dividend, voting rights, allotment and/or other distribution declared, made or paid to shareholders unless the new shares so allotted have been credited to the relevant securities accounts of the shareholders maintained by the Bursa Depository before the entitlement date and will be subjected to all provisions of the Articles relating to the transfer, transmission and otherwise;
- (h) The ESOS Committee at any time and from time to time recommends to the Board any addition or amendment to or deletion of the By-laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-laws upon such recommendation. Any subsequent modifications or changes to the By-laws do not need the prior approval of the Bursa Securities and/or any other relevant authorities; and
- (i) The employees and Directors to whom the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the option period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

	Number of options over ordinary shares					
	Outstanding as at 1.1.2022	Movements during the financial year			Outstanding as at 31.12.2022	Exercisable as at 31.12.2022
		Granted	Exercised	Lapsed		
2022						
15 November 2013	414,000	0	0	(414,000)	0	0
28 May 2014	163,000	0	0	(163,000)	0	0
17 December 2014	1,046,000	0	0	(1,046,000)	0	0
15 June 2015	258,000	0	0	(258,000)	0	0
1 December 2015	476,000	0	0	(476,000)	0	0
21 June 2016	70,000	0	0	(70,000)	0	0
16 December 2016	59,000	0	0	(59,000)	0	0
3 July 2017	125,000	0	0	(125,000)	0	0
18 December 2017	19,000	0	0	(19,000)	0	0
8 June 2018	107,000	0	(97,000)	(10,000)	0	0
26 February 2019	641,300	0	(581,300)	(60,000)	0	0
3 September 2019	536,000	0	(355,000)	(181,000)	0	0
26 February 2020	688,500	0	(672,500)	(16,000)	0	0
27 August 2020	1,594,500	0	(1,266,500)	(328,000)	0	0
26 August 2021	20,000	0	(20,000)	0	0	0
14 April 2022	0	285,000	(279,000)	(6,000)	0	0
	6,217,300	285,000	(3,271,300)	(3,231,000)	0	0
Weighted average exercise prices (RM)	0.92	0.75	0.59	1.24	0	0
Weighted average remaining contractual life (months)	5					0

	Number of options over ordinary shares					
	Outstanding as at 1.1.2021	Movements during the financial year			Outstanding as at 31.12.2021	Exercisable as at 31.12.2021
		Granted	Exercised	Lapsed		
2021						
15 November 2013	414,000	0	0	0	414,000	414,000
28 May 2014	163,000	0	0	0	163,000	163,000
17 December 2014	1,046,000	0	0	0	1,046,000	1,046,000
15 June 2015	258,000	0	0	0	258,000	258,000
1 December 2015	482,000	0	0	(6,000)	476,000	476,000
21 June 2016	70,000	0	0	0	70,000	70,000
16 December 2016	59,000	0	0	0	59,000	59,000
3 July 2017	125,000	0	0	0	125,000	125,000
18 December 2017	19,000	0	0	0	19,000	19,000
8 June 2018	107,000	0	0	0	107,000	107,000
26 February 2019	684,300	0	(41,500)	(1,500)	641,300	641,300
3 September 2019	581,000	0	(45,000)	0	536,000	536,000
26 February 2020	1,057,500	0	(366,000)	(3,000)	688,500	688,500
27 August 2020	2,625,600	0	(1,031,100)	0	1,594,500	1,564,500
25 February 2021	0	40,000	(40,000)	0	0	0
26 August 2021	0	45,000	(25,000)	0	20,000	20,000
	7,691,400	85,000	(1,548,600)	(10,500)	6,217,300	6,187,300
Weighted average exercise prices (RM)	0.84	0.61	0.52	0.99	0.92	0.92
Weighted average remaining contractual life (months)	17					5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

The details of the options over ordinary shares of the Company are as follows (Cont'd):

	Exercise price RM	Exercise period
2022		
15 November 2013	1.27	15.11.2013 - 4.6.2022
28 May 2014	1.75	28.5.2014 - 4.6.2022
17 December 2014	1.45	17.12.2014 - 4.6.2022
15 June 2015	1.51	15.6.2015 - 4.6.2022
1 December 2015	1.25	1.12.2015 - 4.6.2022
21 June 2016	1.25	21.6.2016 - 4.6.2022
16 December 2016	1.24	16.12.2016 - 4.6.2022
3 July 2017	1.30	3.7.2017 - 4.6.2022
18 December 2017	0.92	18.12.2017 - 4.6.2022
8 June 2018	0.69	8.6.2018 - 4.6.2022
26 February 2019	0.71	26.2.2019 - 4.6.2022
3 September 2019	0.69	3.9.2019 - 4.6.2022
26 February 2020	0.60	26.2.2020 - 4.6.2022
27 August 2020	0.47	27.8.2020 - 4.6.2022
25 February 2021	0.59	25.2.2021 - 4.6.2022
26 August 2021	0.62	26.8.2021 - 4.6.2022
14 April 2022	0.75	14.4.2022 - 4.6.2022

Share options exercised during the financial year resulted in the issuance of 3,271,300 (2021: 1,548,600) ordinary shares at an average price of RM0.59 (2021: RM0.52) each. The related weighted average ordinary share price at the date of exercise was RM0.94 (2021: RM0.74).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

The fair values of share options granted during the financial year was estimated by using the Binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	Grant dates	
	14 April 2022	
Fair values of share options (RM):		0.09
Weighted average share price (RM)		0.83
Weighted average exercise price (RM)		0.75
Expected volatility (%)		26.40
Expected life (years)		0.13
Risk free rate (%)		1.50
Expected dividend yield (%)		2.88
		<hr/>
	Grant dates	
	25 February 2021	26 August 2021
Fair values of share options (RM):	0.08	0.08
Weighted average share price (RM)	0.65	0.68
Weighted average exercise price (RM)	0.59	0.62
Expected volatility (%)	26.07	26.07
Expected life (years)	1.25	0.75
Risk free rate (%)	1.70	1.50
Expected dividend yield (%)	6.37	5.75
	<hr/>	<hr/>

31. CONTINGENT LIABILITIES

	Group/Company	
	2022	2021
	RM	RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries - unsecured	139,930,200	152,645,000
	<hr/>	<hr/>

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

31. CONTINGENT LIABILITIES (CONT'D)

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits would be required or the amount is not capable of reliable measurement.

The Directors are of the view that the chances of the financial institutes to call upon the corporate guarantee are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

32. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries, associate and joint venture. Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;
- (ii) Associate and joint venture as disclosed in Note 9 and Note 10 to the financial statements;
- (iii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly;
- (iv) Companies in which certain Directors have substantial financial interests; and
- (v) Immediate family member of Directors of the Company and its subsidiaries.

The related parties and their relationships with the Group are as follows:

Name of related party	Relationship
Palmsfield Sdn. Bhd.	Company in which a Director of the Company has substantial financial interests.
Siram Permai Sdn. Bhd.	Company in which a Director of the Company has substantial financial interests.
Tongee (KL) Sdn Bhd	Company in which the Director is family member of the Directors of the Company.
Herbview Venture Sdn. Bhd.	Company in which the Director is family member of the Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Lease payments made to companies of which a Director has interest	106,800	106,800	0	0
Purchased of goods from a Company in which the Directors are family member of the Directors of the Company	31,039	0	0	0
Rental received from a Company in which the Director is family member of the Directors of the Company	0	3,378	0	0
Dividend received from:				
- subsidiaries	0	0	24,053,600	9,553,600
Interest charged to subsidiaries	0	0	835,755	624,999

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short term employee benefits	5,204,230	4,827,886	360,000	343,500
Contributions to defined contribution plan	706,524	654,927	0	0
	<u>5,910,754</u>	<u>5,482,813</u>	<u>360,000</u>	<u>343,500</u>

Included in the compensation of key management personnel are Directors' remuneration of the Group and of the Company as disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group has a target gearing ratio at 50% determined as the proportion of net debt to equity. The Group includes within net debt, borrowings and lease liabilities less short term funds and cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Borrowings (Note 19)	102,661,099	108,390,127	0	5,000,000
Lease liabilities (Note 6)	203,383	298,070	0	0
Less:				
Short term funds (Note 15)	(96,548,648)	(27,913,408)	(2,265,081)	(13,009,995)
Cash and bank balances (Note 16)	(89,829,641)	(113,670,961)	(7,133,479)	(12,969,499)
Net cash	<u>(83,513,807)</u>	<u>(32,896,172)</u>	<u>(9,398,560)</u>	<u>(20,979,494)</u>
Total capital	742,921,316	705,707,094	377,488,248	378,580,323
Net cash	(83,513,807)	(32,896,172)	(9,398,560)	(20,979,494)
Equity	<u>659,407,509</u>	<u>672,810,922</u>	<u>368,089,688</u>	<u>357,600,829</u>
Capital gearing ratio	*	*	*	*

* Capital gearing ratio is not presented as the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity more than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2022.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The exposure of the Group to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The objective of the Group is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, majority of the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis, which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

The credit risk concentration profile has been disclosed in Note 13 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet their financial obligations when they fall due. The exposure of the Group and of the Company to liquidity risk arises principally from their various payables, borrowings and lease liabilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing their liquidity risk management strategy, the Group and the Company measure and forecast their cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group and of the Company.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 6, Note 19 and Note 22 to the financial statements.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group relates to interest-earning deposits and amounts due from subsidiaries and interest-bearing borrowings from financial institutions.

As at the end of the reporting period, the Group and the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 6, Note 13, Note 16 and Note 19 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 21 February 2022, Tambun Indah Development Sdn. Bhd (“TID”), a wholly-owned subsidiary of the Company, has entered into Sale and Purchase Agreement to acquire 2 parcels of land for a total cash consideration of RM19,958,000. The sales and purchase transaction was completed during the year.

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

35.1 New MFRSs adopted during the current financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment</i> - <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

35.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Leases - Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting (“**AGM**”) of Tambun Indah Land Berhad (“**Tambun Indah**” or “**the Company**”) will be held at Pearl City Sales Gallery, Lot 8936, Jalan Tasek Mutiara 2, Bandar Tasek Mutiara, 14120 Simpang Ampat, Penang on Wednesday, 21 June 2023 at 10.30 a.m. for the following purposes:-

A G E N D A

As Ordinary Business

- | | | |
|----|---|------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of Directors and Auditors thereon. | Please refer Note
9 |
| 2. | To re-elect Ms. Teh Theng Theng, a Director who retires by rotation in accordance with Article 102 of the Company’s Constitution and who, being eligible, offers herself for re-election. | Resolution 1 |
| 3. | To re-elect Mr. Teh Deng Wei, a Director who retires by rotation in accordance with Article 102 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 2 |
| 4. | To approve the payment of Directors’ fees of not exceeding RM180,000.00 to the Executive Directors of the Company for the financial year ending 31 December 2023. | Resolution 3 |
| 5. | To approve the payment of Directors’ fees of not exceeding RM320,000.00 to the Non-Executive Directors of the Company for the financial year ending 31 December 2023. | Resolution 4 |
| 6. | To approve the payment of Directors’ benefits of not exceeding RM100,000.00 payable to Non-Executive Directors for the financial year ending 31 December 2024. | Resolution 5 |
| 7. | To approve the payment of a Single Tier First and Final Dividend of 5.6 sen per ordinary share for the financial year ended 31 December 2022. | Resolution 6 |
| 8. | To re-appoint Messrs. BDO PLT as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | Resolution 7 |

As Special Business

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

- | | | |
|----|---|---------------------|
| 9. | AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 8 |
|----|---|---------------------|

“THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Article 12 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.

THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

10. **PROPOSED RENEWAL OF GENERAL MANDATE FOR THE DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO THE DIVIDEND REINVESTMENT SCHEME** **Resolution 9**

“THAT, pursuant to the Dividend Reinvestment Scheme (“DRS”) as approved by the shareholders at the Extraordinary General Meeting held on 19 June 2013, the Directors of the Company be hereby authorised to allot and issue such number of new shares in the Company upon the election of shareholders of the Company to reinvest the dividend pursuant to the DRS until conclusion of the next AGM upon such terms and conditions and to such shareholders as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the new Tambun Indah shares shall be fixed by the Directors at not more than 10% discount to 5-Market Day volume weighted average market price of the Company’s shares immediately prior to the price fixing date at the material time.

THAT the new Tambun Indah shares, shall upon allotment and issue, rank pari passu in all respects with the existing shares, save and except that the new Tambun Indah shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid, the entitlement date of which is prior to the allotment of the new Tambun Indah shares issued pursuant to the DRS.

THAT the Directors be hereby authorised to do all such acts and things as are necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the authorities or as the Board in its absolute discretion deem fit and in the best interest of the Company.

AND THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Securities for the listing and quotation of the new Tambun Indah shares to be issued pursuant to the DRS.”

11. **PROPOSED CONTINUATION OF MR. LAI FOOK HOY IN OFFICE AS INDEPENDENT DIRECTOR OF THE COMPANY** **Resolution 10**

“THAT authority be and is hereby given to Mr. Lai Fook Hoy who had served as an Independent Director of the Company for a cumulative term of more than 9 years to continue to act as an Independent Director of the Company and to hold office until on or before 24 February 2024.”

12. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

By Order of the Board,

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

P’NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Company Secretaries

Penang
Date: 28 April 2023

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint a maximum of 2 proxies to attend and vote at the same meeting.
3. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
6. For a proxy to be valid, the Proxy Form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
7. In the case of a corporate member, the Proxy Form must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
8. Only a Depositor whose name appears on the Record of Depositors on 13 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the AGM or to appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

9. **Agenda 1- Audited Financial Statements**

The Audited Financial Statements for the financial year ended 31 December 2022 will be laid to shareholders at the forthcoming 15th AGM of the Company pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.

10. **Agenda 2 and Agenda 3 – Re-election of Directors**

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election and was satisfied therewith. The Board had endorsed the Nomination Committee’s recommendation to seek shareholders’ approval for the re-election of the retiring Directors at the forthcoming 15th AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming AGM are provided in the Company’s Annual Report 2022.

11. **Agenda 4 and Agenda 5 – Directors’ Fees**

The Resolution 3 and 4, if passed, will enable the Company to pay Directors’ fees to the Non-Executive, and Executive Directors of the Company for the financial year ending 31 December 2023 in accordance with Section 230(1) of the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES ON ORDINARY BUSINESS (CONT'D)

12. **Agenda 6 – Directors' Benefits**

The Resolution 5, if passed, will enable the Company to pay benefits to Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprised of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

13. **Agenda 7 – Payment of Single Tier First and Final Dividend**

The Resolution 6, if passed, will enable the Company to pay a Single Tier First and Final Dividend of 5.6 sen per ordinary share for the financial year ended 31 December 2022 at a book closure and payment dates to be determined by the Board.

14. **Agenda 8 – Re-appointment of Auditors**

The Audit Committee and the Board had considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs. BDO PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES ON SPECIAL BUSINESS

15. **Agenda 9 - Authority to issue shares pursuant to Companies Act 2016**

The Resolution 8, if passed, will enable the Directors to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

16. **Agenda 10 - Authority to issue shares pursuant to Dividend Reinvestment Scheme**

The Resolution 9 is to seek a renewal of general mandate for the Directors to allot and issue new shares upon election of the shareholders of the Company to reinvest the dividend declared by the Company from time to time pursuant to the Dividend Reinvestment Scheme, until the conclusion of the next AGM. A renewal of this mandate will be sought at the next AGM of the Company.

17. **Agenda 11 - Proposed continuation as Independent Director**

The Resolution 10 is to seek shareholders' approval through a two tier voting process and, if passed, will enable Mr. Lai Fook Hoy, an Independent Director of the Company who had served for a cumulative term of more than 9 years to be retained and continued to act as an Independent Director of the Company on or before 24 February 2024. The Nominating Committee had assessed the independence of Mr. Lai Fook Hoy and recommended him to continue in office as he has demonstrated complete independence in character and judgement. The Board having considered the recommendation of the Nominating Committee proposed that Mr. Lai Fook Hoy be remained as an Independent Director of the Company on or before 24 February 2024.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

- 1) No individuals are standing for election as Directors at the forthcoming 15th Annual General Meeting of the Company.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 2 and 3 of the Notice of the 15th Annual General Meeting of the Company are set out in the Directors' Profile section of this Annual Report 2022.
- 3) The details of the Directors' interests in the securities of the Company as at 31 March 2023 are set out in the Analysis of Shareholdings section of this Annual Report 2022.
- 4) The Resolution 8 tabled under Special Business as per the Notice of 15th Annual General Meeting of the Company dated 28 April 2023 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 16 June 2022.

The proposed renewal of general mandate for issuance of new shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of notice of meeting, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.

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PROXY FORM

Number of Shares Held	CDS Account No.
	- - - - -



TAMBUN INDAH LAND BERHAD
Registration No. 200801009158 (810446-U)
 Incorporated in Malaysia

*I/We _____ (*I/C No. / Passport No. / Company No. _____)
 (Full Name in Block Letters)

of _____ (Address)

being a *member/members of the abovenamed Company, hereby appoint

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

* and/or (*delete if not applicable)

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 15th Annual General Meeting (“**AGM**”) of the Company to be held at Pearl City Sales Gallery, Lot 8936, Jalan Tasek Mutiara 2, Bandar Tasek Mutiara, 14120 Simpang Ampat, Penang on Wednesday, 21 June 2023 at 10.30 a.m., and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Ms. Teh Theng Theng as a Director of the Company.		
2.	Re-election of Mr. Teh Deng Wei as a Director of the Company.		
3.	Payment of Directors' Fees to Executive Directors.		
4.	Payment of Directors' Fees to Non-Executive Directors.		
5.	Payment of Directors' Benefits to Non-Executive Directors.		
6.	Payment of a single tier first and final dividend.		
7.	Re-appointment of Messrs. BDO PLT as Auditors of the Company.		
8.	General mandate to allot and issue new shares in the Company.		
9.	Renewal of general mandate to allot and issue new shares pursuant to Dividend Reinvestment Scheme.		
10.	Proposed continuation of Mr. Lai Fook Hoy in office as an Independent Director of the Company.		

Please indicate with an “x” in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed thisday of.....,2023.

.....
 Signature(s)/Common Seal of member(s)

Notes

- A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint a maximum of 2 proxies to attend and vote at the same meeting.
- Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- For a proxy to be valid, the Proxy Form duly completed shall be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
- In the case of a corporate member, the Proxy Form must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
- Only a depositor whose name appears on the Record of Depositors on 13 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

*strike out whichever is not desired.

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The Company Secretary
Tambun Indah Land Berhad
Registration No. 200801009158 (810446-U)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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TAMBUN
INDAH

恒天置地

Tambun Indah Land Berhad

200801009158 (810446-U)

12-01 Penthouse, Wisma Pantai, Jalan Wisma Pantai,
12200 Butterworth, Penang, Malaysia.

Tel : +604 324 0088

Fax : +604 324 0090

www.tambunindah.com

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5191
COMPANY NAME : Tambun Indah Land Berhad
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of Tambun Indah Land Berhad ("Tambun Indah" or the "Company") plays an important role in overseeing the overall performance objectives and long term success and sustainability of the Group.</p> <p>The Board provides effective leadership, reviews the performance of the Executive Management, and has oversight of the proper conduct of the Group's business including the framework of the Group's system of internal controls and risk management. The Executive Management comprising members of the Board holding executive positions and Senior Management of the Group.</p> <p>The Board had established a governance structure where certain areas of responsibilities are delegated to Board Committees and the Executive Management for greater efficiency, and also serves as a control to mitigate or minimize any abuse of authorities.</p> <p>The Board Committees as at 31 December 2022 were as follows:</p> <ol style="list-style-type: none">1. Audit Committee ("AC");2. Nominating Committee ("NC");3. Remuneration Committee ("RC"); and4. Risk Management Committee ("RMC"). <p>The Board Committees operate within a clearly defined terms of reference. The respective terms of reference are set out in the Board Charter which is available at the Company's website (www.tambunindah.com).</p>

	<p>The Board then keeps abreast of the key issues, recommendations and/or decisions made by each Board Committee through the reporting by the Chairman of each Committee and the tabling the minutes of the respective Board Committees of the applicable period for notation by the Board.</p> <p>The Managing Director (“MD”) is responsible for the overall management of business and operations of the Group. He is supported by the Senior Management and the Management Committee or Working Group. The Management Committee or Working Group consists of management from various departments to facilitate smooth and effective operations.</p> <p>The Executive Management formulates the strategies and plans of the Group annually for approval by the Board. The strategic planning process begins at the Senior Management level after assessment and review of the business environment as well as the progress of the previous year’s activities. The Senior Management will take into consideration the feedback from employees, customers and other stakeholders with whom the Group conducts its business during the financial year to ensure the best outcome for the ensuing year, and in the best interest of the Group and its stakeholders.</p> <p>During the process, the Executive Management will hold meetings led by the Executive Deputy Chairman (“EDC”) to discuss pertinent issues and concerns in order to deliver the best outcomes. The Executive Management constantly and actively engage with one another throughout the financial year.</p> <p>The roles of Independent Directors are also fundamental towards good corporate governance. The independence of each Independent Director is reviewed by the NC annually and they are free from any undue influence of substantial shareholders or any interested parties which can materially interfere with the exercise of their independent judgements.</p> <p>It is the general policy of the Company that all major decisions be considered by the Board as a whole.</p> <p>During the financial year ended 31 December 2022 (“FY2022”), the EDC tabled the Business Plan and Budget for the review and approval of the Board. The Board had reviewed and approved the plan as presented.</p> <p>The Board also received reports by the EDC on the progress of the approved strategies, plans and budgets whilst the MD provided updates to the Board on key operational issues or factors that affected the Group’s businesses.</p>
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	<p>During FY2022, several enhancements and initiatives were implemented, inter alia, the establishment of the Directors' Fit & Proper Policy, the review of the Company's Sustainability Framework, Anti-Bribery and Corruption ("ABC") Policy and the Board Charter to ensure that they are aligned with the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission ("SC") as well as the Company's strategy and direction.</p> <p>During the FY2022, the Board through the NC reviewed and assessed the Board and Senior Management in ensuring that there was effective and orderly succession planning in the Group. The Board was satisfied that the current organisational structure has appropriate balance and mix of credentials for progressive and orderly continuity in leadership.</p> <p>During FY2022, the Board exercised its role in overseeing the sustainability initiatives carried out across the Group. Besides, the Board also appointed an independent sustainability consultant to refresh the Group's materiality assessments using a more structured process in prioritising the Environmental, Social and Governance ("ESG") factors that the Executive Management considered to have material impact to the Group.</p> <p>During FY2022, the Board through the AC reviewed the adequacy and effectiveness of the Group's risk management and internal control systems. The details of the Group's risk management and internal control are set out in the Statement on Risk Management and Internal Control section of the Company's Annual Report for the financial year ended 31 December 2022 ("AR 2022").</p> <p>During the FY2022, the Company had maintained a sound investor relations programme through continuous engagements with shareholders and other stakeholders vide announcements to Bursa Securities, informative website, analyst presentations and corporate briefings.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Mr. Lai Fook Hoy performs his duties as an Independent Director.</p> <p>The Chairman assumes a leadership role in the Board so that the Board can perform its responsibility effectively. His role includes the following:</p> <ul style="list-style-type: none">a) to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties;b) to set the Board agenda and ensure adequate time is allocated for discussion of issues tabled to the board for deliberation.c) in consultation with the Secretary, Board members and Senior Management, to ensure Board members receive complete and accurate information at least 7 days in advance of the board meeting;d) to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;e) to encourage active participation and allow dissenting views to be freely expressed;f) to manage the interface between the Board and Senior Management;g) to ensure appropriate steps are taken by the Executive Directors and Senior Management to facilitate an effective communication between the Board and the stakeholders;h) to lead the Board in the adoption and implementation of good governance practices;i) to ensure orderly conduct and proceedings of general meetings to support meaningful engagement, including on matters relating to Company's financial and non-financial performance between board, senior management and shareholders; andj) to allow shareholders to participate actively in general meetings and give shareholders the opportunity to ask questions during the general meetings and all questions should receive meaningful response.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business. In this respect, the position of the Chairman of the Board and the MD (CEO) are held by different individuals.</p> <p>The Chairman of the Board is an Independent Director with no executive function. The Board has established a clear distinction and separation of roles between the Chairman of the Board and the MD in the Board Charter.</p> <p>As at 31 December 2022, the Chairman of the Board was Mr. Lai Fook Hoy, and the MD was Mr. Teh Deng Wei.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	As at 31 December 2022, the Chairman of the Board, Mr. Lai Fook Hoy is not a member of the AC, NC and RC.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>The Company Secretaries are members of professional bodies and qualified to act as Company Secretaries.</p> <p>The brief profile of the Company Secretaries are as follows:</p> <p>Mr. Lee Peng Loon, is an associate member of the Malaysian Association of Company Secretaries (MACS). He started his career with the Malaysian Inland Revenue Board (IRB) as a senior officer for several years before joining one of the “Big Four” international accounting firms in its taxation division. He was later transferred to head its secretarial division as the Executive Director, a position he served for 10 years. With more than 35 years of immense tax, accounting and secretarial experiences, he had assisted and supported countless companies in diverse industries to ensure achievements of regulatory compliance.</p> <p>Ms. P’ng Chiew Keem, Riko, is an associate member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA). She started her career with one of the “Big Four” international accounting firms in Malaysia. She then furthered her studies in Business Management Education in the Asian Institute of Management (AIM), a pioneer business school in Asia, founded in 1968 by the Harvard Business School together with a consortium of prominent business leaders and academic institutions. She has more than 20 years of experience in handling corporate, secretarial, and compliance matters to a large portfolio of clients, indirect tax consulting, accounting and corporate advisory.</p> <p>The primary responsibilities of the Company Secretaries are as follows:</p> <ul style="list-style-type: none">(a) To properly maintain the secretarial records, preparation of resolutions and other secretarial functions of the Company;(b) To issue notice and attend the meetings of the Board, Board Committees and shareholders and to record the minutes of such meetings;(c) To assist in corporate governance practices, by proposing relevant agenda items to be included as recurring meeting agenda;

	<p>(d) To facilitate the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's deliberation;</p> <p>(e) To update the Board on the changes, which are relevant to the Company, of the listing requirements upon receiving the circulars from Bursa Securities; and</p> <p>(f) To advise on corporate disclosures and compliances.</p> <p>During the FY2022, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes in employment law and other areas of governance and financial reporting.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	: Applied
Explanation on application of the practice	<p>Board meetings are scheduled in advance before the beginning of a new financial year to enable members of the Board to plan ahead and fit the year's meetings into their schedules.</p> <p>The Board meets at least 4 times a year, once in every quarter with additional meetings to be held when the need arises to consider urgent proposals or matters that required expeditious decision or deliberation of the Board.</p> <p>The Board is provided with meeting materials that are comprehensive and encompass all matters in the agendas being considered for deliberation together with the minutes of the previous Board and Board Committees ("Board Papers"). In the efforts towards sustainability contribution in preserving the environment, the Company has reduced printing the meeting materials in hardcopies. Hence, the notice of meeting together with the Board Papers are circulated vide email to the Directors at least 7 days in advance of each meeting.</p> <p>The meetings of the Board and Board Committees are held separately and the proceedings thereat are properly documented in the minutes of the respective meetings.</p> <p>The Company Secretary will circulate the draft minutes to all Directors for review and comment before confirmation by the Chairman as a correct record. Such a process is to ensure the minutes of meetings accurately reflect the deliberations and decisions of the Board or the Board Committees, including any dissenting views and matters where Directors abstained from voting or deliberation.</p> <p>The Board also approves certain matters of the Company via circular resolutions to be signed by a majority of Directors.</p> <p>All the Directors have unrestricted access to the services of the Company Secretaries and may inspect the minutes, resolutions and other statutory documents during office hours at the registered office of the Company.</p>

	<p>During the FY2022, there were 7 meetings held and all the Board Papers were circulated to the Board in timely manner.</p> <p>The Board papers supplied to the Directors during the financial year includes amongst others, the quarterly performance reports of the Group, information on operational and financial issues, the Group's risk profiles, Internal Audit Reports, Internal Audit Plan, External Audit Plan and Review Memorandums, updates on the Group's ESG and Sustainability Matters, the Group's business forecasts and outlook, the report on the Directors and Principal Officers' dealings in the securities of the Company, Material Litigations (if any), Whistle Blowing Cases (if any), the report on Statutory Payments to employees, the report on Employees Shares Option Scheme, Recurrent Related Party Transactions, Bank Borrowings and Circular Resolutions passed during the period under review.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	: Applied
Explanation on application of the practice	<p>The Board Charter of the Company contains the following:</p> <ul style="list-style-type: none">(a) Role of the Board (inclusive matters reserved for the Board)(b) Role of Individual Director(c) Role of Chairman(d) Role of Executive Deputy Chairman(e) Role of Managing Director(f) Role of Independent Non-Executive Directors(g) Role of Board Committees & Terms of References(h) Size and Composition of the Board(i) Nomination & Appointment of Directors(j) Re-election of Directors(k) Tenure of Independent Directors(l) Board Diversity(m) Time Commitment & Acceptance of New Directorship(n) Succession Planning(o) Conflict of Interest(p) Board Performance Evaluation(q) Directors' Training(r) Dealing in Securities(s) Board Meeting(t) General Meeting(u) Remuneration Policies & Procedures(v) Access to Information & Independent Advice(w) Financial Reporting(x) Company Secretaries(y) Shareholders' Communications(z) Corporate Sustainability Framework <p>The Board reviews the Board Charter annually or as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulatory authorities, and that it remains consistent with the policies and procedures of the Board.</p>

	<p>The last review of the Board Charter was on 13 April 2023.</p> <p>A full copy of the Board Charter is available at the Company's website (www.tambunindah.com).</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Business Conducts and Ethics ("Code") of the Company is prepared based on principles of integrity, sincerity and accountability in order to enhance the standards of corporate governance and behaviour.</p> <p>The Code contains the following:</p> <ul style="list-style-type: none">(a) Responsibilities and Compliance of the Code(b) Working with Local Communities(c) Fair Dealings(d) Dealings with Government Officials(e) Work Environment & Employment(f) Compliance with Laws & Regulations(g) Environment, Occupational Safety & Health(h) Conflict of Interests(i) Anti-Bribery and Corruption Practices(j) Gifts and Entertainment(k) Travel(l) Political Contributions(m) Donations and Sponsorships(n) Outside Employment(o) Protecting Group Assets(p) Proprietary and Confidential Information(q) Political Activities(r) Whistleblowing(s) Review

	<p>In line with Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 on corporate liability for corruption which came into force on 01 June 2020, the Board had then revised the Code to align with the implementation of Anti-Bribery Management System (“ABMS”) to prevent, detect and respond effectively to bribery and corruption. Besides, the Board had also adopted the Anti-Bribery and Corruption Policy (“ABC Policy”) guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2009.</p> <p>The ABC Policy provides guidance on the Company’s protocols to be observed by the Directors, employees and business associates comprised of vendors, contractors, sub-contractors, consultants, agents, representatives, outsourced personnel, distributors, advisers and other intermediaries who perform works or provide services for or on behalf of the Company and/or the Group. The ABC Policy is to be read together with the Code, Whistle-Blowing Policy, Employee Handbook (for employees) and the MACC Act.</p> <p>All the Directors and employees of the Company and/or the Group are required to sign the mandatory annual declaration form whilst business associates are required to complete the “Third Party Declaration Form” to the Company after they had read and understood the Code and ABC Policy of the Company.</p> <p>The Code and the ABC Policy are subject to annual review to ensure their relevance. The last review of the Code was on 13 April 2023.</p> <p>As at 31 December 2022, a refresher training course was conducted to the employees of the Group in relation to the understanding of the MACC Act and their obligations towards the measures undertaken by the Company in combating bribes and corruptions.</p> <p>A copy of the Code and ABC Policy are available at the Company’s website (www.tambunindah.com).</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle-Blowing Policy (“Policy”) of the Company aligned with the implementation of the ABMS sets out a formal communication channel for the employees and stakeholders to communicate matters of concern in good faith and without fear of reprisal.</p> <p>The Policy is subject to annual review to ensure its relevance. The last review of the Policy was on 13 April 2023.</p> <p>There were no whistle-blowing cases reported in FY2022.</p> <p>A copy of the Whistle-Blowing Policy is available at the Company’s website (www.tambunindah.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognizes sustainability governance and practices are fundamental to support the long term success and value creation of the Group.</p> <p>A Sustainability Working Group has been set up to integrate sustainability initiatives and considerations in the day-to-day operations of the Company and amongst others to ensure an effective implementation of sustainability directions of the Group. The Sustainability Working Group comprising the Executive Management and respective managers of various business units shall meet at least twice a year to review issues relating to sustainability matters.</p> <p>During FY2022, the Board had appointed an independent sustainability consultant, Joshua Rayan Integrated and Sustainability Reporting Specialists Sdn Bhd to guide the Group in its commitment and approach towards the implementation of sustainability practices across the Group for generating positive ESG impacts.</p> <p>During FY2022, the Board had discussed on topics related to Product and Service Responsibility; Workplace Health & Safety; Compliance and Ethical Business Engagements; Economic Performance; Customer Care Management; Talent Development Efforts; Sustainable Procurement Practices; Employee Welfare; Environmental Conservation and Preservation Initiatives; Waste Management; Community Contribution and Donations.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	Information pertaining to the Company’s sustainability strategies, priorities, targets, and performance against the targets communicated to internal and external stakeholders are set out in the Company’s Sustainability Statement section of AR 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of sustainability governance and the needs to have sufficient understanding and knowledge of sustainability matters that are relevant to the Company and its business, including climate related risks and opportunities.</p> <p>The Board through the NC assesses the training needs of the Directors to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group and businesses, including climate-related risks and opportunities.</p> <p>The key training programmes attended by each Director in FY2022 are set out in the Corporate Governance Overview Statement section of AR 2022.</p> <p>The NC, upon its recent assessment carried out, strongly encouraged all Directors to attend sustainability and climate risk training to further upskills their ability to tackle questions and deliberate on sustainability matters.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is tasked by the Board to undertake a formal and objective annual evaluation to determine the effectiveness of the Board and Senior Management towards ESG and sustainability matters.</p> <p>The objective of the evaluation is to ensure that the Company’s sustainability activities create long-term value for all stakeholders via sustainable development practices and execution of the Company’s strategy to address ESG risks and opportunities in achieving its business and operational efficiency.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board had established the Sustainability Working Group to manage the sustainability governance and practices of the Group.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Company's Constitution, 1/3 of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the Directors shall retire from office at least once every 3 years but shall be eligible for re-election.</p> <p>The NC had assessed Ms. Teh Theng Theng and Mr. Teh Deng Wei, the Directors due for retirement by rotation at the forthcoming Annual General Meeting ("AGM") based on the following criteria and was satisfied therewith:</p> <ul style="list-style-type: none">i) The individual Director's contributions based on their respective self-assessment results/outcome;ii) The individual Director's contribution to the Board through their respective skills, experience and strength in qualities; andiii) Their capacity to bring independent judgement and ability to act in the best interests of the Company as a whole. <p>The Board supported the recommendation of the NC that Ms. Teh Theng Theng and Mr. Teh Deng Wei be proposed for re-election at the forthcoming AGM.</p> <p>Ms. Teh Theng Theng and Mr. Teh Deng Wei had abstained from deliberating and voting on the above.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 December 2022, the Board comprised of 3 Independent Directors, 1 Non-Independent Non-Executive Director and 3 Executive Directors.</p> <p>The Independent Directors' representation on Board was equivalent to 43%.</p> <p>The number of Independent Directors of Tambun Indah complied with the Main LR of Bursa a Securities where at least 2 Directors or 1/3 of the Board members, whichever is higher are Independent Directors.</p> <p>As an alternate practice, the Board operates in the manner that its Directors exercise independent judgement and with the interests of the shareholders always in the forefront when important decisions are made by the Board.</p> <p>The independent assessments and opinions of the Independent Directors are important in ensuring the effectiveness of corporate governance practices of the Company. No individual Director can dominate the decision-making of the Board despite the Board has representatives of the substantial shareholders.</p> <p>Additionally, the Board is helmed by an Independent Non-Executive Chairman and the main Board Committees namely the AC, NC and RC comprised majority of Independent Directors are further indicators of independence.</p> <p>Each Independent Director of the Company is aware of his responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.</p>

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2022, one of the Independent Directors of Tambun Indah, Mr. Lai Fook Hoy had served more than a cumulative term limit of 9 years.</p> <p>The NC had assessed and was satisfied that Mr. Lai Fook Hoy had demonstrated his objectivity and independence in expressing his opinions in the decision making of the Board. Hence, his length of service on the Board did not interfere with the exercise of his independence in decision making.</p> <p>The Board concurred with the NC and had recommended Mr. Lai Fook Hoy to be retained and continued to act as an Independent Director of the Company, for shareholders' approval through a two tier voting process at the forthcoming AGM.</p> <p>Mr. Lai Fook Hoy had abstained from deliberating and voting on the above.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible to assess the suitability of a new candidate before his appointment as a Director of the Company. In the evaluation, the NC takes into consideration among others the candidate's skills, experience, independency, character, integrity, competency and time commitment of the candidate to effectively discharge his role as a director.</p> <p>Following the assessment, the NC will submit its recommendation to the Board for approval. The Company Secretary is then responsible to ensure relevant procedures relating to the appointment of the new directors are properly executed.</p> <p>Upon appointment, the new Director will be given a copy of the Board Charter, and provided with an induction programme to familiarize the new director with the business activities, corporate governance practices, and other policies of the Group. The programme also allows the new director to get acquainted with the management.</p> <p>In FY2022, none of the members of the Board were active politicians or actively linked directly with the heads of state, heads of government and ministers.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a formal and transparent procedure in relation to the nomination and appointment of new Directors which are set out in the Terms of Reference of the NC and the Directors' Fit & Proper Policy.</p> <p>The NC identifies and searches for candidates through various contacts and recommendations from independent sources including proposal from the Directors, Management And Major Shareholders.</p> <p>The selection process for appointment of new Director is set out in Practice 5.5.</p> <p>The Board did not appoint any new director during the financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The Board's justifications are set out in Practice 5.3 as well as in the Notice of the 15 th AGM under the explanatory notes. The profile of Mr. Lai Fook Hoy including his age, gender, tenure of service, directorships in other companies, working experience, shareholdings and any conflict of interest are set out in the Directors' Profile section of the AR 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2022, the NC of Tambun Indah was chaired by Dato' Seri Mokhtar Bin Mohd Jait, an Independent Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had established a policy of at least 30% female director on the Board.</p> <p>As at 31 December 2022, the Board comprised of 3 female directors, equivalent to 43% women representation on Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	Details are set out in the AR 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board through the NC, performs a formal and objective annual assessment to determine the effectiveness of the Board as a whole, evaluates the Board Committees and the contribution of individual directors through the use of questionnaires.</p> <p>The Company Secretary will collate the results of the questionnaires into a report. The report is prepared based on the collective comments and feedback from all the directors and relevant Board Committees.</p> <p>The Company Secretary then presents the report to the NC for evaluation, and that is subsequently tabled to the Board for deliberation.</p> <p>During the FY2022, the NC had assessed the effectiveness of the Board as a whole and its Committees. The NC, after considering among others the following factors, had recommended that the composition of the Board and Board Committees to remain unchanged:</p> <ul style="list-style-type: none">• Mix of skills and knowledge;• Diversity;• Capabilities and objectivities;• Boardroom activities; and• Performance of the Board Committees. <p>The NC was satisfied with the current size and composition of the Board and the Board Committees that are adequate with diverse backgrounds, skillsets and capabilities, and objectivity with integrity which are essential and/or valuable for decision-making in the best interest of the Company and its stakeholders.</p>

	<p>The NC had also assessed the Directors based on the self-assessments' questionnaires completed by the individual Directors and considered among others the character, integrity, personality, independence and contribution of each director and was satisfied therewith.</p> <p>The NC had recommended that the Directors to remain unchanged as all the Directors are able to discharge their duties and responsibilities diligently in the best interest of the Group.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Policy that is objective, fair and transparent to ensure a competitive remuneration is in place to motivate, reward and retain directors and senior management to manage the Group's business successfully. None of the executive directors or senior management participates in deciding their own remunerations.</p> <p>The Board through the RC reviews the remuneration package of the executive directors and senior management. The remuneration package is reflective of the individual performance, function, workload, responsibilities, leadership, team spirit and length of service.</p> <p>The Board will also take into consideration on the Company's performance in managing material sustainability risks and opportunities.</p> <p>The RC also reviews and recommends to the Board the remuneration to be paid to non-executive directors based on their level of responsibilities and commitment required. The directors' fees and benefits determined by the Board are subject to annual shareholders' approval.</p> <p>The Remuneration Policy is set out in the Board Charter which is available at the Company's website (www.tambunindah.com).</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a RC with defined terms of reference. The RC is responsible for reviewing the remunerations of executive directors, senior management and non-executive directors according to the Remuneration Policy. The RC then tables its recommendation to the Board.</p> <p>As at 31 December 2022, the RC comprised a majority of Independent Directors.</p> <p>During FY2022, the RC had carried out the following duties:</p> <ul style="list-style-type: none">i) Reviewed and confirmed the minutes of the RC meeting;ii) Reviewed and recommended to the Board, the incentives and/or bonus of the Executive Directors and Senior Management for FY2022;iii) Reviewed and recommended to the Board, the remuneration packages of the Executive Directors and Senior Management for FY2022;iv) Reviewed and recommended to the Board, the fees payable to Directors of the Company for FY2022 for shareholders' approval at the AGM; andv) Reviewed and recommended to the Board, the benefits and estimated quantum payable to Non-Executive Directors for shareholders' approval at the AGM.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lai Fook Hoy	Independent Director	62	4	-	-	-	-	66	62	4	-	-	-	-	66
2	Teh Kiak Seng	Executive Director	40	-	-	-	-	-	40	40	-	612	281	40	222	1,195
3	Teh Deng Wei	Executive Director	40	-	-	-	-	-	40	40	-	1,512	693	27	549	2,821
4	Teh Theng Theng	Executive Director	40	-	-	-	-	-	40	40	-	415	156	11	146	768
5	Tsai Chia Ling	Non-Executive Non-Independent Director	50	4	-	-	-	-	54	50	4	-	-	-	-	54
6	Lam Voon Kean	Independent Director	60	4	-	-	-	-	64	60	4	-	-	-	-	64
7	Mokhtar Bin Mohd Jait	Independent Director	54	4	--	-	-	-	58	54	4	-	-	-	-	58
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the opinion that it is not in the best interest of the Group to disclose the level of remuneration paid to Senior Management on a named basis given the competitive environment for personnel with the requisite knowledge and experience in the industry.</p> <p>As alternate practice, the Board discloses the aggregate remuneration paid to Senior Management.</p> <p>For FY2022, the aggregate sum of remunerations paid to the senior management team was approximately RM0.95 million.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>As at 31 December 2022, the AC was chaired by Ms. Lam Voon Kean and she was not the Chairman of the Board.</p> <p>Ms. Lam Voon Kean is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.</p> <p>The composition of the AC is set out in the AC Report section of the AR 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	Pursuant to the Terms of Reference of the Company's AC, a former audit partner is required to observe a cooling-off period of at least 3 years before being appointed as a member of the AC. In FY2022, none of the members of the Board was a former audit partner of the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC had assessed the suitability, objectivity and independence of the Company's External Auditors, BDO PLT who performed the audits of the Company for FY2022.</p> <p>After having considered the following factors, the AC had recommended BDO PLT to the Board for re-appointment subject to shareholders' approval at the AGM of the Company:</p> <p>Suitability Assessment</p> <ul style="list-style-type: none">• The adequacy of resources, skills, knowledge and experience to perform their duties in accordance with approved professional auditing standards and applicable regulatory and legal requirements;• The adequacy of the audit scope and plan which covers fraud if identified and the key financial and operational risks of the Group;• Timely report on deficiencies noted in the risk management and internal controls;• Timely updates on new developments pertaining to financial reporting standards, corporate governance and other regulated changes;• Ability to meet the deadlines set by the Group; and• Adequate succession plan to meet the audit partner rotation requirement in ensuing objectivity in their audit opinion. <p>Objectivity Assessment</p> <ul style="list-style-type: none">• The nature and extent of the non-audit services rendered and the appropriateness of the level of their fees. <p>Independence Assessment</p> <ul style="list-style-type: none">• The engagement partner has not served for a continuous period of more than 7 years with the Company; and• BDO PLT has given written assurance to the AC confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC had assessed the term of office and performance of the AC and its members for FY2022 in accordance with Paragraph 15.20 of the Main LR of Bursa Securities by way of a set of comprehensive questionnaires.</p> <p>The questionnaires covered amongst others the understanding of the role and terms of reference, financial literacy, integrity, independency, time commitment and so forth.</p> <p>The NC was satisfied that the AC and its members had discharged their duties according to their terms of reference and had recommended to the Board that the existing composition to remain status quo.</p> <p>During the FY2022, members of the AC had attended various trainings and development programmes as set out under "Board Development" in the Corporate Governance Overview Statement section of AR 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopts a Risk Management Handbook which encapsulates the risk management policies and strategies of the Group. The handbook was revised based on the foundation of Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management (“COSO ERM”) 2017 framework, among others in view of the practices of the Group’s environment and operation.</p> <p>The Board through the RMC reviewed the adequacy of the Group’s risk Management framework in FY2022 to ensure risk management and internal controls are in place.</p> <p>During the FY2022, the RMC had reported to the Board periodically on the Group’s risk profile including actions undertaken by the Management to manage or mitigate the risks identified.</p> <p>The Statement on Risk Management and Internal Control as set out in the AR 2022 provides an overview of the state of risk management and internal controls within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>Risk management is regarded as an important aspect of the Group’s operation. The Group has an on-going process for identifying, evaluating and managing principal risks.</p> <p>An overview of risk management and the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control section of AR 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Auditors will review the systems of internal control of the Group based on the audit plan approved by the AC. The Internal Auditors will then report their findings, their suggestions for improvement and the management responses to the AC on a quarterly basis. The progress of the implementation of recommended actions is being monitored through follow up reviews by the Internal Auditors each quarter. The AC will then report to the Board on the progress and findings of the internal audit function.</p> <p>The AC had reviewed and assessed the adequacy of the scope and coverage of the internal audit function for FY2022 as well as the performance, competency, resources and independence of Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), the outsourced internal auditors and was satisfied therewith. The AC had re-appointed Sterling for another term.</p> <p>Further details of the internal audit function are set out in the AC Report section of AR 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company outsourced its internal audit function to an independent internal audit service provider, Sterling which reports directly to the AC.</p> <p>Sterling had confirmed that they are independent and free from any relationship or conflict of interest with the Group.</p> <p>Brief profile of the internal auditors are as follows:</p> <p>Ms. So Hsien Ying, a Certified Internal Control Professional (US), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), permanent member of The Internal Control Institute (US), Member of Malaysian Alliance of Corporate Directors and Associate Member of The Institute of Internal Auditors Malaysia (IIAM) with 30 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>The number of resources of Sterling deployed for each internal audit review ranges from 2 to 5 audit personnel per visit.</p> <p>Sterling is a corporate member of the Institute of Internal Auditors Malaysia (“IIAM”) and used the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group’s internal control systems.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of an effective communication channel between the Board, shareholders and other stakeholders and shall provide timely information of the Group's latest financial, corporate developments as well as the Group's businesses and products to enhance value and build the investors' confidence with the Group.</p> <p>During FY2022, the Board had communicated to shareholders and stakeholders through the following channel:</p> <ul style="list-style-type: none">• The issuance of the Company's Annual Report for FY2021 ("AR 2021") on 29 April 2022;• The 14th AGM of the Company which was held on 16 June 2022;• Announcements released to Bursa Securities namely the quarterly financial results, annual reports, changes in shareholdings and other announcements in accordance with the Main LR of Bursa Securities and these announcements were also available at the Company's website (www.tambunindah.com);• The Company's website for shareholders and the general public to access for the latest and updated information such as corporate information, corporate slides of the latest quarterly financial results, events of the Group, Board Charter & policies, the Group's projects and other information.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Board had adopted Practice 13.1 to issue the notice of AGM to shareholders at least 28 days prior to the meeting. The Notice of the 14 th AGM of the Company dated 29 April 2022 was issued to the shareholders 28 days prior to the AGM which was held on 16 June 2022. The additional time given will allow shareholders to make necessary arrangements to attend and participate in person or through proxies or corporate representatives, and also to consider the proposed resolutions before exercising their voting rights at the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	At the 14 th AGM held on 16 June 2022, all the Directors and key Senior Management were present in person to engage directly with shareholders of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that the existing procedures or practice of the Company has provided shareholders with sufficient information to make an informed decision and sufficient time is given to deposit the proxy form for poll voting or to participate in person at general meetings.</p> <p>Alternate practices are as follows:</p> <ul style="list-style-type: none">(a) The notice of AGM and proxy form is given to shareholders no later than 28 days before the date appointed for holding the AGM. For general meetings other than the AGM, the Company provides the notice of meeting at least 21 days for special resolution and 14 days for ordinary resolution.(b) The notice of AGM will be published on nationally circulated newspaper.(c) Prior to the issuance of the notice, the Company Secretary will announce the notice to Bursa Securities and a copy of the notice is also available at the Company's website.(d) The explanatory notes to the notice of AGM and/or the contents of circular to shareholders provide detailed explanation of the proposed resolutions to enable shareholders to make informed decisions in exercising their voting rights.(e) Shareholders are allowed to appoint any person as proxies to attend, speak and vote at the general meeting. The completed proxy form is to be deposited at the registered office of the Company not later than 48 hours before the time for holding the meeting or 24 hours before the time for the taking of the poll at the general meeting.(f) All the resolutions put to the general meeting are voted upon by poll and the poll counting process and verifications are conducted by independent scrutineers.

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: AGM is a vital forum for interactions with shareholders of the Company. The Chairman of the Board chaired the 14 th AGM in an orderly manner. Shareholders and proxies were encouraged to participate in the proceedings and to ask questions on the operations and performance of the Group. Before the proposed resolutions were put to the vote by poll, Chairman also invited shareholders to raise questions relating to the proposed resolutions which the Board and Senior Management were present to respond to any questions from the shareholders. The Company's External Auditors were also present to address issues relating to the audits and the auditors' reports. In enhancing a more meaningful engagement between the Board and shareholders, the MD presented the Group's performance and future plans to shareholders at the start of the meeting which allowed shareholders to share their feedback and post questions during the meeting. The minutes of the 14 th AGM was then published on Company's website for shareholders' reference.
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 14 th AGM held on 16 June 2022 were published on the Company's website on 13 July 2022.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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