ANNUAL REPORT
2015

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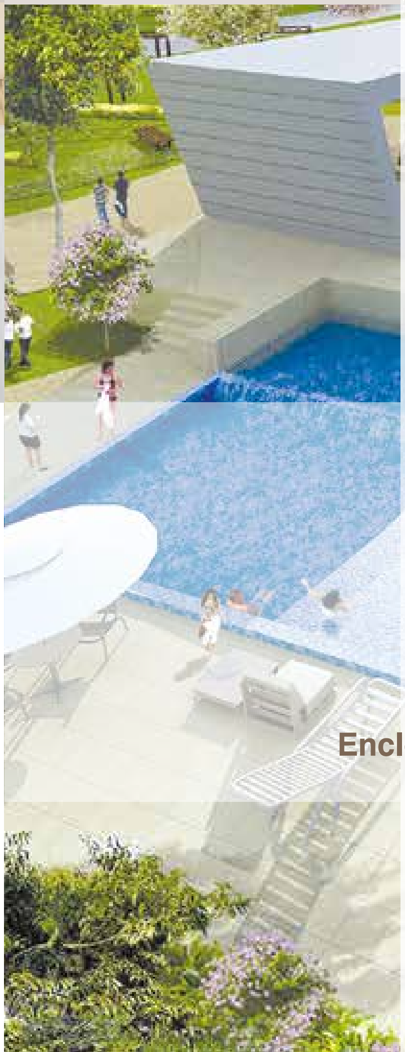


CORPORATE INFORMATION

Straits Garden

Board of Directors

Lai Fook Hoy
Independent Non-Executive Chairman

Teh Kiak Seng
Managing Director

Teh Theng Theng
Executive Director

Tsai Chia Ling
Non-Independent Non-Executive Director

Yeoh Chong Keat
Independent Non-Executive Director

Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali
Independent Non-Executive Director

Audit Committee

Yeoh Chong Keat
Chairman / Independent Non-Executive Director

Lai Fook Hoy
Member / Independent Non-Executive Director

Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali
Member / Independent Non-Executive Director

Remuneration Committee

Lai Fook Hoy
Chairman / Independent Non-Executive Director

Teh Kiak Seng
Member / Executive Director

Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali
Member / Independent Non-Executive Director

Yeoh Chong Keat
Member / Independent Non-Executive Director

Nominating Committee

Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali
Chairman / Independent Non-Executive Director

Tsai Chia Ling
Member / Non-Independent Non-Executive Director

Yeoh Chong Keat
Member / Independent Non-Executive Director

Lai Fook Hoy
Member / Independent Non-Executive Director

CORPORATE INFORMATION (CONT'D)

Raintree Park 2

Company Secretaries
Lee Peng Loon (MACS 01258)
P'ng Chiew Keem (MAICSA 7026443)

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 (AF 0206)
Chartered Accountants
51-21-F Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

Principal Bankers
OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

Share Registrar
Tricor Investor & Issuing House Services Sdn. Bhd.
(Company No. 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

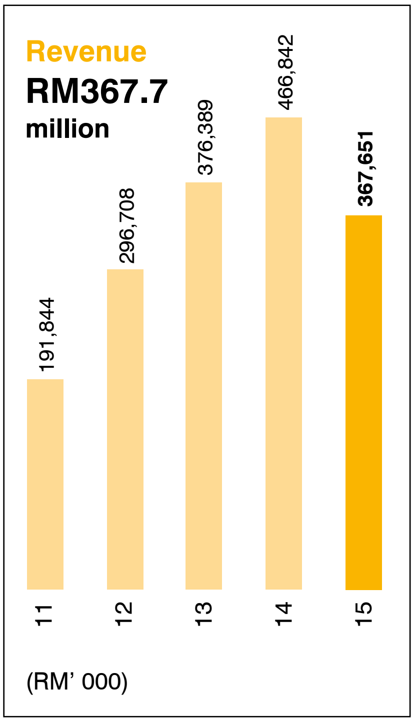
Stock Exchange Listing
Main Market of Bursa Malaysia Securities Berhad
(Bursa Securities)

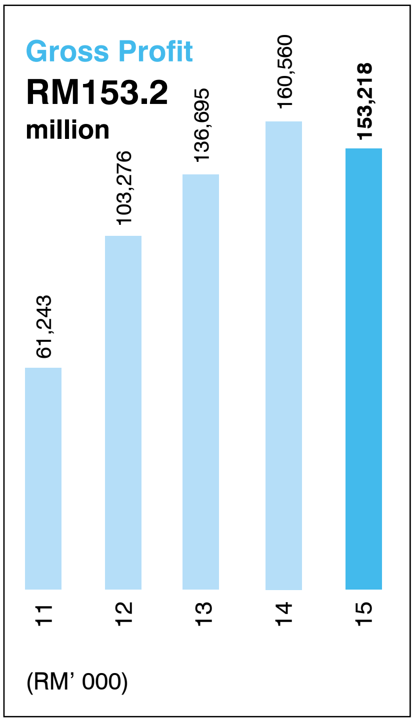
CORPORATE STRUCTURE

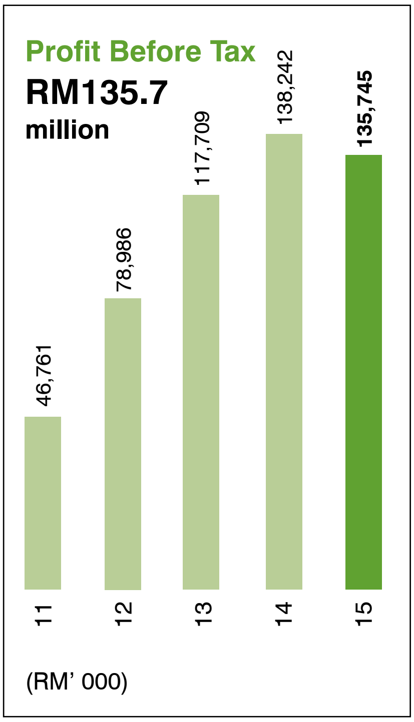
Tambun Indah Land Berhad

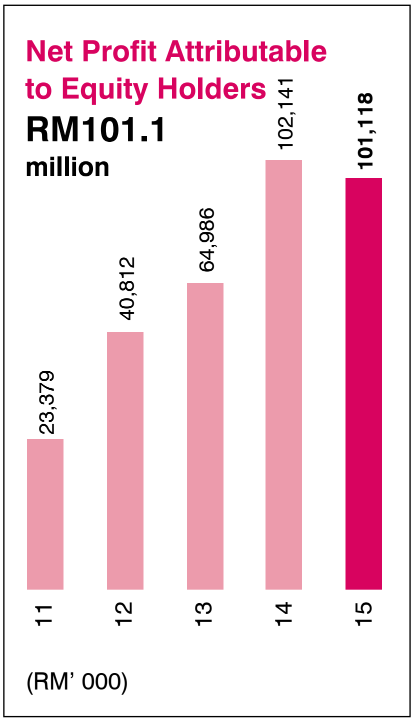
100%	Cenderaman Development Sdn. Bhd.	Property Development
100%	Denmas Sdn. Bhd.	Project & Construction Management
100%	Denmas Development Sdn. Bhd.	Property Development
100%	Epiland Properties Sdn. Bhd.	Property Management
100%	Hong Hong Development Sdn. Bhd.	Property Development
100%	Intanasia Development Sdn. Bhd.	Property Development
100%	Jasnia Sdn. Bhd.	Property Development
100%	Juru Heights Sdn. Bhd.	Property Development
100%	Langstone Sdn. Bhd.	Investment Holding & Operation Of Car Park
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
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
50%	Zipac Development Sdn. Bhd.	Property Development
45%	Ikhtiar Bitara Sdn. Bhd. (Associate)	Property Development

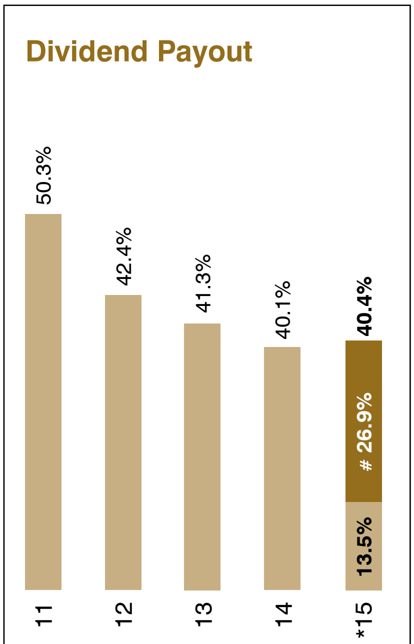
FINANCIAL HIGHLIGHTS



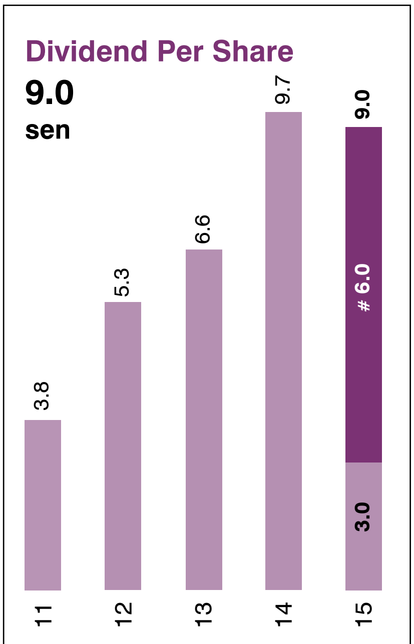








6 sen of final dividend subject to shareholders' approval



6 sen of final dividend subject to shareholders' approval

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

FINANCIAL HIGHLIGHTS (CONT'D)

Summarised Group Statement of Profit or Loss and Other Comprehensive Income

	Financial Year Ended 31 December				
	Audited 2011 RM'000	**Audited 2012 RM'000**	**Audited 2013 RM'000**	**Audited 2014 RM'000**	**Audited 2015 RM'000**
Revenue	191,844	296,708	376,389	466,842	**367,651**
Gross Profit	61,243	103,276	136,695	160,560	**153,218**
Profit Before Tax	46,761	78,986	117,709	138,242	**135,745**
Net Profit Attributable to Equity Holders	23,379	40,812	64,986	102,141	**101,118**

Summarised Group Financial Position

	Audited 2011 RM'000	**Audited 2012 RM'000**	**Audited 2013 RM'000**	**Audited 2014 RM'000**	**Audited 2015 RM'000**
Total non-current assets	100,167	136,725	157,130	325,434	**363,423**
Total current assets	222,018	307,148	339,779	336,346	**410,534**
Total assets	322,185	443,873	496,909	661,780	**773,957**
Share capital	110,500	155,422	197,113	210,390	**212,074**
Share premium	6,400	6,525	63,921	67,396	**67,927**
Other reserves	-	1,133	1,387	975	**1,560**
Retained earnings	38,431	60,135	47,646	118,231	**178,207**
Shareholders' equity	155,331	223,215	310,067	396,992	**459,768**
Non-controlling interests	32,033	38,702	3,515	2,409	**2,736**
Total non-current liabilities	74,832	78,883	73,819	121,928	**140,251**
Total current liabilities	59,989	103,073	109,508	140,451	**171,202**
	322,185	443,873	496,909	661,780	**773,957**
Net assets per share (RM)	0.70	0.72	0.79	0.94	**1.08**

Financial Analysis

	2011	**2012**	**2013**	**2014**	**2015**
Gross Profit Margin	31.92%	34.81%	36.32%	34.39%	**41.67%**
Profit Before Tax Margin	24.37%	26.62%	31.27%	29.61%	**36.92%**
Net Profit Margin	12.19%	13.75%	17.27%	21.88%	**27.50%**
Cash and bank balances (RM'000)	39,291	95,972	125,939	138,147	**183,918**
Total borrowings (RM'000)	77,952	83,825	98,169	152,956	**188,409**
Net Gearing (net of cash)	24.89%	Net Cash	Net Cash	3.73%	**0.98%**

CHAIRMAN'S STATEMENT

Pearl Tropika

Dear Shareholders,

The property sector faced a difficult environment in 2015, feeling the after-effects of stringent loan financing requirements, as well as weaker market sentiment arising from lower disposable income and the prevailing economic uncertainty.

Nevertheless, I am pleased to report that the Group continued to receive positive and promising response for our existing and new launches, and achieved commendable progress in the delivery of on-going projects.

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements for the financial year ended 31 December 2015 (FY2015).

CHAIRMAN'S STATEMENT (CONT'D)

Landed Residential Community

Financial Performance

Revenue for the year under review was RM367.7 million against RM466.8 million a year ago, on account of fewer project launches during the year. The property development and property management segment continued to be a key contributor to group revenue. The Group also reported a higher contribution from the investment holding segment with the commencement of GEMS International School in September 2015, which should add to recurring rental income of the Group.

Despite the dampened topline, underlying net profit attributable to shareholders was sustained at RM101.1 million compared to RM102.1 million achieved in FY2014. This reflects continuous demand for our affordable properties, favourable sales mix, good construction progress and a managed cost structure. A fair value gain on investment properties of RM6.7 million also contributed.

Basic earnings per share at 31 December 2015 was 23.9 sen, compared with 25.2 sen a year ago.

At year-end, the Group had a strong balance sheet, with shareholders' equity increasing to RM459.8 million compared to RM397.0 million a year ago, primarily on higher retained earnings. Cash and bank balances also rose to RM183.9 million from RM138.1 million previously. Borrowings increased to RM188.4 million from RM153.0 million previously, in order to finance land acquisition made in FY2015. With net gearing level at 0.01 times, we are well placed to undertake the necessary strategies for future growth.

CHAIRMAN'S STATEMENT (CONT'D)

Avenue Garden

Dividends

An interim single-tier dividend of 3.0 sen per share in respect of FY2015 was paid on 18 February 2016.

The Board had also proposed a final single-tier dividend of 6.0 sen per share for shareholders' approval at the forthcoming Annual General Meeting. Together, the total dividend declared in respect of FY2015 amounted to 9.0 sen per share, representing a dividend pay-out of approximately RM38.2 million which constitutes 40.4% of the Group's net profit, excluding the valuation gain on investment properties.

Award

Tambun Indah is again proud to be included in Forbes Asia's list of "200 Best Under A Billion" for the third consecutive year, out of a total of 17,000 public listed companies in the Asia Pacific. This annual compilation is in recognition of companies that demonstrated good sales growth, earnings growth and return on equity.

At this juncture, we would like to acknowledge the support of all our stakeholders including our team, buyers, suppliers and business associates, who have been instrumental to the Group's accolades such as this award.

CHAIRMAN'S STATEMENT (CONT'D)

Pearl Tropika

Future Outlook

For 2016, the consensus of the industry is that the property sector will continue to experience muted growth similar to 2015, leading to another challenging year.

Nonetheless, the Group will continue its tried-and-tested strategy of offering quality properties at affordable prices and build on its brand as a property developer of choice. The Group intends to maintain its focus on the planned pipeline projects, whilst being on constant lookout for opportunities to add to its land bank.

Corporate Social Responsibility (CSR)

CSR remains an integral part of the Group's business strategy. We are committed to making positive contributions to the communities where our projects are located.

Our CSR initiatives are highlighted in the Statement on Corporate Social Responsibility in this Annual Report.

Corporate Governance

Your Board of Directors continues to uphold and implement high standards of corporate governance to ensure best practices and greater transparency throughout the Group to protect shareholders' interests, and to achieve sustainable growth. These measures are detailed in the Corporate Governance Disclosure in this Annual Report.

CHAIRMAN'S STATEMENT (CONT'D)

Gems International School

Pearl City Mall - under construction

Appreciation

On behalf of the Board, I would like to thank all our valued customers, business associates, and the relevant authorities for their strong support and cooperation during the year.

To our shareholders, we thank you for your trust and confidence in Tambun Indah.

I would also wish to express the Board's gratitude to management and staff for their hard work, commitment and dedication, which had been so essential to the Group's performance in 2015.

Finally, I wish to record my appreciation of the support, understanding, and wise counsel I have received from members of the Board.

Thank you.

Lai Fook Hoy
Chairman

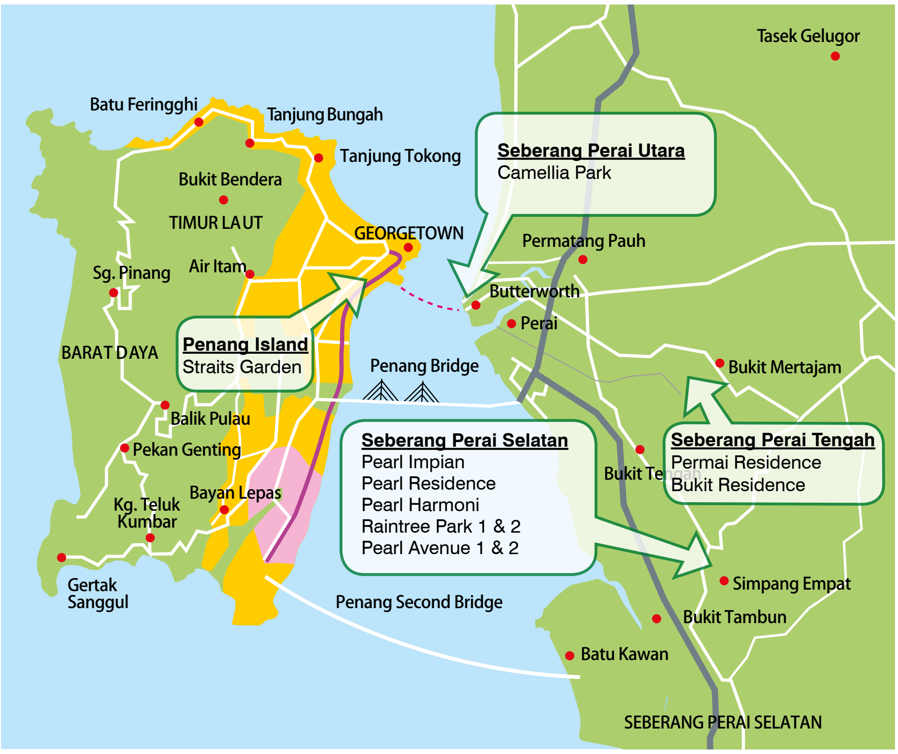
MANAGING DIRECTOR'S MESSAGE

For more than 20 years, Tambun Indah has successfully created a brand synonymous with delivering quality and affordable properties in Penang. We believe that this guiding principle has aptly supported our journey thus far, including the challenging year in review.

We are pleased by the positive response received for our ongoing projects and new launches, reflecting buyers' loyalty and confidence in Tambun Indah.

Operations Review

Tambun Indah's Ongoing Projects (31 December 2015)



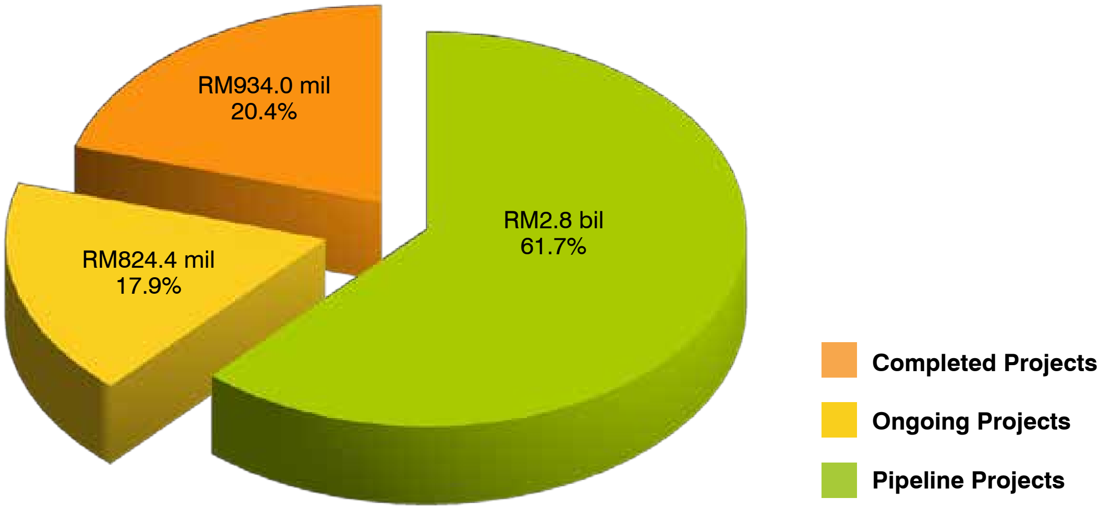
Mainland Penang continued to pique buyers' interest in FY2015 as demonstrated by the positive take-up rate of 81.7% across our ongoing projects with a total Gross Development Value (GDV) of RM1.4 billion.

Despite the challenging environment in the overall Penang property market, the Group launched 426 units comprising 2-storey gated houses and duplex villas within our flagship Pearl City township, with a GDV of RM221.8 million.

With this, the Group sold approximately 570 units of new properties with a total value of RM263.0 million in FY2015. As at 31 December 2015, the Group's unbilled sales amounted to RM324.2 million, which would contribute positively to earnings for the next two to three years.

MANAGING DIRECTOR'S MESSAGE (CONT'D)

Pearl City
Completed, Ongoing & Future GDV (as at 31 March 2016)**:**
RM4.6 billion



- **Simpang Ampat**

The Group's flagship development of Pearl City in Simpang Ampat saw a new launch of landed residences in FY2015 – namely Raintree Park 2. This new launch points to the growing maturity of Pearl City, as development moves closer to the heart of the township with lifestyle elements offering greater amenities and convenience.

In addition to this, GEMS International School, the first full-facility international school in Mainland Penang, also commenced operations in September 2015. The school premises within the township is spread over 200,000 sq ft with a total student capacity of 1,500 and is slated to meet anticipated demand from locals as well growing expat population in Mainland Penang.

Since 2009, we have delivered more than 2,225 units of residential and commercial properties as at 31 March 2016, coupled with pipeline projects under construction of more than 1,757 units of residential and commercial properties in Pearl City township.

- **Butterworth**

The Group is making commendable progress in developing Camellia Park, a high-rise apartment block which comprises 121 units ranging from 1,100 to approximately 1,750 sq ft.

Camellia Park has recorded positive take-up rate of 89.7% as at 31 December 2015 and is on track to be completed in 2016.

- **Penang Island**

Straits Garden, Tambun Indah's development in Penang Island, entails 532 units in total, comprising business suites, condominiums and apartments. The project noted take-up rate of 92.3% as at 31 December 2015, and is on track to be completed in 2016.

- **Bukit Mertajam**

Tambun Indah has two projects under development in Bukit Mertajam, namely Permai Residence and Bukit Residence.

Permai Residence, consisting of 51 units of double-storey semi-detached and terrace homes, recorded positive progress with take-up rate of 80.7% as at 31 December 2015. The project is slated to be completed in 2016.

Bukit Residence comprises 122 units of luxurious link homes, and enjoyed 83.7% take-up rate as at 31 December 2015 with expected completion in 2016.

MANAGING DIRECTOR'S MESSAGE (CONT'D)

Pearl City

Growth Strategies

As a leading developer and pioneer in bringing innovative property concepts in Mainland Penang, our objective is to design and develop affordable properties for our customers and generate sustainable growth in shareholder value in the long term.

While aware of the industry challenges, we believe that the fundamental demand for affordable properties remains intact, and we intend to capture this potential. To this end, the Group has lined up project launches with a combined GDV of more than RM360 million for the financial year ending 31 December 2016 (FY2016).

The Group has pipeline projects of approximately RM3.4 billion GDV across 442 acres of undeveloped land in Penang as of 31 December 2015.

The Group will also continue seeking suitable partners for Pearl City Business Park – the 107 acres purpose-built commercial centre in the heart of Pearl City – so as to achieve our objective of becoming the preferred lifestyle hub in Mainland Penang.

Another major development would be Pearl City Mall, located within the flagship Pearl City project, which will feature quality leisure activities and entertainment outlets for the convenience of existing and future residents of Pearl City. The mall is slated to commence operations in mid-2016, and will add to the Group's recurring income stream.

Furthermore, our strong balance sheet would allow us to adequately finance our projects and actively seek for landbank expansion opportunities to sustain our growth momentum.

In concentrating on these aspects, we intend to leverage on our township development experience and replicate the success in potential landbanks.

MANAGING DIRECTOR'S MESSAGE (CONT'D)

Conclusion

I sincerely would like to thank the various stakeholders for all your support, and wish for our partnership to continue from strength to strength into the future.

Thank you.

Ir. Teh Kiak Seng
Managing Director

CORPORATE SOCIAL RESPONSIBILITY

Brushing and painting works on a public steel bridge

CSR works on creating public Linear Park for the community

As a dedicated corporate citizen in the property business, Tambun Indah has a long-standing commitment towards corporate social responsibility (CSR). We view our role as more than just a builder of houses, but rather a developer of the built environment for the communities we serve.

As a Group, we always strive to bring about a positive impact on the environment and the local community. We strongly believe that long-term business success can be achieved by working collaboratively with clients towards mutual benefit and treating employees, business partners, and customers fairly.

The Community

Tambun Indah believes that by providing support to education, the younger generation will have improved opportunities to nurture their aspirations and promote their personal growth. During the year under review, the Group continued extending various forms of support and assistance to educational institutions in the communities it operates.

Also, the Group enthusiastically continued the efforts towards wider public good by supporting charitable trusts and non-profit organizations with donations and other forms of assistance to help in the smooth running of their day-to-day operations.

As at end-2015, Tambun Indah extended financial assistance to approximately 20 entities, encompassing cultural, special needs, and senior citizen groups.

The Environment

Tambun Indah is conscious of environmental conservation in the course of carrying out its business activities.

The Group takes utmost care in preserving green areas and eco-systems prior to commencing proposed developments, and also considers the potential impact on people and communities in the surrounding areas. A prime example of this stance is with the Raintree Park 2 project, where we preserved the stately trees for the enjoyment of residents and to achieve the eye-pleasing aesthetics of nature.

In addition to this, the Group initiated work to clean the public river in Simpang Ampat, and provided a dry pond in the vicinity to serve as mitigation to flooding.

We are also committed to reducing our carbon footprint by incorporating environment-friendly options in our operations, and encourage suggestions from our clients and employees towards achieving the same objective.

The Marketplace

The Group's success over the years is premised on our understanding of marketplace needs, and having a customer-focused approach in delivering projects.

We aim to produce high-quality and innovative designs coupled with modern residential facilities for the community, delivering the properties at prices that are within the reach of our target market.

The Workplace

Tambun Indah believes in creating long-term relationships and exciting career development opportunities for our workforce. We understand the benefits of creating a safe and engaging work environment, where our people can develop, improve and excel in their skillsets. The Group actively supports this process by organising in-house training and/or sending staff for courses conducted by external trainers.

The Group is supportive of a diverse workforce in terms of both gender and ethnicity, and promotes equality and diversity at workplace, wherever possible. During the year under review, the Group conducted regular gatherings, company trips and the annual company dinner to engage with our people and to encourage harmonious teamwork. The Group also acknowledged contributions of individuals for the year and rewarded them as appropriate.

Tambun Indah is continuously mindful of the health and well-being of workers, and achieves this by conducting training on safety awareness and safe work practices.

We empower our people by facilitating two-way communication for all matters across the Group, with the understanding that this would build trust and cooperation.

DIRECTORS' PROFILE

Lai Fook Hoy

Independent Non-Executive Chairman

Lai Fook Hoy, a Malaysian, aged 65, was appointed to the Board of Tambun Indah on 24 February 2012 and is presently the Independent Non-Executive Chairman. He is also the Chairman of Remuneration Committee, a member of the Audit Committee, and a member of the Nomination Committee.

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 poly-metallic 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 has not been convicted for any offences within the past 10 years other than traffic offences, if any.

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

Managing Director

Teh Kiak Seng, a Malaysian, aged 66, is the founder of our Group. He was appointed to the Board of Tambun Indah on 19 March 2008 and is presently the Managing Director. He is also a member of Remuneration Committee.

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 acres 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, 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 has not been convicted for any offences within the past 10 years other than traffic offences, if any, nor any conflict of interest in any business arrangement involving the company.

Teh Kiak Seng and Teh Theng Theng, our Executive Director are siblings.

DIRECTORS' PROFILE (CONT'D)

Teh Theng Theng

Executive Director

Teh Theng Theng, a Malaysian, aged 52, 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 has not been convicted for any offences within the past 10 years other than traffic offences, if any, nor any conflict of interest in any business arrangement involving the company.

Teh Theng Theng is the sister of Teh Kiak Seng, who is the Managing Director and major shareholder of Tambun Indah.

Tsai Chia Ling

Non-Independent Non-Executive Director

Tsai Chia Ling, a Taiwanese, aged 37, was appointed to the Board of Tambun Indah on 27 July 2012 as an alternate director to Mr Tsai Yung Chuan and is presently the Non Independent Non-Executive Director. She is also a member of Nominating Committee.

She graduated from National Cheng Kung University, Taiwan in 2001 with Bachelor of Business Administration and 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. Currently, she is the Executive Director of Chin Well Holdings Berhad, a company listed on the Main Market of Bursa Securities.

She has not been convicted for any offences within the past 10 years other than traffic offences, if any.

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)

Yeoh Chong Keat

Independent Non-Executive Director

Yeoh Chong Keat, a Malaysian, aged 57, was appointed to the Board of Tambun Indah on 23 November 2010 and is presently an Independent Non-Executive Director. He is also the Chairman of Audit Committee, a member of the Nominating Committee and a member of the Remuneration Committee.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Chartered Tax Institute of Malaysia, a Chartered Accountant of the Malaysian Institute of Accountants and a Member of the Malaysian Institute of Certified Public Accountants.

Yeoh Chong Keat trained and qualified as a Chartered Accountant with Deloitte Haskins & Sells, Birmingham, United Kingdom (now part of PwC network.) and was formerly the head of a leading corporate services firm for over 10 years before founding Archer Corporate Services Sdn. Bhd. He is the President/CEO of Archer Corporate Services Sdn. Bhd.

He has accumulated a wealth of experience in audit, tax, financial and management consulting and corporate secretarial work with "Big Four" firms in the United Kingdom and Malaysia. Apart from Tambun Indah Land Berhad, he is also a Director of Lien Hoe Corporation Berhad, Ablegroup Bhd and Cheetah Holdings Berhad, all listed on the Main Market of Bursa Securities.

He has not been convicted for any offences within the past 10 years other than traffic offences, if any.

Yeoh Chong Keat 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.

Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali

Independent Non-Executive Director

Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali, a Malaysian, aged 67, was appointed to the Board of Tambun Indah on 15 April 2011 and is presently the Independent Non-Executive Director. He is also the Chairman of Nominating Committee, a member of the Audit Committee and a member of Remuneration Committee.

He is a member of the Malaysian Institute of Accountants, a Fellow of the Association of Chartered Certified Accountants (UK), an Associate of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Certified Public Accountants. He holds a Masters in Business Administration (MBA) from the University of Leicester, England, a M.Sc. in International Business Administration from SOAS, University of London.

He is currently an Executive Director of Prolexus Berhad, an Independent Non-Executive Director of Malaysia Packaging Industry Berhad and an Independent Non-Executive Director of Global Maritime Ventures Berhad.

He was previously attached to an international accounting firm as a partner and has more than 30 years of experience in statutory audits, financial accounting and corporate finance.

He has not been convicted for any offences within the past 10 years other than traffic offences, if any. 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.

SENIOR MANAGEMENTS' PROFILE

Thaw Yeng Cheong

Project Director

Thaw Yeng Cheong graduated with a Bachelor of Architecture degree from University of Bombay on 11 February 1984. He is a Certified Member of the Financial Planning Association of Malaysia and has been involved in the property development industry in a senior managerial role with an architectural consultant firm from 1985 to 2010. Throughout his career, he was involved in the design, concept inception, management, budgeting and building processes. His experience ranges across diversified projects comprising of residential, commercial, industrial and institutional development which includes housing, hotels, schools, hospitals, factories, community halls and resorts.

During his tenure with the consultant firm, he had dealt with several established listed and non-listed property development companies. Among his involvement with notable clients are IJM Corporation Bhd, DNP Land Sdn Bhd, Lion Properties Sdn Bhd and Oriental Interest Bhd, among others.

In 2010, he joined Tambun Indah Group as an Executive Director. He heads the project department of the Company and oversees the planning, design, approvals, costing and implementation of the projects. In 2013, he resigned as the Executive Director to focus primarily on his duties and responsibilities as Project Director of the Group.

Neoh Sze Tsin

Chief Financial Officer

Neoh Sze Tsin graduated with a professional accountancy qualification from the Association of Chartered Certified Accountants in 2008. He is a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants.

He started his career as an audit assistant in a medium size audit firm in 2002 and held the position of manager before he left in 2007. During his tenure with the audit firm, he was involved in various audit engagements and corporate assignments relating to the initial public offerings (IPO) of public companies on the Malaysian stock exchange. His experiences also include providing assurance and consulting services to public listed and local corporations covering various industry sectors ranging from property development, construction, manufacturing and trading.

In 2007, he joined Tejari Technologies Berhad (now known as 1 Utopia Berhad), a publicly listed company on the ACE Market of Bursa Malaysia Securities Berhad as Internal Audit and Risk Management Manager. Subsequently, he left Tejari Technologies Berhad in 2008 and joined Tambun Indah Group as Finance and Admin Manager. In 2011, he was promoted to Group Financial Controller where he was in charge of the Group's accounting, corporate finance, tax and treasury functions. In 2013, he assumed the position of Chief Financial Officer of the Group.

Teh Deng Wei

General Manager

Teh Deng Wei has a BEng (hons) in Electrical and Electronic Engineering from Imperial College London and 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 Tambun Indah Group as General Manager in 2014.

He is the son of Teh Kiak Seng, the Managing Director of the Group and nephew of Teh Theng Theng, the Executive Director of the Group.

CORPORATE GOVERNANCE DISCLOSURES

The Board of Directors of Tambun Indah acknowledges the importance of maintaining good corporate governance in the Group and is committed to the principles of good corporate governance which are consistent with prudent management to deliver long term sustainable value to shareholders and other stakeholders.

This statement sets out the Company's corporate governance practices with reference to the Principles and Recommendations in the Malaysian Code of Corporate Governance 2012 ("the Code"). As at the date of this statement, the Company had substantially complied with the Principles and Recommendations of the Code.

This statement is made in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Securities.

Principle 1 Establish Clear roles and responsibilities

The Board

The Group is led and controlled by an effective Board. The Board comprises of individuals who are highly experienced in their respective fields, and whose knowledge, background, ability and judgement are the requisites as expected by the stakeholders.

There is a strong and independent element on the Board too. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement as well as ensuring key issues and strategies are reviewed, constructively challenged, and fully discussed in the long-term interest of the shareholders and stakeholders of the Group.

There are presently 6 Board members comprising 2 executive directors, 1 non-independent non-executive director and 3 independent non-executive directors. The Board annually reviews the composition of the Board and its Committees to ensure that there exists the appropriate mix of experiences, skills and knowledge to effectively discharge their respective responsibilities in spearheading the Group's growth and future direction.

The profile of each director is set out in the Directors' Profile section of this Annual Report.

Even though the Board has representatives of the substantial shareholders, the presence of the independent directors ensures that there is no undue influence or domination in the decision making process of the Board. The independent directors play an important role in the Board's responsibilities, being actively involved in the various Board committees, and contribute to performance monitoring and corporate governance by providing independent assessment and opinion.

The Board is satisfied that its current size and composition is adequate for its purpose.

Board Charter

The Company's Board Charter provides guidance to the Board in fulfillment of its roles, functions, duties and responsibilities. The Board Charter is available on the Company's website, www.tambunindah.com.

The Board reviews the Board Charter annually and from time to time to reflect any changes to the Group's policies and procedures as well as any amended relevant rules and regulations. In February 2016, the Board reviewed and approved certain revisions in the Board Charter, which include outlining the specific duties of the Board and the roles of independent non-executive directors in addition to updating various provisions in the Board Charter to ensure its relevance.

The Whistle-Blowing Policy formulated in the Board Charter provides a formal communication channel, where the employees or any other stakeholders can communicate matters of concern, that are raised in good faith, without any fear of reprisal. The matters of concern will be assessed, independently investigated and where appropriate, actions will be taken to address the issues raised.

Code of Business Conduct

The Board is in the process of formalizing a Code of Business Conduct, which sets out the business practices, standards and ethical conduct expected from all employees in the course of their employment with the Group. In addition, the Directors, officers and employees are committed to observe and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the Group's policies as well as the relevant applicable laws and regulations.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Clear Roles & Responsibilities

The Board provides entrepreneurial leadership as well as overseeing the overall performance objectives and long term success and sustainability of the Group. The Group has a clearly defined organisational chart and framework of assigning authority and responsibility to its specific requirements. The manual on Limits of Authorities (LOA) approved by the Board sets out clear authority limits to ensure checks and balances through segregation of duties.

The Board, in discharging its leadership's role, essentially covers the following functions:-

Strategic Planning

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 also takes into consideration feedback from its employees, customers and other stakeholders of the Company with which the Group conducts its business to ensure the best outcome for the ensuing year, and in the best interest of the Company and its stakeholders.

Based on the above, the senior management prepares the business plan and presents the internal profit forecast for the review and approval of the Board.

Conduct of the Group's business

There is a clear division of responsibilities between the Chairman and the Managing Director. The Chairman of the Company has no executive function and is responsible for orderly conduct and proceedings of meetings. In addition, the Chairman is also responsible in promoting a culture of openness and active participation in meetings.

The Managing Director of the Company is responsible for the overall operation and financial performance of the Group. The Managing Director heads a senior management team in the day-to-day operation of the Group. The senior management team consists of senior employees holding the positions of Executive Director, Project Director, Chief Financial Officer, and General Manager.

The senior management will be invited to attend the Board meetings and to provide the Board with any such relevant information or updates, as and when required by the Board.

The role of independent non-executive directors of the Company is particularly important to the Group being fundamental to good corporate governance. The independent non-executive directors' role is to provide unbiased, objective and independent views, advice and judgement, taking into account the long-term interest of shareholders, employees, customers, suppliers and other stakeholders of the Group.

Succession Planning

According to the LOA and the Board Charter, the Managing Director is responsible for the succession planning of key management positions across the Group. Nevertheless, the Board still assumes the responsibility to ensure there is an effective and orderly succession planning in the Group.

The Managing Director reviews candidates for key management positions and determines the remuneration for these appointments. In this respect, the Managing Director will take into consideration the profiles, experiences, personality, professionalism, and personal achievements of the new candidates.

The Managing Director also determines the training needs of the senior management team, and the remuneration of key management based on their performance, contribution, leadership, achievement, and other deliverables in their respective positions.

The Managing Director shall inform the Board of any resignation or termination of key management, and the impact of such to the operations of the Group. The Board shall monitor the progress of the Group's succession planning through periodic updates from the Managing Director.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Risk Assessment and Management

The Board, through the Risk Management Committee oversees the overall risk management framework of the Group. The Audit Committee, through the assistance of the outsourced internal auditors, assists the Board in risk assessment review, and monitoring the effectiveness of the risk management implementation based on risk based audit plan.

The Risk Management Committee reports to the Board on the risks profiles as well as the on-going risk management implementation and actions undertaken to mitigate the risks identified. The Risk Management Committee also updates the Board of their continuous review of the risk profiles and the adequacy of its control procedures throughout the Group.

The Board determines the changes in risk management policies based on the risk assessments and ensures appropriate systems are implemented in managing principal risks identified.

Investor Relations and Shareholders' Communications

The Board believes in building investor confidence through good corporate governance practices. As such, the Company has in place, the Investor Relations team with the objective of creating shareholders' value and enhancing shareholders' confidence of the Group. The pro-active activities are set out in the Investors Relations section of this Annual Report.

The Company has designated the senior management together with the appointed Investor Relations consultants as persons responsible for the handling of discussions and disclosures with investors, fund managers, financial analysts and the public.

The Board reviews and approves all quarterly financial and other important announcements, and is mindful that material information is announced in a timely manner.

Internal Control Systems

The Board is responsible for maintaining an appropriate system of internal control to safeguard the shareholders' value and the assets of the Group.

The activities of the internal audit functions are set out in the Audit Committee Report section of this Annual Report. Further details pertaining to the Group's internal control system and its effectiveness are available in the Risk Management and Internal Control Statement section of this Annual Report.

In addition to the above functions, the Board is also tasked to decide and approve amongst others, the financial statements, quarterly results, material acquisitions and/or disposals of the Group's fixed assets, new investment, divestment, corporate restructuring, establishment of joint ventures, related party transactions and new appointments to the Board.

The Board is also committed towards sustainable development. The Group's sustainability strategy encompasses the community, workplace, marketplace and environment. Details are set out in the Corporate Social Responsibility Statement section of this Annual Report.

Supply of Information

The Board is provided with sufficient and timely information to enable it to discharge its duties effectively. At least 7 days prior to Board meetings, all directors are provided with the agendas and Board papers to enable the directors to participate effectively in the meetings.

The Board and its Committees have full and unrestricted access to all information of the Group. Such information is not only quantitative, but also includes other information which is deemed necessary for them to make an informed decision. Senior Management may be invited to Board meetings to provide insights into matters being discussed and to furnish clarification on issues that may be raised by the Board.

The directors may obtain further information, which they may require in discharging their duties such as seeking independent professional advice, if necessary, at the Company's expense.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Company Secretaries

The Company Secretaries provide guidance to the Board on matters relating to the company law, rules and regulations of the regulatory authorities as well as best practices on governance. The Board has unrestricted access to the advice and services of the Company Secretaries. Every Board member is provided with Tambun Indah Corporate Calendar, which contains details of compliance issues, meeting schedules and events. In addition, the Company Secretaries also update the Board on circulars received from Bursa Securities as well as amendments or changes to the Listing Requirements, which are relevant to the Company.

The Company Secretaries record, prepare and circulate the minutes of meetings of the Board and Board Committees and ensure such minutes are properly kept at the registered office of the Company and produced for inspection, if required.

The Company Secretaries are responsible for proper maintenance of secretarial records and attend to the auditors in annual statutory audits on the Company's statutory records in connection with the audit of the financial statements of the Company.

Both Company Secretaries have tertiary education and are qualified to act as company secretaries under Section 139A of the Companies Act, 1965. The Company Secretaries regularly keep themselves abreast of the regulatory changes and developments in corporate governance through attendance at various continuous training programmes.

The Board recently requested the secretaries to perform self-evaluation on their performance for review by the Board.

Principle 2 STRENGTHEN COMPOSITION

Board Committees

The Board delegates certain areas of responsibilities to Board Committees, each with predefined terms of reference and responsibilities; and the Board receives reports of their proceedings and deliberations. Where the Board Committees have no authority to make decisions on matters reserved for the Board, recommendations would be tabled to the Board for its approval. The Chairman of the respective Board Committees shall report the outcome of the Committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board meetings.

Further details of the Board Committees are set out below.

1) Audit Committee

The Board had set up an Audit Committee comprising entirely of independent directors. The Audit Committee is chaired by Mr. Yeoh Chong Keat, a practicing accountant with more than 30 years of audit, tax, and advisory experience.

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

2) Nominating Committee

The Board had set up a Nominating Committee comprising wholly non-executive directors, a majority of whom are independent.

The Nominating Committee consists of :

Name	Designation	Directorate
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	Chairman	Independent & Non-Executive
Tsai Chia Ling	Member	Non-Independent & Non-Executive
Yeoh Chong Keat	Member	Independent & Non-Executive
Lai Fook Hoy (appointed on 29.02.2016)	Member	Independent & Non-Executive

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

The Nominating Committee is guided by a predefined terms of reference and in particular, its duties are to assess :-

i) the candidates for all directorships;
ii) the directors who are to fill the seats of Board Committees;
iii) the directors who are seeking re-election at annual general meeting or who have attained 70 years of age;
iv) the effectiveness of the Board as a whole, and Board Committees;
v) the performance of individual directors;
vi) the independence of independent directors; and
vii) Boardroom diversity, length of service and any other duties as required by the Board.

The Nominating Committee met once during the financial year ended 31 December 2015 to carry out the assessment of the Board, Board Committees, the performance of individual directors, the independence of independent directors, the directors due for retirement by rotation, directors' trainings and boardroom diversity.

Boardroom Diversity

The Board recognises the benefits of having a diverse Board, and believes diversity to be an essential element in maintaining a competitive advantage in achieving its corporate objectives.

The Board believes that a mixed gendered and ethnically diverse Boardroom would offer different ideas and perspectives, which will enable better insights in serving the Group's diverse customers base and enhance the Group's presence in the marketplace.

The Nominating Committee will consider a number of aspects, including but not limited to, gender, age, ethnicity, education background, professionalism, experiences, skills, industry knowledge, length of service and the requirement of the Group's business in determining the optimum composition of the Board.

The Nominating Committee, upon its recent assessment carried out, is satisfied that the current composition of the Board is adequate for its purpose and has the appropriate diverse blend of gender, ethnicity, and age.

The Nominating Committee had recommended that a fixed policy on diversity is not required at this juncture, and the Board supported the recommendation of the Nominating Committee.

The Board does not set any specific target for female directors in the Boardroom as recommended by the Code. However, the current composition of the Board with 2 female directors out of 6 Board members, translates to a 33% female representation on the Board.

Annual Assessment

The Nominating Committee annually assesses the Board as a whole, Board Committees, and the contribution of each individual director by way of customized self-assessment questionnaires. The results of the annual assessment are compiled by the Secretary, and presented to the Nominating Committee for evaluation, and subsequently tabled to the Board for deliberation.

In the annual assessment of the Board for FY2015, the Board was satisfied with the current composition, the contribution of each board member, as well as the mix of skills of the directors to enable the Board to discharge its responsibilities effectively.

Appointments & Re-elections

Any proposed appointment of new Board members or re-election directors will be assessed by the Nominating Committee. In evaluating the appointment of new directors, in addition to assessment of the candidate's skills and experience, character, integrity, competency, the Nominating Committee also takes into consideration whether the candidate is able to devote time to effectively discharge his role as a director.

The Nominating Committee will, upon its assessment, 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.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Upon appointment, the new directors will be given a copy of the Board Charter, and provided with an induction programme to familiarize the new directors with the Group's business activities, corporate governance practices, and other policies of the Group. The programme also allows the new directors to get acquainted with the management.

On the assessment of existing directors who are seeking re-election at the annual general meeting of the Company, the Nominating Committee will review their regular and timely attendance of meetings, level of participation in Board matters, and whether they have sufficient time to fulfill their responsibilities on the Board. During deliberations on the performance of a particular director who is a member of the Nominating Committee, that member abstained from the discussions.

3) Remuneration Committee

The Board had set up a Remuneration Committee comprising mainly independent non-executive directors.

The Remuneration Committee consists of :

Name	Designation	Directorate
Lai Fook Hoy	Chairman	Independent & Non-Executive
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	Member	Independent & Non-Executive
Teh Kiak Seng	Member	Executive
Yeoh Chong Keat (appointed on 26.08.2015)	Member	Independent & Non-Executive

The Remuneration Committee is guided by a predefined terms of reference and in particular, the following duties :-

i) to establish and recommend to the Board, the remuneration package of the executive directors.
ii) to consider other remunerations or rewards as referred to by the Board.

The Remuneration Committee met twice during the financial year ended 31 December 2015 to review and recommend the remunerations of executive directors and their performance incentives and bonuses.

The Remuneration Committee adopts a formal and transparent process in determining the remuneration 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 objectives, strategy and culture. The Remuneration Committee's objective is to ensure that there is a competitive remuneration framework in place to reward, motivate, and retain executive directors to manage the Group successfully as well as to drive the Group's businesses to greater growth and maximise long term shareholders' value.

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

The Board then determines the remuneration package of the executive directors as recommended by the Remuneration Committee and each individual director shall abstain from deliberation on his own remuneration.

Non-executive directors are paid directors' fees and allowance at meetings of the Board and Board Committees. In addition, the chairman of the Board, and chairman of Board Committees also receive an annual fixed fee in recognition for their responsibilities and commitment required. The fees are determined by the Board as recommended by the Remuneration Committee, and are subject to shareholders' approval at the annual general meeting.

All directors are also covered under a Directors and Officers Liability Insurance Policy against any liability incurred by them in discharging their duties while holding the office as directors of the Group.

The aggregate remuneration of the directors for the financial year ended 31 December 2015 are presented under Note 32 of the financial statements.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Principle 3 REINFORCE INDEPENDENCE

Assessment of Independent Directors

The Board values the importance of the role of independent directors to strengthen the Board as a whole. The role of independent directors is to bring independent and objective judgment to the Board. This mitigates risks arising from conflict of interests or undue influence from interested parties. Where any director has an interest in any matter under deliberation, he is required to declare his interest and abstain from participating in the discussions and voting on the matter. None of the current independent directors hold office exceeding a cumulative term of 9 years.

The Nominating Committee assesses the independent directors annually. The Nominating Committee is chaired by Encik Taufiq Ahmad @ Ahmad Mustapha Ghazali, an accountant with more than 30 years of experience in audit and finance including in-depth knowledge of operational strategies in the finance industry.

Questionnaires will be sent to the independent directors to self-evaluate their "independence", in addition to the criteria of independence as set out in the Main Market Listing Requirements. The Nominating Committee will then assess and table its recommendations to the Board.

The Nominating Committee, upon its recent annual assessment carried out, is satisfied that the independent directors have been able to discharge their responsibilities in an independent manner.

Principle 4 FOSTER COMMITMENT

Time Commitment

The Nominating Committee assess whether the directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. Accordingly, the directors of the Company do not hold more than 5 directorships in public listed companies as prescribed by the Main Market Listing Requirements. Directors are required to notify the Managing Director before accepting any new directorships in public listed companies, and of his time commitment in fulfilling his role to make positive contributions to the Board.

The Nominating Committee recognizes that its assessment of each director's ability to discharge his or her duties adequately cannot be confined to the criterion of the number of his or her board representations as time requirements are very subjective. Thus, the Nominating Committee takes into account the contributions by the directors during Board, or Board Committees, meetings and their attendance at such meetings, in addition to their principal duties as non-executive directors of the Company.

The Board has committed to meet at least once every quarter. The quarterly Board meetings are scheduled in advance before the end of each financial year so as to enable the directors to plan accordingly and to fit the year's meetings into their schedules. In addition, Board meetings may be convened as and when need arises to consider urgent proposals or matters that require expeditious decision or deliberation by the Board.

The Board also resolves and approves certain Company's matters vide circular resolutions. The circular resolutions are drawn up with detailed information and must be signed by a majority of directors.

The Board met 4 times during the financial year ended 31 December 2015. The details of attendance are as follows :

Name	No. of Board Meetings Attended
Lai Fook Hoy	4 / 4
Teh Kiak Seng	4 / 4
Teh Theng Theng	4 / 4
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	3 / 4
Yeoh Chong Keat	4 / 4
Tsai Chia Ling	4 / 4

The Nominating Committee, upon its recent annual assessment carried out, is satisfied that all directors had committed sufficient time in discharging their responsibilities.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Directors' Trainings

Any director appointed to the Board is required to complete the Mandatory Accreditation Progamme (MAP) within 4 months from the date of appointment. In addition to the MAP, Board members are also encouraged to attend training programmes conducted by competent professionals that are relevant to the Group's operations and businesses.

For the financial year ended 31 December 2015, the directors had attended the following trainings :

Name	Trainings Attended
Lai Fook Hoy	• Technical Talk : Traffic Impact Assessment
Teh Kiak Seng	-
Teh Theng Theng	• Housing Developer's Responsibilities under Housing Development (Control And Licensing) Act 1966 & Strata Management Act • Sales Training for Real Estate
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	• Corporate Strategy and Strategic Choices • 2016 Budget and Its Impact On Capital Market • MIA International Accountant Conference 2015
Yeoh Chong Keat	• National Tax Conference 2015
Tsai Chia Ling	-

Teh Kiak Seng and Tsai Chia Ling did not participate in any structured trainings during the financial year as his/her business meetings and interactions with various business parties and stakeholders including their other directorships will serve them sufficiently in the discharge of their duties on the Board.

The Nominating Committee, upon its recent annual assessment carried out, is satisfied with the directors' own evaluation of their training needs and the directors had attended training to increase their knowledge and understanding of recent developments in laws, regulations and business practices to aid them in the discharge of their duties and responsibilities as directors of the Company.

The Nominating Committee had recommended the current practice be maintained and a directors' training policy is not required at this juncture. The Board supported the recommendation of the Nominating Committee.

Principle 5 UPHOLD INTEGRITY IN FINANCIAL REPORTING

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, 1965 and the Malaysian Financial Reporting Standards. In the preparation of the financial statements, the directors have taken the necessary steps to ensure all applicable accounting policies are applied consistently, and supported by reasonable and prudent judgement.

During the financial year, 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 Board level. The Board then discussed and approved the annual financial statements and quarterly financial results for release to Bursa Securities and the Securities Commission respectively at the close of trading.

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 the financial year, the Audit Committee reviewed the scope of 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 in respect of the accuracy and completeness of the accounting records, the accounting principles, the effectiveness of the Group's internal control and business risk management including any other pertinent matter that should be brought to the attention of the Audit Committee relating to the audit of the Group's financial statements. The Audit Committee met with the external auditors twice without the presence of the executive directors and management of the Group.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

The Audit Committee also ensures the management provides a timely response to any request of documents or queries raised by the external auditors.

The Audit Committee assesses the external auditors annually. The Audit Committee will consider 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 as well as the independency and objectivity of the external auditors.

The existing external auditors, BDO Chartered Accountants had been re-appointed by shareholders of the Company since financial year 2010. In compliance with the Malaysian Institute of Accountants, BDO rotates its audit partner every 5 years to ensure objectivity, independence and integrity of the audit opinions.

BDO had also confirmed to the Audit Committee in writing 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.

The Audit Committee, upon its recent annual assessment carried out, is satisfied with the suitability of BDO 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 as the external auditors of the Company at the forthcoming annual general meeting.

Principle 6 RECOGNISE AND MANAGE RISKS

Risk Management

The Board had set up a Risk Management Committee comprising of executive directors and senior management.

The Risk Management Committee consists of :

Name	Designation	Position
Teh Kiak Seng	Chairman	Managing Director
Teh Theng Theng	Member	Executive Director
Thaw Yeng Cheong	Member	Project Director
Teh Deng Wei	Member (appointed on 12 August 2015)	General Manager
Neoh Sze Tsin	Member	Chief Financial Officer

The Board through the Risk Management Committee reviews the adequacy of the Group's risk management framework to ensure risk management and internal controls are in place. The Group had adopted a risk management framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the risk management framework. 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.

As at 31 December 2015, the Board is of the opinion that the Group had adequately addressed the financial, operational and compliance risks, which are relevant and material to the Group's operations, by ensuring that the systems of internal control and risk management are in place.

Internal Audit Function

The Board acknowledges its responsibilities to maintain an appropriate system of internal control to safeguard shareholders' interests and the assets of the Group. The Board had appointed an independent professional firm, to carry out the internal audit functions to ensure that the Group's internal control systems are properly in place. The internal auditors report directly to the Audit Committee.

During the financial year, the Audit Committee through the assistance of the internal auditors reviewed and reported to the Board on the adequacy of the Group's system of internal controls covering certain business process/functional areas audited by the internal auditors according to the internal audit plans.

CORPORATE GOVERNANCE DISCLOSURES (CONT'D)

Further details are available in the Audit Committee Report section and the Risk Management and Internal Control Statement section of this Annual Report.

Principle 7 ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Investor Relations

The Board recognizes the value of corporate transparency and coherent communication, and aims to provide fair, relevant, comprehensive and timely information regarding the Group's performance to the shareholders and the investment community to enable them to make informed decisions. The Company's Investor Relations team is tasked with, and focuses to build long term relationships and trust with the shareholders and investment community.

The Investor Relations team communicates regularly with shareholders and investment community, with timely disclosures of material or other pertinent information through announcements to Bursa Securities. The team also conducts roadshows, analyst presentations, press conferences and corporate briefings to keep investors apprised of the Group's development and financial performance.

Shareholders and the investment community can also access the Company's official website (www.tambunindah.com) to obtain up-to-date information of the Group such as the financial performance, corporate information, media activities, latest and upcoming product launches etc.

Principle 8 STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Greater Shareholders' Participation

The Board supports and encourages active shareholders' participation at its annual general meetings and any other general meetings. In accordance with the Company's Articles of Association, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his behalf in any general meeting.

The Company allows the appointment of proxy who is not a member of the Company. As for the exempt authorised nominee with shares in the Company for multiple beneficial owners in one securities account, there is no limit on the number of proxies to be appointed.

The notice of annual general meeting will be sent to shareholders at least 21 days before the time appointed for holding the meeting. Any proposed resolution to be considered under special business will be accompanied by explanatory notes to facilitate understanding and evaluation of the shareholders.

At the commencement of the meeting, the Company's independent non-executive Chairman will inform shareholders of their rights to demand a poll vote. Both shareholders and proxies are entitled to vote on a show of hands or on a 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. Board members and senior management will be present at the meeting to respond to any questions from shareholders. The Company's external auditors are also present to address issues relating to the audits and the auditors' report.

This statement is made in accordance with the Board Resolution dated 4 April 2016.

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 financial year ended 31 December 2015. This has been prepared in accordance to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**") 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 recognises the importance of internal audit 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 controls 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 and evaluating risks, and that significant risks faced by the Group are being managed as appropriate. 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 Registry of Risk is maintained to identify principal business risks and updated for changes in the risk profile. The Risk Management Handbook summarizes risk management methodology, approach and processes, roles and responsibilities, and various risk management concept. The respective risk owners are accountable to identify risks and to ensure 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 Group and Audit Committee on the implementation and monitoring of the Group Risk Management Policy and Strategy. The working group comprised of all the Executive Management team that comprises of Executive Directors, General Manager and Heads of Department. The Internal Auditor also attends the Annual Risk Registry Review meeting.

- The duties of the Risk Management Working Group includes:-

  - Assessment and monitoring of all risks associated with the operations of the Group;
  - Development and implementation of internal compliance and control systems and procedures to manage risk;
  - Assessment and monitoring of the effectiveness of controls instituted;
  - Review and make recommendations to the Board in relation to Risk Management;
  - Consider, and make recommendations to the Board in connection with, the compliance by the Group with its Risk Management Strategy;
  - Report to the Board on any material changes to the risk profile of the Group;
  - Monitor and refer to the Board any instances involving material breaches or potential breaches to the Group's Risk Management Strategy;
  - 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.
  - Undertake a review on an annual basis, in accordance with the Group's Risk Management framework and to 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)

- 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. For the financial year under review, the meeting was carried out on 12th August 2015. The meeting was attended by the Executive Director, Project Director, Chief Financial Officer, General Manager, Accountant and Internal Auditors (independent party invited to be present).

- The Risk Management Working Group updates the Board on the Group's risk profile and reports any new significant risks once a year.

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. The Audit Committee is chaired by an Independent Non-Executive Director, and its members comprises of Independent Non-Executive Directors.

The internal audit adopts accepted auditing practices in developing its audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommend possible improvements to the internal control process.

On a quarterly basis, the internal auditors report to the Audit Committee on areas for possible improvement, and Management's response to such recommendations. Follow-up audits are also carried out and the outcome reported to the Audit Committee to ensure weaknesses identified have been or are being addressed.

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

For the financial year ended 31st December 2015, one (1) follow up review and three (3) internal audit reviews had been carried out by Sterling:-

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
1st Quarter (Jan 2015 – Mar 2015)	April 2015	• Tambun Indah Land Bhd, Palmington Sdn Bhd, Premcourt Development Sdn Bhd and Tambun Indah Development Sdn Bhd • Tambun Indah Land Berhad • Tambun Indah Land Berhad • Tambun Indah Land Berhad • Tambun Indah Land Berhad	Follow-up actions on previously reported audited findings:- • IA reported in February 2015 on Finance and Accounts function • IA reported in November 2014 on Human Resources, Administration and Legal • IA reported in August 2014 on Building Maintenance and Management Information System • IA reported in February 2014 on Pre Contract Management and Post Contract Management Departments • IA reported in November 2013 on Project Management and Quality Control Functions
2nd Quarter (Apr 2015 – Jun 2015)	Aug 2015	Premcourt Development Sdn Bhd • Straits Garden Project	• Project Management • Control of Progress claims

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

3rd Quarter (Jul 2015 – Sep 2015)	Nov 2015	Tambun Indah Development Sdn Bhd • Pearl Residence project Palmington Sdn Bhd • Pearl Avenue project	• Project Management • Control of Progress claims
4th Quarter (Oct 2015 – Dec 2015)	Feb 2016	Palmington Sdn Bhd • Pearl Avenue 2 project • Raintree Park 1 project Denmas Development Sdn Bhd • Bukit Residence project	• Sales & Marketing • Sales Administration

Other Key Elements of Internal Controls

During the financial year, the Group also has 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 are followed up, if any, 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 by Managing Director, Executive Directors and senior management;
- The internal audit function carries out quarterly risk based internal audits to ascertain the adequacy of and to 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 2015.

Assurance from the Management

The Board had received assurance from the Managing Director and Chief Financial Officer 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 have reviewed this Statement in accordance to Paragraph 15.23 of the MMLR of Bursa Securities. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes 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 towards 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 2015 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 4 April 2016.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee consists of :

Name	Designation	Directorate
Yeoh Chong Keat	Chairman	Independent Non-Executive
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	Member	Independent Non-Executive
Lai Fook Hoy	Member	Independent Non-Executive

MEETINGS AND ATTENDANCE

A total of 4 Audit Committee meetings were held during the financial year ended 31 December 2015 and the details of attendance are as follows:-

Name	No. of Meetings Attended
Yeoh Chong Keat	4/4
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	3/4
Lai Fook Hoy	4/4

TERMS OF REFERENCE

Appointment/Composition

1) The Audit Committee shall be appointed by the Board from amongst the Directors.

2) The Audit Committee shall consist of not less than 3 members of whom:

   a) all members of the Audit Committee must be non-executive directors with a majority of them being independent directors.

   b) at least 1 member of the Audit Committee :
      i) must be a member of the Malaysian Institute of Accountants; or
      ii) must have at least 3 years' working experience and :-
         - must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
         - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
      iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

3) All members of the Audit Committee should be financially literate.

4) No alternate director shall be appointed as a member of the Audit Committee.

5) The Chairman of the Audit Committee shall be appointed by the members of the Audit Committee from amongst themselves, and shall be an independent non-executive director.

6) The Board must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the committee and its members have carried out their duties in accordance with their terms of reference.

7) The Board shall, within 3 months of a vacancy occurring in the Audit Committee that result in the number of members reduced to below 3, appoint such number of new members as may be required to make up the minimum number of 3 members.

AUDIT COMMITTEE REPORT (CONT'D)

Meetings

1) The Audit Committee shall meet not less than 4 times a year or as frequently as the Chairman shall decide or at the request of external auditors.

2) The quorum of a meeting shall be 2 members, the majority of members present shall be independent directors.

3) In the absence of the Chairman of the Audit Committee, the remaining members present shall elect one of their numbers to chair the meeting.

4) The Company Secretary shall be the secretary of the Audit Committee and shall be responsible to keep minutes and to produce the minutes for inspection by any member of the Board and External Auditors of the Company upon request.

5) The head of finance, the head of internal audit and a representative of external audit shall normally attend meetings.

6) Other Board members or employees may attend meetings upon the invitation of the Audit Committee.

7) The Audit Committee must meet with the external auditors without executive Board members present at least twice a year.

8) The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chief executive officer and the head of finance, and the internal auditors, and external auditors in order to be kept informed of matters affecting the Company.

9) Questions arising at any meeting shall be decided by a majority of votes by show of hands. In case of equality of votes, the Chairman shall have a second or casting vote. Save that, where two (2) members form a quorum, at which a quorum is present or that which only two (2) members are competent to vote on question of issue, the Chairman shall not have a second or casting vote.

Authority

1) To have authority to investigate any matter within its terms of reference and shall have the resources required to perform its duties.

2) To have full and unrestricted access to any information pertaining to the Company.

3) To have direct communication channels with external auditors and person(s) carrying out the internal audit function or activity.

4) To have the internal auditors report directly to the Audit Committee.

5) To be able to obtain external independent professional advice.

6) To be able to convene meetings with external auditors excluding the presence of other directors and employees of the Company, whenever deemed necessary.

7) To be able to engage and retain competent, knowledgeable and experienced person(s) as necessary to assist the Audit Committee in fulfilling its responsibilities.

Functions/Duties

1) To consider the appointment and/or re-appointment of external auditors, their audit fee and any question of their resignation or reason (supported by grounds) to believe that the External Auditors is not suitable for re-appointment and to recommend to the Board of Directors.

2) To review and discuss with external auditors, the nature and scope of the audit, their evaluation of the system of internal accounting controls, major findings, management letter, management responses and audit reports.

3) To discuss problems and reservations arising from the interim and final audits, and any matters the external auditors may wish to discuss in the absence of the management, where necessary.

AUDIT COMMITTEE REPORT (CONT'D)

4) To review the assistance and co-operation given by the management to the external and internal auditors.

5) To review the quarterly and year-end financial statements before presentation for approval by the Board of Directors, focusing particularly on:-

    i) changes in or implementation of major accounting policies and practices;
    ii) significant and unusual events; and
    iii) compliance with accounting standards and other legal requirements

6) To review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

7) To verify the allocation of share options granted to employees pursuant to the Share Option Scheme is in accordance with the By-Laws.

8) To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.

9) To review the internal audit program and the results of the internal audit process or investigation undertaken, and where necessary ensure appropriate actions are taken on the recommendations of the internal auditors.

10) To approve the appointment and termination of the internal auditors.

SUMMARY ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 31 December 2015 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 arise 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 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 and External Auditors.

j) Assisted the Board in reviewing and identifying risk areas, and discussing critical risks with the Board.

INTERNAL AUDIT FUNCTION

The Company engaged 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 assists 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.

AUDIT COMMITTEE REPORT (CONT'D)

The findings by the Internal Auditors and recommendations are provided to the Management who would respond on the actions to be taken. Each quarter, the internal auditors would 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 2015 was RM133,807.

The activities of the internal auditors during the financial year ended 31 December 2015 were summarised as follows:-

1) Follow up review on the findings reported in the previous financial quarters.

2) Reviewed the functional areas of project management and controls of progress claims from main contractors in respect of the Group's on-going projects.

3) Reviewed the functional areas of sales and marketing and sales administration in respect of the Group's on-going projects.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Audit Committee had reviewed and verified the allocation of share options according with the criteria set out in the ESOS By-Laws.

The details of the ESOS are set out as follows:-

	As at 31 December 2015
Total number of options granted	12,908,000
Total number of options vested	11,402,000
Total number of options exercised	8,215,000
Total number of options lapsed	407,000
Total options outstanding	4,286,000

Granted to Directors	As at 31 December 2015
Total number of options granted	5,200,000
Total number of options vested and exercised	4,900,000
Total number of options lapsed	300,000
Total options outstanding	-

Granted to Directors & Senior Management	During the financial year ended 31 December 2015	Since commencement of the ESOS on 05 June 2012
Aggregate Maximum Allocation	-	50%
Actual Allocation	-	34.61%

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 2014 and in the financial year ended 31 December 2015.

2. UTILISATION OF PROCEEDS

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

3. SHARE BUY-BACKS

The Company does not have a share buy-backs programme in place.

4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the Company had granted 1,867,000 share option pursuant to the Employee Share Option Scheme ("ESOS"). Details are disclosed in Directors' Report and the Note 37 of the financial statements.

5. DEPOSITORY RECEIPT PROGRAMME

The Company does not have any depository receipt programme in place.

6. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, directors or management by the relevant regulatory bodies as at the end of financial year.

7. NON-AUDIT FEES

A total sum of non-audit fees of RM45,700 was incurred by the Group for services rendered by External Auditors during financial year ended 31 December 2015.

8. VARIATION OF RESULTS

There were no profit estimates, forecasts or projections or unaudited financial results previously announced which differ by 10% or more from the audited results.

9. PROFIT GUARANTEE

There were no profit guarantees received by the Company.

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

There were no recurrent related party transactions of a revenue or trading nature conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2015.

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 2015, 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, 1965.

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 4 April 2016.

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
DEVELOPMENT PROPERTIES							
1.	Lots 121, 123, 2295, 10081 & 10082 (GM Nos. 113, 115 and 698 & H.S.(M) 1364 and 1365), Mukim 10, Seberang Perai Tengah, Pulau Pinang (Bukit Residence, Jalan Bukit Kecil 1, Bukit Mertajam).	Freehold	Land under development	N/A	7.51	9,083,492	14.05.2012
2.	Part of Lot 8753, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Avenue 2, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	4.61	4,564,934	04.05.2011
3.	Lot 21569 (Formerly known as Lot 8769 & Lot 8773), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Harmoni, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	21.01	2,309,284	04.05.2011
4.	PT 1801 (Formerly known as Lot 20, Lot 21, Part of Lot 21483 (Formerly known as Part of Lot 8747) & Part of Lot 21484 (Formerly known as Part of Lot 22)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Villa Raintree 1, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	23.34	14,015,927	04.05.2011
5.	PT 1800 (Formerly known as Lot 116, Part of Lot 21483 (Formerly known as Part of Lot 8747) & Part of Lot 21484 (Formerly known as Part of Lot 22)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Villa Raintree II, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	28.59	18,131,089	04.05.2011
6.	PT 1802 (Formerly known as Part of Lot 21483 (Formerly known as Part of Lot 8747)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Tropika, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	19.49	11,874,721	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
7.	Part of Lot 8746 and Part of Lot 21482 (Formerly known as Part of Lot 8747), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Low Cost Flat, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	15.46	8,978,096	04.05.2011
8.	PT 2374 (Formerly known as Lot 23200 (Formerly known as Part of Lot 8753)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Avenue Garden, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	2.50	8,611,731	04.05.2011
9.	Lots 11130, 11139, 11141, 11142, 11143, 11144, 11145, 11146, 11147, 11148, 11150, 11151, 11152, 11153, 11156 & 11157, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl 28, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	2.16	2,116,180	11.06.2014
10.	Part of Lot 1345, Part of Lot 21482 (Formerly known as Part of Lot 8747) and Part of Lot 21485 (Formerly known as Part of Lot 22), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Saujana, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	38.52	19,170,581	04.05.2011
11.	Part of Lot 21487 (Formerly known as Lot 8749) and Lot 21192, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Botanik, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	30.62	18,599,128	04.05.2011
12.	Part of Lot 21487 (Formerly known as Lot 8749) Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Impiana, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	10.58	6,110,981	04.05.2011
13.	Part of Lot 23201 (Formerly known as Part of Lot 8753), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Central Avenue, Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land under development	N/A	8.56	7,992,909	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
14.	Lots 114 & 1067 (GM Nos. 44612 & 356), Mukim 15, Seberang Perai Selatan, Pulau Pinang (Jalan Tasek Mutiara 1, Simpang Ampat).	Freehold	Land held for development	N/A	44.33	27,316,852	30.06.2010
15.	PT 1431 (Formerly known as Part of Lot 21027 (Formerly known as Part of Lot 9758)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land held for development	N/A	2.60	1,529,679	04.05.2011
16.	Lot 13, Part of Lot 1345, Lot 1383, Lot 1393, Part of Lot 8746, Lot 8936, Lot 10016, Lot 10017, Lot 10023, Part of Lot 21486 (Formerly known as Lot 16), PT 1432 & PT 1433, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land held for development	N/A	32.13	34,045,386	04.05.2011
17.	Lot 148 Seksyen 5, (GM Nos. 15119), Bandar Bukit Mertajam, Seberang Perai Tengah, Penang.	Freehold	Land held for development	N/A	0.47	766,557	14.05.2012
18.	Lot 14, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	4.36	3,180,877	07.05.2013
19.	Lot 24, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	2.21	1,811,389	30.09.2014
20.	Lots 8764, 8768, 8775, 10763 & 11159 Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang and PT 1427 & PT 1428 (Formerly known as Lots 8776, 8777, 10019 & 10020), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Amenities Land, Bandar Tasek Mutiara, Simpang Ampat)	Freehold	Land held for development	N/A	18.67	358,250	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
21.	Lot 1368, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	24.09	15,468,114	13.11.2013
22.	Lot 21030 (Formerly Lot 1471), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	15.62	5,786,082	30.06.2010
23.	Lots 4738 & 4741, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	20.88	13,399,944	21.10.2013
24.	Lot 21482 (Formerly Part of Lot 8747), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	53.72	22,193,794	04.05.2011
25.	Lots 1428, 1433, 1445, 8748 & Lot 21488 (Formerly known as Part of Lot 8749), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	58.13	30,543,329	04.05.2011
26.	Lot 21024 (Formerly known as Lot 1076), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	0.58	226,592	11.06.2014
27.	Lot 1708, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	5.54	9,374,918	02.06.2014
28.	Lots 159, 1428, 1429, 1430 & 30264, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang and Lots 528, 535, 536, 537, 1718, 1868, 1869, 1870, 1871, 1872 & 1873, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	19.05	40,909,295	21.05.2015

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
INVESTMENT PROPERTIES							
1.	No. 6 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang	Freehold	3-storey terrace shop office	17	153/ 459.12	900,000	30.12.2015/ 30.06.2010
2.	No. 10-12 Pangsapuri Pantai Jalan Wisma Pantai 1 12200 Butterworth Pulau Pinang	Freehold	3-bedroom penthouse	19	NA/139	290,000	30.12.2015/ 30.06.2010
3.	No. 1-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/147	290,000	30.12.2015/ 30.06.2010
4.	No. 1-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/125	245,000	30.12.2015/ 30.06.2010
5.	No. 7-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/145	300,000	30.12.2015/ 30.06.2010
6.	No. 7-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/120	250,000	30.12.2015/ 30.06.2010
7.	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 office lot	19	NA/6,171	4,070,423	30.12.2015/ 30.06.2010

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
8.	No. 5099 Dahlia Park Jalan Kampung Benggali 12200 Butterworth Pulau Pinang	Freehold	Double storey terrace shop office	2	205/409.98	1,350,000	30.12.2015/ 02.06.2014
9.	No. 15 Jalan Villa Tanjung Villa Tanjung 12300 Butterworth Pulau Pinang	Freehold	Double storey terrace shop office	2	133/256.60	1,350,000	30.12.2015/ 01.10.2014
10.	No. 17 Jalan Villa Tanjung Villa Tanjung 12300 Butterworth Pulau Pinang	Freehold	Double storey terrace shop office	2	110/209.96	1,100,000	30.12.2015/ 01.10.2014
11.	Part of Lot 23201 & Lot 23202 (Both formerly known as Part of Lot 8753), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang and PT 2375 (Formerly known as Part of Lot 23200 (Formerly known as Part of Lot 8753)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara, Simpang Ampat).	Freehold	Land held for investment purpose	N/A	174,041/NA	42,841,233	NA/ 04.05.2011
12.	PT 2373 (Formerly known as Part of Lot 23200 (Formerly known as Part of Lot 8753)), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara, Simpang Ampat, International School).	Freehold	International School	1	32,255/ 19,508	54,000,000	31.12.2015/ 04.05.2011
13.	No. 3-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/169	350,000	30.12.2015/ 22.12.2010

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
14.	No. 10-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/143	295,000	30.12.2015/ 25.05.2015
15.	No. 10-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/169	350,000	30.12.2015/ 25.05.2015
16.	No. 10-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/131	270,000	30.12.2015/ 25.05.2015
17.	No. 10-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/151	315,000	30.12.2015/ 25.05.2015

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	19	NA/137	198,779	19.06.2013
2.	No. 4-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/117	228,338	04.06.2014
3.	No. 4-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/135	214,373	24.07.2012
4.	No. 4-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	19	NA/126	155,000	22.12.2010
5.	No. 12-01, 12-02 & 12A-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	3 penthouse office lots	19	NA/878	1,381,684	30.06.2010

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

Authorised share capital	:	RM250,000,000
Paid-up share capital	:	RM212,232,907.50
Class of shares	:	Ordinary shares of RM0.50 each
Voting right	:	One vote per ordinary share

Distribution of shareholders

Size of holdings	No. of shareholders	No. of shares	%
1 - 99	19	397	0.00
100 - 1,000	631	510,710	0.12
1,001 - 10,000	2,933	15,097,060	3.56
10,001 - 100,000	1,053	31,212,760	7.35
100,001 and above	180	377,644,888	88.97
TOTAL	4,816	424,465,815	100.00

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

Substantial Shareholders	No. of ordinary shares of RM0.50 held			
	Direct	%	Deemed	%
Siram Permai Sdn. Bhd.	142,450,001	33.56	-	-
Amal Pintas Sdn. Bhd.	36,102,449	8.51	-	-
Teh Kiak Seng	25,299,794	5.96	142,450,001 (N1)	33.56
Tsai Yung Chuan	500,000	0.12	36,102,449 (N2)	8.51
Tsai Chang Hsiu-Hsiang	-	-	36,102,449 (N2)	8.51
Tsai Chia Ling	-	-	36,102,449 (N2)	8.51
Employees Provident Fund Board	22,994,000	5.42	-	-
Kumpulan Wang Persaraan (Diperbadankan)	13,604,200	3.21	8,365,700	1.97

Notes :

N1 Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Siram Permai Sdn. Bhd.

N2 Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Amal Pintas Sdn. Bhd.

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

Directors	No. of ordinary shares of RM0.50 held			
	Direct	%	Deemed	%
Teh Kiak Seng	25,299,794	5.96	142,450,001 (N1)	33.56
Teh Theng Theng	1,860,965	0.44	-	-
Tsai Chia Ling	-	-	36,102,449 (N2)	8.51
Lai Fook Hoy	4,016,262	0.95	-	-
Yeoh Chong Keat	300,000	0.07	-	-
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	1,000,000	0.24	-	-

Notes :

N1 Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Siram Permai Sdn. Bhd.

N2 Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Amal Pintas Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016 (CONT'D)

LIST OF TOP 30 HOLDERS AS AT 31 MARCH 2016

NO.	NAME	HOLDINGS	%
1	SIRAM PERMAI SDN. BHD.	142,450,001	33.56
2	AMAL PINTAS SDN. BHD.	36,102,449	8.51
3	TEH KIAK SENG	25,299,794	5.96
4	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON*	20,000,000	4.71
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	13,604,200	3.21
6	WYZ CAPITAL SDN BHD	10,535,773	2.48
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (NOMURA)*	8,200,000	1.93
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	7,005,200	1.65
9	POH CHEAN HUNG	6,952,876	1.64
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)*	5,278,200	1.24
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (KIB)*	4,989,200	1.18
12	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)*	4,423,900	1.04
13	LAI FOOK HOY	4,016,262	0.95
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD *CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND*	3,765,700	0.89
15	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)*	3,550,100	0.84
16	KENANGA NOMINEES (TEMPATAN) SDN BHD *OOI SIEW HWA (010-10E00088)*	2,975,440	0.70
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD *GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)*	2,857,600	0.67
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (PHEIM)*	2,799,600	0.66
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD *ETIQA INSURANCE BERHAD (LIFE NON-PAR FD)*	2,728,400	0.64
20	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD *GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)*	2,648,800	0.62
21	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC*	2,204,100	0.52
22	AMSEC NOMINEES (TEMPATAN) SDN BHD *AMFUNDS MANAGEMENT BERHAD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND*	2,189,300	0.52
23	TEH CHING CHING	2,013,497	0.47
24	TEH THENG THENG	1,860,965	0.44
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *KENANGA ISLAMIC INVESTORS BHD FOR LEMBAGA TABUNG HAJI*	1,818,300	0.43
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KNGA SML CAP FD)*	1,727,500	0.41
27	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES*	1,690,300	0.40
28	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD *CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND*	1,586,500	0.37
29	RHB NOMINEES (TEMPATAN) SDN BHD *RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD FOR PERBADANAN NASIONAL BERHAD*	1,449,700	0.34
30	TEH GAN HEONG & SONS SDN BHD	1,398,029	0.33

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2016

Number of outstanding warrants	:	7,400,185
Exercise period	:	The exercise period is any time within a period of 5 years from the date of issue up to the expiry date of 30 May 2017
Exercise price	:	RM0.60 and subject to adjustments (where applicable) in accordance with the conditions provided in the Deed Poll.
Warrant Entitlement	:	Each warrant entitles the registered holder during the Exercise period to subscribe for one new ordinary share of RM0.50 each
Number of warrant holders as at 31 March 2016	:	488

Distribution of warrant holders

Size of holdings	**No. of Warrant Holders**	**No. of Warrants**	**%**
1 - 99	54	2,156	0.02
100 - 1,000	120	72,457	0.98
1,001 - 10,000	228	1,083,800	14.65
10,001 - 100,000	78	2,537,390	34.29
100,001 and above	8	3,704,382	50.06
TOTAL	488	7,400,185	100.00

List of directors' warrant holdings as shown in the Register of Directors

Directors	**No. of Warrants held**			
	Direct	**%**	**Deemed**	**%**
Teh Kiak Seng	-	-	350,000 (N1)	4.73
Teh Theng Theng	-	-	-	-
Tsai Chia Ling	-	-	-	-
Lai Fook Hoy	-	-	-	-
Yeoh Chong Keat	-	-	-	-
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	-	-	-	-

Notes :

N1 Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Siram Permai Sdn. Bhd.

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2016 (CONT'D)

LIST OF TOP 30 HOLDERS AS AT 31 MARCH 2016

NO.	NAME	HOLDINGS	%
1	POH CHEAN HUNG	1,789,082	24.18
2	TEH PENG PENG	810,300	10.95
3	SIRAM PERMAI SDN. BHD.	350,000	4.73
4	MAK TECK MENG	200,000	2.70
5	UOBM NOMINEES (TEMPATAN) SDN BHD *GOLDEN TOUCH ASSET MANAGEMENT SDN BHD FOR GOLDEN TOUCH ALLWEATHER FUND*	171,000	2.31
6	CHONG LAI SUNG	162,000	2.19
7	UOBM NOMINEES (TEMPATAN) SDN BHD *GOLDEN TOUCH ASSET MANAGEMENT SDN BHD FOR HUA EDUCATION ASSISTANCE SDN. BHD. (TRUST AC/CLIENT)*	120,000	1.62
8	DEO BENG CHUAN	102,000	1.38
9	OSMAN BIN AB AZIS	100,000	1.35
10	PEN HARVEST SDN. BHD.	100,000	1.35
11	UOBM NOMINEES (TEMPATAN) SDN BHD *GOLDEN TOUCH ASSET MANAGEMENT SDN. BHD. FOR TOK BENG TIONG (TRUST AC/CLIENT)*	86,000	1.16
12	CHEN WEE SANG	78,300	1.06
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE GUAT YEE (8056437)*	72,000	0.97
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KOW CHIEN KHUANG (E-SJA)*	70,900	0.96
15	MAYBANK NOMINEES (ASING) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RUSTOM FRAMROZE CHOTHIA*	70,800	0.96
16	SETO CHEN & SONS SDN. BHD.	70,000	0.95
17	LEE EE-LENG	58,500	0.79
18	LEE CHEE KIONG	57,000	0.77
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD *KOAY KIAN LEK*	52,550	0.71
20	LIM KONG YOW	51,000	0.69
21	HLB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HAMIDON BIN ABDULLAH*	50,000	0.68
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD *KUAN KAI HEEN*	50,000	0.68
23	TONG KIM MOI	50,000	0.68
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOW JEAT GHEE*	48,000	0.65
25	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG CHEE KHEONG*	47,100	0.64
26	UOBM NOMINEES (ASING) SDN BHD *GOLDEN TOUCH ASSET MANAGEMENT SDN BHD FOR KENSINGTON GROUP MANAGEMENT LIMITED (TRUST AC/CLIENT)*	46,000	0.62
27	TEOH CHOO EE	45,140	0.61
28	NG PENG SEIONG	43,900	0.59
29	UOBM NOMINEES (TEMPATAN) SDN BHD *GOLDEN TOUCH ASSET MANAGEMENT SDN.BHD FOR BEE GARDEN HOLDINGS SDN BHD (TRUST AC/CLIENT)*	43,000	0.58
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD *DEVAN A/L DINASAN*	42,000	0.57

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

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 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	101,945,680	36,638,913
Attributable to:		
Owners of the parent	101,118,257	36,638,913
Non-controlling interests	827,423	0
	101,945,680	36,638,913

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 2014:	
Final single tier dividend of 6.7 sen per ordinary share, paid on 18 September 2015	28,411,197
In respect of financial year ended 31 December 2015:	
Interim single tier dividend of 3.0 sen per ordinary share, paid on 18 February 2016	12,730,974
	41,142,171

The Directors propose a final single tier dividend of 6.0 sen per ordinary share amounting to RM25,461,949 in respect of the financial year ended 31 December 2015, subject to the approval of members at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (CONT'D)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM210,389,507 to RM212,073,907 by way of:

(a) Issuance of 147,000 new ordinary shares of RM0.50 each for cash pursuant to the exercise of Employees' Share Options Scheme.

(b) Issuance of 3,221,800 new ordinary shares of RM0.50 each pursuant to the exercise of warrants at RM0.60 per ordinary share.

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.

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'). 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 Scheme;

(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 Scheme;

(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 Scheme;

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

(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 Scheme, or at the par value of the ordinary shares of RM0.50 each, whichever is higher;

(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.

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

		← Number of options over ordinary shares of RM0.50 each →					
			Movements during the financial year				
Date of offer	Option price RM	Outstanding as at 1.1.2015	Granted	Exercised	Lapsed	Outstanding as at 31.12.2015	Exercisable as at 31.12.2015
5 June 2012	0.50	69,000	0	(14,000)	0	55,000	55,000
30 November 2012	0.65	4,000	0	(2,000)	0	2,000	2,000
2 May 2013	0.85	40,000	0	0	0	40,000	40,000
15 November 2013	1.27	1,182,000	0	(125,000)	(64,000)	993,000	813,000
28 May 2014	1.75	200,000	0	0	(17,000)	183,000	183,000
17 December 2014	1.45	1,172,000	0	(6,000)	0	1,166,000	166,000
15 June 2015	1.51	0	338,000	0	(20,000)	318,000	318,000
1 December 2015	1.25	0	1,529,000	0	0	1,529,000	1,509,000
		2,667,000	1,867,000	(147,000)	(101,000)	4,286,000	3,086,000

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

The Company has been granted exemption by the Companies Commission of Malaysia vide its letter dated 11 February 2016 from having to disclose the list of option holders to whom options have been granted during the financial year and details of their holdings pursuant to Section 169(11) of the Companies Act, 1965 in Malaysia except for information of employees who were granted 300,000 options and above.

There were no employees of the Company and of the subsidiaries who were granted 300,000 options and above under the ESOS during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Teh Kiak Seng
Teh Theng Theng
Yeoh Chong Keat
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali
Lai Fook Hoy
Tsai Chia Ling

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares, options over ordinary shares and warrants in the Company and of its related corporations during the financial year ended 31 December 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	← Number of ordinary shares of RM 0.50 each →			
	Balance as at 1.1.2015	**Bought**	**Sold**	**Balance as at 31.12.2015**
Shares in the Company				
Direct interests				
Teh Kiak Seng	25,299,794	0	0	25,299,794
Teh Theng Theng	1,860,965	0	0	1,860,965
Yeoh Chong Keat	300,000	0	0	300,000
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	1,000,000	0	0	1,000,000
Lai Fook Hoy	4,016,262	0	0	4,016,262
Indirect interests				
Teh Kiak Seng*	142,450,001	0	0	142,450,001
Tsai Chia Ling**	36,102,449	0	0	36,102,449

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONTINUED)

	Number of warrants of RM0.50 each			
	Balance as at 1.1.2015	Bought	Converted	Balance as at 31.12.2015
Warrants in the Company				
Indirect interests				
Teh Kiak Seng*	350,000	0	0	350,000

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

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

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

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 a benefit included in the aggregate amount of emoluments 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 39(b) to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling 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 37 to the financial statements.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, 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 satisfied themselves that there are no known bad debts and that provision need not be 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.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

(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 of bad debts or the making of provision for doubtful debts in the financial statements of the Group and the Company;

(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

Significant event during the financial year are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continued in office.

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

Teh Kiak Seng	**Teh Theng Theng**
Director	Director

Penang
4 April 2016

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 63 to 150 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 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 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 44 to the financial statements on page 151 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Teh Kiak Seng
Director

Teh Theng Theng
Director

Penang
4 April 2016

STATUTORY DECLARATION

I, Neoh Sze Tsin, 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 page 63 to 151 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 4 April 2016

Neoh Sze Tsin

Before me,

Commissioner for Oaths

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

Report on the Financial Statements

We have audited the financial statements of Tambun Indah Land Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and 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 a summary of significant accounting policies and other explanatory information, as set out on pages 63 to 150.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMBUN INDAH LAND BERHAD (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 44 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF: 0206
Chartered Accountants

Koay Theam Hock
2141/04/17 (J)
Chartered Accountant

Penang
4 April 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	4,580,565	3,732,474	0	832,998
Investment properties	8	112,865,044	79,406,378	0	0
Land held for property development	9	206,911,060	214,857,575	0	0
Investments in subsidiaries	10	0	0	286,520,447	260,640,227
Investment in an associate	11	2,689,581	4,442,370	831,079	831,079
Investment in a joint venture	12	19,493,760	8,902,578	0	0
Deferred tax assets	13	16,883,000	14,093,000	0	0
		363,423,010	325,434,375	287,351,526	262,304,304
Current assets					
Inventories	14	2,963,689	2,414,530	0	0
Property development costs	15	125,134,663	72,452,778	0	0
Trade and other receivables	16	91,325,094	118,009,199	19,692,076	34,722,330
Current tax assets		7,192,868	5,322,123	560,102	493,026
Short term funds	17	4,324,804	22,759,031	1,772,903	22,759,031
Cash and bank balances	18	179,593,191	115,388,354	29,242,586	20,263,143
		410,534,309	336,346,015	51,267,667	78,237,530
TOTAL ASSETS		773,957,319	661,780,390	338,619,193	340,541,834
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	212,073,907	210,389,507	212,073,907	210,389,507
Reserves	20	247,694,439	186,602,556	113,673,772	117,061,233
		459,768,346	396,992,063	325,747,679	327,450,740
Non-controlling interests	10 (f)	2,736,553	2,409,130	0	0
TOTAL EQUITY		462,504,899	399,401,193	325,747,679	327,450,740
LIABILITIES					
Non-current liabilities					
Borrowings	21	138,969,917	117,703,711	0	167,323
Deferred tax liabilities	13	1,281,000	4,224,000	0	0
		140,250,917	121,927,711	0	167,323
Current liabilities					
Trade and other payables	25	116,061,700	103,868,197	12,871,514	12,812,788
Borrowings	21	49,439,233	35,251,875	0	110,983
Current tax liabilities		5,700,570	1,331,414	0	0
		171,201,503	140,451,486	12,871,514	12,923,771
TOTAL LIABILITIES		311,452,420	262,379,197	12,871,514	13,091,094
TOTAL EQUITY AND LIABILITIES		773,957,319	661,780,390	338,619,193	340,541,834

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 2015

		Group		Company	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
Revenue	26	367,651,335	466,841,688	35,143,608	53,633,177
Cost of sales	27	(214,433,344)	(306,281,316)	0	0
Gross profit		153,217,991	160,560,372	35,143,608	53,633,177
Other income					
- Interest income	28	3,359,893	3,265,863	2,213,228	1,733,472
- Other income	29	7,467,141	3,027,849	1,029,525	4,355
Selling and distribution expenses		(9,568,889)	(9,784,766)	0	0
Administrative expenses		(15,429,578)	(14,364,929)	(1,322,833)	(14,172,795)
Finance costs	30	(5,149,239)	(5,760,065)	(17)	(15,416)
Share of profit of an associate, net of tax	11	1,847,211	1,303,875	0	0
Share of profit/(loss) of a joint venture, net of tax	12	182	(6,422)	0	0
Profit before tax	31	135,744,712	138,241,777	37,063,511	41,182,793
Tax expense	33	(33,799,032)	(34,906,611)	(424,598)	(763,301)
Profit for the financial year		101,945,680	103,335,166	36,638,913	40,419,492
Total other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		101,945,680	103,335,166	36,638,913	40,419,492
Profit attributable to:					
Owners of the parent		101,118,257	102,141,296	36,638,913	40,419,492
Non-controlling interests	10 (f)	827,423	1,193,870	0	0
		101,945,680	103,335,166	36,638,913	40,419,492

Earnings per ordinary share attributable to equity holders of the Company (Sen):

Basic (Sen)	34 (a)	23.92	25.20
Diluted (Sen)	34 (b)	23.62	24.69

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Non-distributable					Distributable			
Group	**NOTE**	**Share capital RM**	**Share premium RM**	**Share options reserve RM**	**Capital reserve RM**	**Warrants reserve RM**	**Retained earnings RM**	**Total attributable to owners of the parent RM**	**Non-controlling interests RM**	**Total equity RM**
Balance at 1 January 2014		197,112,890	63,920,550	214,708	467,579	704,324	47,646,483	310,066,534	3,515,260	313,581,794
Profit for the financial year		0	0	0	0	0	102,141,296	102,141,296	1,193,870	103,335,166
Other comprehensive income, net of tax		0	0	0	0	0	0	0	0	0
Total comprehensive income		0	0	0	0	0	102,141,296	102,141,296	1,193,870	103,335,166
Transactions with owners										
Issuance of ordinary shares pursuant to:										
- ESOS	19	1,113,000	556,555	(190,085)	0	0	0	1,479,470	0	1,479,470
- Warrants	19	12,163,617	2,919,268	0	0	(486,545)	0	14,596,340	0	14,596,340
Dividends	35	0	0	0	0	0	(31,556,372)	(31,556,372)	0	(31,556,372)
Dividends paid to non-controlling interests of subsidiaries		0	0	0	0	0	0	0	(2,300,000)	(2,300,000)
Share options granted under ESOS		0	0	264,795	0	0	0	264,795	0	264,795
Total transactions with owners		13,276,617	3,475,823	74,710	0	(486,545)	(31,556,372)	(15,215,767)	(2,300,000)	(17,515,767)
Balance at 31 December 2014		210,389,507	67,396,373	289,418	467,579	217,779	118,231,407	396,992,063	2,409,130	399,401,193

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		Non-distributable					Distributable			
Group	NOTE	Share capital RM	Share premium RM	Share options reserve RM	Capital reserve RM	Warrants reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2015		210,389,507	67,396,373	289,418	467,579	217,779	118,231,407	396,992,063	2,409,130	399,401,193
Profit for the financial year		0	0	0	0	0	101,118,257	101,118,257	827,423	101,945,680
Other comprehensive income, net of tax		0	0	0	0	0	0	0	0	0
Total comprehensive income		0	0	0	0	0	101,118,257	101,118,257	827,423	101,945,680
Transactions with owners										
Issuance of ordinary shares pursuant to:										
- ESOS	19	73,500	144,108	(41,858)	0	0	0	175,750	0	175,750
- Warrants	19	1,610,900	386,616	0	0	(64,436)	0	1,933,080	0	1,933,080
Dividends	35	0	0	0	0	0	(41,142,171)	(41,142,171)	0	(41,142,171)
Dividends paid to non-controlling interests of subsidiaries		0	0	0	0	0	0	0	(500,000)	(500,000)
Share options granted under ESOS		0	0	691,367	0	0	0	691,367	0	691,367
Total transactions with owners		1,684,400	530,724	649,509	0	(64,436)	(41,142,171)	(38,341,974)	(500,000)	(38,841,974)
Balance at 31 December 2015		212,073,907	67,927,097	938,927	467,579	153,343	178,207,493	459,768,346	2,736,553	462,504,899

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		Non-distributable				Distributable	
Company	NOTE	Share capital RM	Share premium RM	Share options reserve RM	Warrants reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2014		197,112,890	63,920,550	214,708	704,324	40,294,543	302,247,015
Profit for the financial year		0	0	0	0	40,419,492	40,419,492
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	0	0	40,419,492	40,419,492
Transactions with owners							
Issuance of ordinary shares pursuant to:							
- ESOS	19	1,113,000	556,555	(190,085)	0	0	1,479,470
- Warrants	19	12,163,617	2,919,268	0	(486,545)	0	14,596,340
Dividends	35	0	0	0	0	(31,556,372)	(31,556,372)
Share options granted under ESOS		0	0	264,795	0	0	264,795
Total transactions with owners		13,276,617	3,475,823	74,710	(486,545)	(31,556,372)	(15,215,767)
Balance at 31 December 2014		210,389,507	67,396,373	289,418	217,779	49,157,663	327,450,740

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		Non-distributable				Distributable	
Company	NOTE	Share capital RM	Share premium RM	Share options reserve RM	Warrants reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2015		210,389,507	67,396,373	289,418	217,779	49,157,663	327,450,740
Profit for the financial year		0	0	0	0	36,638,913	36,638,913
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	0	0	36,638,913	36,638,913
Transactions with owners							
Issuance of ordinary shares pursuant to:							
- ESOS	19	73,500	144,108	(41,858)	0	0	175,750
- Warrants	19	1,610,900	386,616	0	(64,436)	0	1,933,080
Dividends	35	0	0	0	0	(41,142,171)	(41,142,171)
Share options granted under ESOS		0	0	691,367	0	0	691,367
Total transactions with owners		1,684,400	530,724	649,509	(64,436)	(41,142,171)	(38,341,974)
Balance at 31 December 2015		212,073,907	67,927,097	938,927	153,343	44,654,405	325,747,679

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		135,744,712	138,241,777	37,063,511	41,182,793
Adjustments for:					
Depreciation of property, plant and equipment	7	764,927	570,243	0	424,094
Dividend income		0	0	(35,143,608)	(43,358,239)
Gain on disposal of investment property	29	(70,000)	(200,000)	0	0
Gain on disposal of property, plant and equipment	29	(185,040)	(27,591)	0	(2,591)
Impairment loss on investment in subsidiaries	10 (b), (c)	0	0	145,554	3,000,004
Interest income	28	(3,359,893)	(3,265,863)	(2,213,228)	(1,733,472)
Interest paid	30	5,149,239	5,760,065	17	15,416
Loss on disposal of property, plant and equipment	31	579	1,936	0	1,936
Net gain from fair value adjustments on investment properties	8	(6,665,269)	(2,601,759)	0	0
Property, plant and equipment written off	7	0	4,289	0	4,289
Reversal of impairment loss on investment in a subsidiary	10 (d)	0	0	(1,025,774)	0
Share of profit/(loss) of a joint venture, net of tax	12	(182)	6,422	0	0
Share of profit of an associate, net of tax	11	(1,847,211)	(1,303,875)	0	0
Share options granted under ESOS	36	691,367	264,795	691,367	264,795
Operating profit/(loss) before changes in working capital		130,223,229	137,450,439	(482,161)	(200,975)
Changes in working capital:					
Land held for property development		7,946,515	(136,321,645)	0	0
Inventories		(549,159)	(2,074,672)	0	0
Property development costs		(46,090,385)	52,688,581	0	0
Trade and other receivables		26,684,105	(31,401,673)	15,030,254	1,807,567
Trade and other payables		12,100,887	18,060,777	(33,890)	(129,981)
Cash generated from operations		130,315,192	38,401,807	14,514,203	1,476,611
Interest received		3,359,893	3,265,863	2,213,228	1,733,472
Tax paid		(38,408,889)	(49,719,709)	(491,674)	(1,656,327)
Tax refunded		1,375,268	2,561,721	0	0
Net cash from/(used in) operating activities		96,641,464	(5,490,318)	16,235,757	1,553,756

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		Group		Company	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of:					
- RPS in a subsidiary	10 (i)	0	0	(25,000,000)	(17,000,000)
- RPS in a joint venture	12	(10,591,000)	(8,909,000)	0	0
Dividend income from:					
- an associate		3,600,000	208,239	3,600,000	208,239
- subsidiaries		0	0	31,543,608	43,150,000
Proceeds from disposal of investment in a subsidiary		0	0	0	2
Proceeds from disposal of investment properties		2,061,827	12,005,516	0	0
Proceeds from disposal of property, plant and equipment		240,754	31,500	832,998	6,500
Purchase of investment properties	8	(35,160,724)	(24,874,962)	0	0
Purchase of property, plant and equipment	7	(1,885,311)	(497,502)	0	(184,442)
Redemption of RPS in an associate		0	3,740,000	0	3,740,000
Withdrawals of deposits pledged with licensed banks		2,742,808	5,447,009	4,187,221	3,446,016
Net cash (used in)/from investing activities		(38,991,646)	(12,849,200)	15,163,827	33,366,315
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(41,049,555)	(26,808,078)	(41,049,555)	(26,808,078)
Dividends paid to non-controlling interests of subsidiaries		(500,000)	(2,300,000)	0	0
Drawdowns of bank borrowings		101,423,469	150,918,372	0	0
Interest paid	30	(5,149,239)	(5,760,065)	(17)	(15,416)
Proceeds from the issuance of shares pursuant to:					
- ESOS		175,750	1,479,470	175,750	1,479,470
- Warrants		1,933,080	14,596,340	1,933,080	14,596,340
Repayments of bank borrowings		(65,813,682)	(96,025,534)	0	(10,000,000)
Repayments of hire purchase creditors		(156,223)	(105,796)	(278,306)	(105,796)
Net cash (used in)/from financing activities		(9,136,400)	35,994,709	(39,219,048)	(20,853,480)
Net increase/(decrease) in cash and cash equivalents		48,513,418	17,655,191	(7,819,464)	14,066,591
Cash and cash equivalents at beginning of the financial year		131,454,111	113,798,920	38,834,953	24,768,362
Cash and cash equivalents at end of the financial year (Note 18(d))		179,967,529	131,454,111	31,015,489	38,834,953

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2015 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 4 April 2016.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have 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 set out on pages 63 to 150 have been prepared in accordance with Financial Reporting Standards (‘FRSs’) and the provisions of the Companies Act, 1965 in Malaysia. However, Note 44 to the financial statements set out on page 151 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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.

The preparation of financial statements in conformity with FRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation (Continued)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 Share-based Payment at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Business combinations (Continued)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs. The choice of measurement basis is made on an 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.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of the parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

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 off 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 assets is available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Property, plant and equipment and depreciation (Continued)

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.5 Leases and hire purchase

(a) Finance lease and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Property development activities

(a) Land held for property development

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.

Cost associated with the acquisition of land includes the purchase price of the land, professional fee, stamp duties, commissions, conversion fees and other relevant levies.

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.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or costs that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

4.7 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

4.8 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Investment properties (Continued)

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.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

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.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.9 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Investments (Continued)

(b) Associate

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Investments (Continued)

(b) Associate (Continued)

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(c) Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture. The Group has determined that its joint operation is a joint venture (Note 12).

<u>Joint venture</u>

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is an objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with FRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount.

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with FRS 128 *Investments in Associates and Joint Ventures.*

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

(i) The structure of the joint arrangement;
(ii) The legal form of joint arrangements structured through a separate vehicle;
(iii) The contractual terms of the joint arrangement agreement; and
(iv) Any other facts and circumstances.

When there are changes in the facts and circumstances change, the Group reassesses whether the type of joint arrangement in which it is involved has changed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, an associate and a joint venture), inventories, land held for property development, property development costs, deferred tax assets and investment properties measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.11 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(a) Financial assets (Continued)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (Continued)

(b) Financial liabilities (Continued)

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 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.

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.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

4.15 Income taxes

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes and real property gains taxes payable on the disposal of properties.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Income taxes (Continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) The same taxable entity; or

(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.16 Provisions

Provisions are recognised 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.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 Provisions (Continued)

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.18 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Employee benefits (Continued)

(c) Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions but excluding the impact of any non-market performance and service vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees could provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The Group recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

If the options are exercised, the Company issues new shares to the employees. The proceeds received, net of any directly attributable transaction costs are recognised in ordinary share capital at nominal value, and any excess would be recognised in share premium.

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of each reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Revenue recognition (Continued)

(a) Property development (Continued)

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreement by end of the reporting period and when the risks and rewards of ownership have passed to the customers.

(b) Completed properties held for sale

Revenue from the sales of completed properties held for sale is recognised as and when the transfer of significant risks and rewards of ownership to the buyer and upon signing and completion of sale and purchase agreement.

(c) Construction contracts

Profits from contract works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(d) Rental income

Rental income from investment properties is recognised based on accrual basis.

(e) Car park income

Operation of car park income is recognised based on receipt basis.

(f) Property management

Property management fees are recognised when services are rendered.

(g) Dividend income

Dividend income is recognised when the right to received payment is established.

(h) Interest income

Interest income is recognised as it accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

   (i) the combined reported profit of all operating segments that did not report a loss; and

   (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.21 Earnings per 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.22 Warrant reserve

Where the Company received a lump sum payment ('proceeds') from the issuance of new ordinary shares with warrants, the proceeds received shall be assigned to the ordinary shares and warrants based on their respective fair values.

The value of the warrants ascertained shall be allocated to warrant reserves from other equity items. Warrant reserve is transferred to the share premium upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants shall remain in equity until the warrants lapsed.

4.23 Fair value measurements

The fair value of an asset or a liability, except for share-based payment and lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and
(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRSs adopted during the current financial year

The Group and Company adopted the following Standards of the FRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	**Effective Date**
Amendments to FRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to FRSs *Annual Improvements 2010-2012 Cycle*	1 July 2014
Amendments to FRSs *Annual Improvements 2011-2013 Cycle*	1 July 2014

There is no material effect upon the adoption of the above Amendments during the financial year.

5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the FRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	**Effective Date**
FRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 116 and FRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
Amendments to FRS 101 *Disclosure Initiative*	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 *Investment Entities: Applying the consolidation Exception*	1 January 2016
FRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
Amendments to FRS 10 and FRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year

The Group and Company are Transitioning Entities ('TE') as defined by MASB and are expected to apply the following Standards of the Malaysian Financial Reporting Standards ('MFRS') Framework for the financial year ending 31 December 2018.

Title

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
MFRS 2 *Share-based Payment*
MFRS 3 *Business Combinations*
MFRS 4 Insurance Contracts
MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
Amendments to MFRS 5 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 6 *Exploration for and Evaluation of Mineral Resources*
MFRS 7 *Financial Instruments: Disclosures*
Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)
Amendments to MFRS 7 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 8 *Operating Segments*
MFRS 9 *Financial Instruments*
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009) [will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010) [will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]
MFRS 9 (Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139) [will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 10 *Consolidated Financial Statements*
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
MFRS 11 *Joint Arrangements*
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
MFRS 12 *Disclosure of Interests in Other Entities*
MFRS 13 *Fair Value Measurement*
MFRS 14 *Regulatory Deferral Accounts*
MFRS 15 *Revenue from Contracts with Customers*
MFRS 101 *Presentation of Financial Statements*
Amendments to MFRS 101 *Disclosure Initiative*
MFRS 102 *Inventories*
MFRS 107 *Statement of Cash Flows*
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
MFRS 110 *Events After the Reporting Period*
MFRS 112 *Income Taxes*
MFRS 116 *Property, Plant and Equipment*
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year (Continued)

Title

MFRS 117 *Leases*
MFRS 119 *Employee Benefits (revised)*
Amendments to MFRS 119 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*
MFRS 123 *Borrowing Costs*
MFRS 124 *Related Party Disclosures*
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*
MFRS 127 *Separate Financial Statements*
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
MFRS 128 *Investments in Associates and Joint Ventures*
MFRS 129 *Financial Reporting in Hyperinflationary Economies*
MFRS 132 *Financial Instruments: Presentation*
MFRS 133 *Earnings Per Share*
MFRS 134 *Interim Financial Reporting*
Amendments to MFRS 134 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 136 *Impairment of Assets*
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*
MFRS 138 *Intangible Assets*
MFRS 139 *Financial Instruments: Recognition and Measurement*
MFRS 140 *Investment Property*
MFRS 141 *Agriculture*
Annual Improvements to MFRSs 2012 - 2014 Cycle
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 4 *Determining whether an Arrangement Contains a Lease*
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6 *Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies*
IC Interpretation 9 *Reassessment of Embedded Derivatives*
IC Interpretation 10 *Interim Financial Reporting and Impairment*
IC Interpretation 12 *Service Concession Arrangements*
IC Interpretation 14 *MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year (Continued)

Title

IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
IC Interpretation 21 *Levies*
IC Interpretation 107 *Introduction of the Euro*
IC Interpretation 110 *Government Assistance - No Specific Relation to Operating Activities*
IC Interpretation 115 *Operating Leases - Incentives*
IC Interpretation 125 *Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*
IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
IC Interpretation 129 *Service Concession Arrangements: Disclosures*
IC Interpretation 132 *Intangible Assets - Web Site Costs*

The Group is in the process of assessing the impact of implementing these Standards since the effects would only be observable for the financial year ending 31 December 2018.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Change in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.2 Critical judgements made in applying accounting policies (Continued)

(b) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

(c) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(d) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(e) 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.

(f) Consolidation of an entity in which the Group holds less than majority of voting rights

The Group considers that it controls certain subsidiaries even though it owns fifty percent (50%) of the voting rights. This is because the Group is the single largest shareholder with a fifty percent (50%) equity interests. The remaining fifty percent (50%) of the equity shares are held by few shareholders and there is no history of the other few shareholders collaborating to exercise their votes collectively or to outvote the Group as disclosed in Note 10 (c) to the financial statements.

(g) 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% (2014: 45%) equity interest in Ikthiar 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 2015 (CONT'D)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated useful lives. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 4.4 to the financial statements. These are common life expectancies applied in the industry which the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Property development

The Group recognises property development revenue and expenses in statement of profit or loss and other comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(d) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(e) Fair value of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.3 Key sources of estimation uncertainty (Continued)

(f) Investments in subsidiaries

Management reviews the investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to their higher of its fair values less cost to sell and the value in use of the respective subsidiaries.

Estimating a value in use requires management to make an estimate of the expected future cash flows to be derived from continuing use of the asset and from its ultimate disposal, expectations about possible variations in the amount, timing of those cash flows, the time value of money, price for inherent uncertainty risk and other relevant factors.

(g) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group engages professional valuers to perform valuations on investment properties as disclosed in Note 8 to the financial statements. These valuation reports would be tabled annually to the Audit Committee for approval, where applicable.

The Group measures these elements in the financial statements at fair value:

(i) Investment properties, Note 8 to the financial statements;
(ii) Short term funds, Note 17 to the financial statements; and
(iii) Financial instruments, Note 41 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Air conditioners RM	Construction-in-progress RM	Total RM
At cost								
Balance as at 1 January 2015	2,662,966	336,599	832,604	1,711,960	134,383	17,530	0	5,696,042
Additions	0	320,694	423,914	956,732	137,694	0	46,277	1,885,311
Transfer to investment properties (Note 8)	(216,000)	0	0	0	0	0	0	(216,000)
Disposals	0	0	(2,000)	(550,748)	0	0	0	(552,748)
Balance as at 31 December 2015	2,446,966	657,293	1,254,518	2,117,944	272,077	17,530	46,277	6,812,605
Accumulated depreciation								
Balance as at 1 January 2015	195,101	194,352	397,267	1,110,823	53,754	12,271	0	1,963,568
Current charge	73,692	124,375	143,835	394,065	27,207	1,753	0	764,927
Disposals	0	0	(667)	(495,788)	0	0	0	(496,455)
Balance as at 31 December 2015	268,793	318,727	540,435	1,009,100	80,961	14,024	0	2,232,040
Carrying amount								
Balance as at 31 December 2015	2,178,173	338,566	714,083	1,108,844	191,116	3,506	46,277	4,580,565

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

7. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Group	Buildings RM	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Air conditioners RM	Total RM
At cost							
Balance as at 1 January 2014	2,212,966	304,198	645,293	1,551,635	134,383	17,530	4,866,005
Additions	0	32,401	219,714	245,387	0	0	497,502
Transfer from investment properties (Note 8)	450,000	0	0	0	0	0	450,000
Disposals	0	0	(15,795)	(85,062)	0	0	(100,857)
Written off	0	0	(16,608)	0	0	0	(16,608)
Balance as at 31 December 2014	2,662,966	336,599	832,604	1,711,960	134,383	17,530	5,696,042
Accumulated depreciation							
Balance as at 1 January 2014	122,652	128,715	313,478	884,978	40,315	10,518	1,500,656
Current charge	72,449	65,637	108,167	308,798	13,439	1,753	570,243
Disposals	0	0	(12,059)	(82,953)	0	0	(95,012)
Written off	0	0	(12,319)	0	0	0	(12,319)
Balance as at 31 December 2014	195,101	194,352	397,267	1,110,823	53,754	12,271	1,963,568
Carrying amount							
Balance as at 31 December 2014	2,467,865	142,247	435,337	601,137	80,629	5,259	3,732,474

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Air conditioners RM	Total RM
At cost						
Balance as at 1 January 2015	240,444	316,814	1,304,181	120,946	10,518	1,992,903
Disposals	(240,444)	(316,814)	(1,304,181)	(120,946)	(10,518)	(1,992,903)
Balance as at 31 December 2015	0	0	0	0	0	0
Accumulated depreciation						
Balance as at 1 January 2015	137,621	195,941	780,769	40,315	5,259	1,159,905
Disposals	(137,621)	(195,941)	(780,769)	(40,315)	(5,259)	(1,159,905)
Balance as at 31 December 2015	0	0	0	0	0	0
Carrying amount						
Balance as at 31 December 2015	0	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Air conditioners RM	Total RM
At cost						
Balance as at 1 January 2014	217,009	325,316	1,161,012	120,946	10,518	1,834,801
Additions	23,435	12,776	148,231	0	0	184,442
Disposals	0	(4,670)	(5,062)	0	0	(9,732)
Written off	0	(16,608)	0	0	0	(16,608)
Balance as at 31 December 2014	240,444	316,814	1,304,181	120,946	10,518	1,992,903
Accumulated depreciation						
Balance as at 1 January 2014	87,040	140,240	494,355	26,876	3,506	752,017
Current charge	50,581	68,954	289,367	13,439	1,753	424,094
Disposals	0	(934)	(2,953)	0	0	(3,887)
Written off	0	(12,319)	0	0	0	(12,319)
Balance as at 31 December 2014	137,621	195,941	780,769	40,315	5,259	1,159,905
Carrying amount						
Balance as at 31 December 2014	102,823	120,873	523,412	80,631	5,259	832,998

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase at the end of the reporting period are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Motor vehicles	99,975	259,905	0	259,905

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 22 to the financial statements.

8. INVESTMENT PROPERTIES

	Group	
	2015	2014
	RM	RM
Fair value		
Freehold land and buildings		
Balance as at 1 January	11,115,423	8,180,556
Additions	895,126	1,783,108
Reclassification	48,063,605	0
Gain from fair value adjustments	6,665,269	2,601,759
Transfer from/(to) property, plant and equipment (Note 7)	216,000	(450,000)
Disposal	(1,230,000)	(1,000,000)
Balance as at 31 December	65,725,423	11,115,423
At cost		
Construction-in-progress		
Balance as at 1 January	68,290,955	56,004,617
Additions	34,265,598	23,091,854
Transfer to property development cost (Note 15)	(6,591,500)	0
Reclassification	(48,063,605)	0
Disposal	(761,827)	(10,805,516)
Balance as at 31 December	47,139,621	68,290,955
Total investment properties	112,865,044	79,406,378

(a) The investment properties under construction of RM47,139,621 (2014: RM68,290,955) are stated at cost as the fair values of these properties could not be reliably determined as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

8. INVESTMENT PROPERTIES (CONTINUED)

(b) Investment properties with a carrying amount of RM55,678,537 (2014: RM74,186,109) have been charged to bank for credit facilities granted to the Group (Note 23 and 24).

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

	Group	
	2015	2014
	RM	RM
Insurance	47,001	4,855
Quit rent and assessment	36,290	16,979
Repair and maintenance	10,459	15,624

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

	Level 2
	RM
2015	
Freehold land and buildings	65,725,423
2014	
Buildings	11,115,423

Investment properties at Level 2 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) The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2015	2014
	RM	RM
Balance as at 1 January		
- Freehold land, at cost	188,997,633	67,042,591
- Development costs	25,859,942	11,493,339
	214,857,575	78,535,930
Add: Cost incurred during the financial year		
- Freehold land, at cost	39,349,957	151,317,248
- Development costs	7,434,861	16,483,040
	46,784,818	167,800,288
Less: Transfers to property development costs (Note 15)		
- Freehold land, at cost	(50,525,171)	(27,705,844)
- Development costs	(4,114,971)	(1,997,364)
	(54,640,142)	(29,703,208)
Less: Disposals during the financial year		
- Freehold land, at cost	(85,001)	(1,656,362)
- Development costs	(6,190)	(119,073)
	(91,191)	(1,775,435)
Balance as at 31 December		
- Freehold land, at cost	177,737,418	188,997,633
- Development costs	29,173,642	25,859,942
	206,911,060	214,857,575

The freehold land held for property development with carrying amount of RM162,411,901 (2014: RM178,932,865) have been charged to banks for credit facilities granted to subsidiaries (Note 23 and 24).

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	RM	RM
At cost		
Unquoted ordinary shares	169,503,717	169,503,717
Redeemable preference shares	134,000,000	109,000,000
Less: Impairment losses	(16,983,270)	(17,863,490)
	286,520,447	260,640,227

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity 2015	2014	Principal activities
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
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
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	50%	50%	Property development
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

All subsidiaries above are audited by BDO, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Impairment loss on investment in a subsidiary amounting to RM145,554 in respect of Denmas Sdn. Bhd., has been recognised during the financial year due to declining business operations. The recoverable amount was determined based on a value-in-use calculation using cash flow projections based on financial budget approved by the management covering a three (3)-year period. The discount rate applied to the cash flow projections was 7.8% based on the weighted average cost of capital of the Company.

(c) In the previous financial year, impairment loss on investment in subsidiaries amounted to RM3,000,004 in respect of Epiland Properties Sdn. Bhd., Hong Hong Development Sdn. Bhd. and Perquest Sdn. Bhd. have been recognised due to declining business operations. The recoverable amounts were determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by the management covering a three (3)-year period. The discount rate applied to the cash flow projections was 13% based on the weighted average cost of capital of the Company.

(d) Reversal of impairment loss on investment in a subsidiary amounting to RM1,025,774 in respect of Hong Hong Development Sdn. Bhd. has been recognised during the financial year due to new development activities. The recoverable amount was determined based on a value-in-use calculation using cash flow projections based on financial budget approved by the management covering a three (3)-year period. The discount rate applied to the cash flow projections was 7.8% based on the weighted average cost of capital of the Company.

(e) The Group considers that it controls Zipac Development Sdn. Bhd., 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 Zipac Development Sdn. Bhd., 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 Zipac Development Sdn. Bhd., Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. are held by few shareholders, (as recorded in the shareholders' register of Zipac Development Sdn. Bhd. from 11 November 2010 to 31 December 2015, CBD Land Sdn. Bhd. from 10 May 2010 to 31 December 2015, and Ascention Sdn. Bhd. from 29 December 2011 to 31 December 2015). Since 11 November 2010, 10 May 2010 and 29 December 2011, which were the dates of acquisitions of Zipac Development Sdn. Bhd., 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.

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

	Zipac Development Sdn. Bhd.	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Total
2015				
NCI percentage of ownership interest and voting interest	50%	50%	50%	
Carrying amount of NCI (RM)	291,849	2,118,608	326,096	2,736,553
(Loss)/Profit allocated to NCI (RM)	(2,410)	821,606	8,227	827,423

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

	Zipac Development Sdn. Bhd.	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Total
2014				
NCI percentage of ownership interest and voting interest	50%	50%	50%	
Carrying amount of NCI (RM)	294,259	1,297,002	817,869	2,409,130
Profit allocated to NCI (RM)	5,876	1,101,085	86,909	1,193,870

(g) 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:

	Zipac Development Sdn. Bhd.	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.
2015			
Assets and liabilities			
Non-current asset	0	166,000	0
Current assets	584,997	13,292,851	655,088
Non-current liabilities	0	0	(2,897)
Current liabilities	(1,300)	(9,221,636)	0
Net assets	583,697	4,237,215	652,191
Results			
Revenue	0	7,108,102	0
(Loss)/Profit for the financial year	(4,820)	1,643,212	16,453
Total comprehensive (loss)/income	(4,820)	1,643,212	16,453
Cash flows from operating activities	26,612	3,716,486	440,800
Cash flows from investing activities	0	9,696	0
Cash flows used in financing activities	0	0	(1,000,000)
Net increase/(decrease) in cash and cash equivalents	26,612	3,726,182	(559,200)
Dividend paid to NCI	0	0	(500,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(g) 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 (Continued):

	Zipac Development Sdn. Bhd.	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.
2014			
Assets and liabilities			
Current assets	589,717	9,887,122	1,714,096
Non-current liabilities	0	(183,000)	0
Current liabilities	(1,200)	(7,110,119)	(78,358)
Net assets	588,517	2,594,003	1,635,738
Results			
Revenue	0	10,860,957	518,000
Profit for the financial year	11,752	2,202,169	173,818
Total comprehensive income	11,752	2,202,169	173,818
Cash flows from operating activities	341,594	1,080,439	367,484
Cash flows from investing activities	0	0	22,094
Cash flows used in financing activities	(600,000)	0	(4,000,000)
Net (decrease)/increase in cash and cash equivalents	(258,406)	1,080,439	(3,610,422)
Dividend paid to NCI	(300,000)	0	(2,000,000)

(h) Internal restructuring

In the previous financial year, the Company had transfer 2 ordinary shares of RM1 each, representing the entire equity interest in Novinia Sdn. Bhd., a wholly-owned subsidiary of the Company to Palmington Sdn. Bhd., another wholly-owned subsidiary of the Company for a total cash consideration of RM2. In consequent thereof, Novinia Sdn. Bhd. become an indirect subsidiary of the Company.

(i) Acquisition of RPS

During the financial year, the Company acquired RPS amounting to RM25,000,000 (2014: RM17,000,000) in respect of Palmington Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

11. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2015	2014	2015	2014
	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	1,858,502	3,611,291	0	0
	2,689,581	4,442,370	831,079	831,079

(a) The details of the associate are as follows:

Name of company	Country of incorporation	Effective interest in equity 2015	Effective interest in equity 2014	Principal activity
Ikhtiar Bitara Sdn. Bhd. #	Malaysia	45%	45%	Property development

Associate not audited by BDO, Malaysia

The associate is accounted for using the equity method in the consolidated financial statements.

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 2015 have been used and appropriate adjustments have been made for the effects of transactions between 31 October 2015 to 31 December 2015.

(b) The summarised financial information of the associate are as follows:

	2015	2014
Assets and liabilities	RM	RM
Current assets	7,240,257	14,250,687
Non-current assets	0	406,000
Current liabilities	(1,183,360)	(5,004,970)
Net assets	6,056,897	9,651,717
Results		
Revenue	8,978,421	10,525,331
Profit for the financial year	4,405,180	3,038,197
Total comprehensive income	4,405,180	3,038,197
Cash flows from operating activities	4,610,617	8,412,315
Cash flows from/(used in) investing activities	22,195	(6,703)
Cash flows used in financing activities	(4,000,000)	(4,222,658)
Net increase in cash and cash equivalents	632,812	4,182,954

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

11. INVESTMENT IN AN ASSOCIATE (CONTINUED)

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

	2015 RM	2014 RM
As at 31 December		
Share of net assets of the Group	1,959,128	3,711,917
Goodwill	730,453	730,453
Carrying amount in the statement of financial position	2,689,581	4,442,370
Share of results of the Group for the financial year ended 31 December		
Share of profit of the Group	1,847,211	1,303,875
Share of other comprehensive income of the Group	0	0
Share of total comprehensive income of the Group	1,847,211	1,303,875
Other information		
Dividend received	3,600,000	208,239

12. INVESTMENT IN A JOINT VENTURE

	Group 2015 RM	 2014 RM
Unquoted equity shares, at cost	1	1
Redeemable preference shares	19,500,000	8,909,000
Share of post acquisition reserves, net of dividend received	(6,241)	(6,423)
	19,493,760	8,902,578

(a) The details of the joint venture are as follows:

Name of company	Country of incorporation	Effective interest in equity 2015	2014	Principal activity
TNC Capital Sdn. Bhd.	Malaysia	50%	50%	Building and leasing of properties

(b) 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 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 2015 (CONT'D)

12. INVESTMENT IN A JOINT VENTURE (CONTINUED)

(c) 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:

	2015	2014
Assets and liabilities	**RM**	**RM**
Non-current assets	39,297,400	17,487,915
Current assets	1,752,065	699,610
Current liabilities	(2,061,945)	(382,369)
Net assets	38,987,520	17,805,156
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in a joint venture	19,493,760	8,902,578
Results		
Other income	14,241	6,502
Expenses including taxation	(13,877)	(11,324)
Profit/(Loss) for the financial year	364	(4,822)
Share of profit/(loss) by the Group for the financial year	182	(6,422)

13. DEFERRED TAX

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

	Group	
	2015	**2014**
	RM	**RM**
Balance as at 1 January	(9,869,000)	(3,461,000)
Recognised in profit or loss (Note 33):		
- property, plant and equipment	(1,000)	0
- property development costs	(6,489,900)	(6,408,000)
Overprovision in prior year	757,900	0
Balance as at 31 December	(15,602,000)	(9,869,000)
Presented after appropriate offsetting:		
Deferred tax assets, net	(16,883,000)	(14,093,000)
Deferred tax liabilities, net	1,281,000	4,224,000
	(15,602,000)	(9,869,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

13. DEFERRED TAX (CONTINUED)

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

Deferred tax liabilities of the Group	**2015 RM**	**2014 RM**
Balance as at 1 January		
- property, plant and equipment	1,000	1,000
- property development costs	4,223,000	495,000
	4,224,000	496,000
Recognised in profit or loss (Note 33):		
- property, plant and equipment	(1,000)	0
- property development costs	(2,942,900)	3,728,000
Underprovision in prior year	900	0
Balance as at 31 December	1,281,000	4,224,000

The deferred tax liabilities of the Group at end of the financial year are analysed as follows:

	2015 RM	**2014 RM**
Property, plant and equipment	0	1,000
Property development costs	1,281,000	4,223,000
	1,281,000	4,224,000

Deferred tax assets of the Group		
Balance as at 1 January		
- property development costs	14,093,000	3,957,000
Recognised in profit or loss (Note 33):		
- property development costs	3,547,000	10,136,000
Overprovision in prior year	(757,000)	0
Balance as at 31 December		
- property development costs	16,883,000	14,093,000

(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	
	2015 RM	**2014 RM**
Property, plant and equipment	46,000	44,100
Unused tax losses	437,500	531,900
	483,500	576,000

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 deductible temporary differences do not expire under the current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

14. INVENTORIES

	Group 2015 RM	Group 2014 RM
At cost		
Completed properties held for sale	2,963,689	2,414,530

15. PROPERTY DEVELOPMENT COSTS

	Freehold land, at cost RM	Development costs RM	Total RM
Group			
Cumulative property development costs			
Balance as at 1 January 2015	124,231,231	544,472,975	668,704,206
Incurred during the financial year	0	207,849,913	207,849,913
Transfer from land held for property development (Note 9)	50,525,171	4,114,971	54,640,142
Transfer from investment properties (Note 8)	4,621,964	1,969,536	6,591,500
Transferred to inventories	(85,638)	(695,954)	(781,592)
Cost eliminated due to completion of projects	(19,641,172)	(111,488,390)	(131,129,562)
Balance as at 31 December 2015	159,651,556	646,223,051	805,874,607
Cumulative costs recognised in the statement of profit or loss and other comprehensive income			
Balance as at 1 January 2015	(111,858,553)	(484,392,875)	(596,251,428)
Recognised during the financial year	(17,874,307)	(197,743,771)	(215,618,078)
Cost eliminated due to completion of projects	19,641,172	111,488,390	131,129,562
Balance as at 31 December 2015	(110,091,688)	(570,648,256)	(680,739,944)
Property development costs as at 31 December 2015	49,559,868	75,574,795	125,134,663
Cumulative property development costs			
Balance as at 1 January 2014	112,359,813	428,746,921	541,106,734
Incurred during the financial year	0	217,081,141	217,081,141
Transfer from land held for property development (Note 9)	27,705,844	1,997,364	29,703,208
Transferred to inventories	(184,080)	(2,230,450)	(2,414,530)
Cost eliminated due to completion of projects	(15,650,346)	(101,122,001)	(116,772,347)
Balance as at 31 December 2014	124,231,231	544,472,975	668,704,206

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

15. PROPERTY DEVELOPMENT COSTS (CONTINUED)

	Freehold land, at cost RM	Development costs RM	Total RM
Cumulative costs recognised in the statement of profit or loss and other comprehensive income			
Balance as at 1 January 2014	(52,906,885)	(363,058,490)	(415,965,375)
Recognised during the financial year	(74,602,014)	(222,456,386)	(297,058,400)
Cost eliminated due to completion of projects	15,650,346	101,122,001	116,772,347
Balance as at 31 December 2014	(111,858,553)	(484,392,875)	(596,251,428)
Property development costs as at 31 December 2014	12,372,678	60,080,100	72,452,778

Included in the property development costs are the following charges incurred during the financial year:

	2015 RM	2014 RM
Directors of the subsidiaries		
Executive Directors		
Directors' remuneration (Note 32)		
- other emoluments	34,414	28,679
Interest on:		
- Interest on bridging loans	0	130,256
- Interest on revolving credit	204,131	0
- Interest on term loans	2,402,614	1,528,377

Interest capitalised in property development costs at rates ranging from 4.53% to 5.33% (2014: 4.51% to 6.35%) per annum.

Freehold land held under development with carrying amount of RM74,026,913 (2014: RM37,301,294) has been charged to banks for credit facilities granted to subsidiaries (Note 24).

Included in Directors' remuneration of the Group are contributions to a defined contribution plan of RM3,900 (2014: RM3,250).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Trade receivables				
Third parties	20,740,103	31,131,920	0	0
Retention sums	42,376,366	18,010,978	0	0
Accrued billings in respect of property development costs	23,047,087	65,322,682	0	0
Amounts due from subsidiaries	0	0	0	90,000
	86,163,556	114,465,580	0	90,000
Other receivables				
Non-trade receivables	2,277,744	686,294	0	264,720
Amounts due from subsidiaries	0	0	19,664,670	34,257,217
	2,277,744	686,294	19,664,670	34,521,937
Loan and receivables	88,441,300	115,151,874	19,664,670	34,611,937
Deposits and prepayments				
Deposits	2,827,621	2,750,104	14,013	97,373
Prepayments	56,173	107,221	13,393	13,020
	2,883,794	2,857,325	27,406	110,393
	91,325,094	118,009,199	19,692,076	34,722,330

All trade and other receivables are denominated in RM.

(a) Trade receivables

The normal trade credit terms granted by the Group and the Company are generally on 21 days term (2014: 21 days) and 30 days term (2014: 30 days) respectively. 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 2015 (CONT'D)

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Neither past due nor impaired	68,393,629	88,777,392	0	90,000
1 to 30 days past due not impaired	9,734,419	16,653,745	0	0
31 to 60 days past due not impaired	6,306,783	5,222,867	0	0
61 to 90 days past due not impaired	1,587,525	2,924,669	0	0
More than 91 days past due not impaired	141,200	886,907	0	0
	86,163,556	114,465,580	0	90,000

Receivables that are neither past due nor impaired

Trade receivables are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables of RM17,769,927 (2014: RM25,688,188) that are past due at the reporting date but not impaired. These relate to customers for whom there are no recent historical of default, purchasers with end financing from reputable financial institutions. There is no objective evidence that the receivables are not fully recoverable.

(b) The retention sums are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2015	2014
	RM	RM
Within one (1) year	28,154,195	11,156,138
Within two (2) years	14,222,171	6,854,840
	42,376,366	18,010,978

(c) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and payable upon demand in cash and cash equivalents.

Included in amounts due from subsidiaries is an amount of RM19,578,061 (2014: RM30,757,217) which is non-trade in nature, bears interest at 4% (2014: 4%) per annum. The remaining amounts due from subsidiaries are interest free.

(d) Information on financial risk of trade and other receivables is disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

17. SHORT TERM FUNDS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial assets at fair value through profit or loss				
Fixed income trust funds in Malaysia (Note 18)	4,324,804	22,759,031	1,772,903	22,759,031

(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 principal guaranteed 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 are denominated in RM.

(d) Information on financial risks of short term funds is disclosed in Note 42 to the financial statements.

18. CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	144,473,992	92,334,783	24,914,748	16,070,613
Deposits with licensed banks	35,119,199	23,053,571	4,327,838	4,192,530
	179,593,191	115,388,354	29,242,586	20,263,143

All cash and bank balances are denominated in RM.

(a) Included in the Group's cash and bank balances is an amount of RM33,814,116 (2014: RM43,519,150) 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) Information on financial risk of cash and bank balances is disclosed in Note 42 to the financial statements.

(c) Included in the deposits with licensed banks is an amount of RM3,950,466 and RM Nil (2014: RM6,693,274 and RM4,187,221) pledged as securities for bank guarantees granted to the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

18. CASH AND BANK BALANCES (CONTINUED)

(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	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Short term funds placed with a financial institution (Note 17)	4,324,804	22,759,031	1,772,903	22,759,031
Cash and bank balances	144,473,992	92,334,783	24,914,748	16,070,613
Deposits with licensed banks (not more than three months)	35,119,199	23,053,571	4,327,838	4,192,530
	183,917,995	138,147,385	31,015,489	43,022,174
Less:				
Deposits pledged with licensed banks	(3,950,466)	(6,693,274)	0	(4,187,221)
	179,967,529	131,454,111	31,015,489	38,834,953

19. SHARE CAPITAL

	Group and Company			
	2015	**2014**	**2015**	**2014**
	No. of shares	**No. of shares**	**RM**	**RM**
Authorised				
Ordinary shares of RM0.50 each	500,000,000	500,000,000	250,000,000	250,000,000
Issued and paid-up				
Ordinary shares of RM0.50 each				
Balance as at 1 January	420,779,015	394,225,781	210,389,507	197,112,890
Issued for cash pursuant to:				
- ESOS	147,000	2,226,000	73,500	1,113,000
- Warrants	3,221,800	24,327,234	1,610,900	12,163,617
Balance as at 31 December	424,147,815	420,779,015	212,073,907	210,389,507

(a) During the financial year, the issued and paid-up share capital of the Company was increased from RM210,389,507 to RM212,073,907 by way of:

(i) Issuance of 147,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.65	1.27	1.45
No. of shares issued		14,000	2,000	125,000	6,000

(ii) Issuance of 3,221,800 new ordinary shares of RM0.50 each pursuant to the exercise of warrants at RM0.60 per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

19. SHARE CAPITAL (CONTINUED)

(b) In the previous financial year, the issued and paid-up share capital of the Company was increased from RM197,112,890 to RM210,389,507 by way of:

(i) Issuance of 2,226,000 new ordinary shares of RM0.50 each pursuant to exercise of ESOS at the following option prices:

Exercise price	(RM)	0.50	0.65	0.85
No. of shares issued		1,536,000	11,000	462,000
Exercise price	(RM)	1.27	1.75	2.20
No. of shares issued		156,000	46,000	15,000

(ii) Issuance of 24,327,234 new ordinary shares of RM0.50 each pursuant to the exercise of warrants at RM0.60 per ordinary share.

(c) The owners of the parent 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.

20. RESERVES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non-distributable:				
Share premium	67,927,097	67,396,373	67,927,097	67,396,373
Share options reserve	938,927	289,418	938,927	289,418
Capital reserve	467,579	467,579	0	0
Warrants reserve	153,343	217,779	153,343	217,779
	69,486,946	68,371,149	69,019,367	67,903,570
Distributable:				
Retained earnings	178,207,493	118,231,407	44,654,405	49,157,663
	247,694,439	186,602,556	113,673,772	117,061,233

(a) Share premium

The share premium of the Group and the Company represents premium arising from the issuance of ordinary shares of the Company at issue price above par value.

(b) Share options reserve

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.

(c) Capital reserve

The capital reserve arose from subsidiaries' redemption of redeemable preference shares pursuant to the requirements of Section 61 of the Companies Act, 1965 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

20. RESERVES (CONTINUED)

(d) Warrants reserve

The warrants of 44,200,000 issued pursuant to the rights issue exercise of the Company were constituted by a deed poll dated 27 April 2012 ('Deed Poll'). The warrants were listed on Main Market of Bursa Malaysia Securities Berhad on 4 June 2012. The main features of the warrants are as follows:

(i) Each warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, subject to adjustment in accordance with the provision of the Deed Poll.

(ii) The exercise price of each warrant has been fixed at RM0.60, subject to adjustments under certain circumstances in accordance with the provision of the Deed Poll.

(iii) The expiry date of warrants shall be the day falling on the fifth (5th) year of the date of issue of the warrants, whereupon any warrant, which has not been exercised will lapse and cease thereafter to be valid for any purpose.

(iv) The ordinary shares of RM0.50 each to be issued pursuant to the exercise of the warrants will rank pari passu in all respect with the existing issued ordinary share of the Company.

As at the end of the financial year, 7,667,185 (2014: 10,888,985) warrants remained unexercised.

21. BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current liabilities				
Secured				
Hire purchase creditors (Note 22)	93,020	110,983	0	110,983
Revolving credit (Note 23)	13,100,000	15,000,000	0	0
Term loans (Note 24)	36,246,213	20,140,892	0	0
	49,439,233	35,251,875	0	110,983
Non-current liabilities				
Secured				
Hire purchase creditors (Note 22)	29,063	167,323	0	167,323
Term loans (Note 24)	138,940,854	117,536,388	0	0
	138,969,917	117,703,711	0	167,323
Total borrowings				
Hire purchase creditors (Note 22)	122,083	278,306	0	278,306
Revolving credit (Note 23)	13,100,000	15,000,000	0	0
Term loans (Note 24)	175,187,067	137,677,280	0	0
	188,409,150	152,955,586	0	278,306

All borrowings are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

22. HIRE PURCHASE CREDITORS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Minimum hire purchase payments:				
- not later than one (1) year	96,528	121,212	0	121,212
- later than one (1) year but not later than five (5) years	29,475	173,259	0	173,259
Total minimum hire purchase payments	126,003	294,471	0	294,471
Less: future interest charges	(3,920)	(16,165)	0	(16,165)
Present value of hire purchase payments	122,083	278,306	0	278,306
Repayable as follows:				
Current liabilities				
- not later than one (1) year	93,020	110,983	0	110,983
Non-current liabilities				
- later than one (1) year but not later than five (5) years	29,063	167,323	0	167,323
	122,083	278,306	0	278,306

Information on financial risks of borrowings is disclosed in Note 42 to the financial statements.

23. REVOLVING CREDIT

The revolving credit is secured by legal charge over the Group's investment properties and development land as disclosed in Note 8 and Note 9 to the financial statements.

Information on financial risks of borrowings is disclosed in Note 42 to the financial statements.

24. TERM LOANS

The term loans are secured by:

(a) Legal charge over the Group's investment properties and development land as disclosed in Note 8, Note 9 and Note 15 to the financial statements; and

(b) Corporate guarantee by the Company.

Information on financial risks of borrowings and its remaining maturity is disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade payables				
Third parties	26,914,647	32,978,741	0	0
Amounts due to customers for contract work	20	30,810	0	0
Progress billings in respect of property development costs	65,837,443	37,765,640	0	0
	92,752,110	70,775,191	0	0
Other payables				
Other payables	2,517,199	4,804,226	0	5,130
Accruals	6,122,790	12,944,804	140,540	169,300
Dividend payable	12,730,974	12,638,358	12,730,974	12,638,358
Deposits received	1,938,627	2,705,618	0	0
	23,309,590	33,093,006	12,871,514	12,812,788
	116,061,700	103,868,197	12,871,514	12,812,788

All trade and other payables are denominated in RM.

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2014: 30 days). Included in trade payables of the Group is retention sum on contracts amounting to RM26,565,191 (2014: RM28,820,165).

(b) Information on financial risks of trade and other payables is disclosed in Note 42 to the financial statements.

(c) Amounts due to customers for contract work

The amounts due to customers for contract work are represented by:

	Group	
	2015	2014
	RM	RM
Construction contract costs	22,891,665	22,002,276
Attributable profits	917,616	759,755
	23,809,281	22,762,031
Progress billings	(23,809,301)	(22,792,841)
	(20)	(30,810)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

26. REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Property development	363,586,962	462,542,957	0	0
Contract revenue	1,800,174	3,467,518	0	0
Project management fees	0	0	0	10,274,938
Rental income from investment properties	1,816,080	502,061	0	0
Operation of car park	108,519	109,942	0	0
Property management fees	339,600	219,210	0	0
Dividend income	0	0	35,143,608	43,358,239
	367,651,335	466,841,688	35,143,608	53,633,177

27. COST OF SALES

	Group	
	2015	2014
	RM	RM
Property development	212,778,313	302,933,496
Contract works	1,655,031	3,347,820
	214,433,344	306,281,316

28. INTEREST INCOME

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest income from:				
Financial institution	2,879,367	2,645,427	530,808	588,552
Loans and receivables				
- subsidiaries	0	0	1,682,420	1,144,920
- third parties	480,526	620,436	0	0
	3,359,893	3,265,863	2,213,228	1,733,472

29. OTHER INCOME

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Administrative charges	113,024	43,310	0	0
Deposits forfeited	119,540	38,930	0	0
Fair value adjustments on investment properties	6,665,269	2,601,759	0	0
Gain on disposal of investment property	70,000	200,000	0	0
Gain on disposal of property, plant and equipment	185,040	27,591	0	2,591
Reversal of impairment loss on investment in a subsidiary (Note 10 (d))	0	0	1,025,774	0
Sundry income	314,268	116,259	3,751	1,764
	7,467,141	3,027,849	1,029,525	4,355

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

30. FINANCE COSTS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest expenses on:				
- revolving credit	62,171	507,151	0	0
- term loans	5,078,310	5,237,498	0	0
- hire purchase	8,737	15,416	0	15,416
- others	21	0	17	0
	5,149,239	5,760,065	17	15,416

31. PROFIT BEFORE TAX

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax is arrived at after charging:				
Auditors' remuneration				
- statutory audits	177,200	174,800	35,000	32,000
- overprovision in prior year	(7,200)	0	0	0
- other services	45,700	24,300	34,500	14,000
Depreciation of property, plant and equipment (Note 7)	764,927	570,243	0	424,094
Directors' remuneration (Note 32)				
- fee	324,000	279,000	288,000	249,000
- other emoluments	4,361,309	3,638,779	8,500	3,638,779
Impairment loss on investment in subsidiaries (Note 10 (b), (c))	0	0	145,554	3,000,004
Loss on disposal of property, plant and equipment	579	1,936	0	1,936
Property, plant and equipment written off (Note 7)	0	4,289	0	4,289
Rental of office	211,700	175,580	19,800	292,250

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

32. DIRECTORS' REMUNERATION

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
Directors' fee	80,000	70,000	80,000	70,000
Salaries and other emoluments	2,254,274	2,254,864	0	2,254,864
Bonus	900,600	900,600	0	900,600
Defined contribution plan	472,815	472,815	0	472,815
Total Executive Directors' remuneration (exclude benefits-in-kind)	3,707,689	3,698,279	80,000	3,698,279
Estimated money value of benefits-in-kind	38,963	30,250	38,963	30,250
Total Executive Directors' remuneration (including benefits-in-kind)	3,746,652	3,728,529	118,963	3,728,529
Directors of the Company				
Non-executive Directors				
Directors' fee	208,000	179,000	208,000	179,000
Other emoluments	8,500	10,500	8,500	10,500
Total Non-Executive Directors' remuneration	216,500	189,500	216,500	189,500
Total Directors' remuneration (Note 31)				
- fee	288,000	249,000	288,000	249,000
- other emoluments	3,636,189	3,638,779	8,500	3,638,779
	3,924,189	3,887,779	296,500	3,887,779
Directors of the subsidiaries				
Executive Directors				
Directors' fee	36,000	30,000	0	0
Salaries and other emoluments	661,134	25,429	0	0
Defined contribution plan	98,400	3,250	0	0
	795,534	58,679	0	0
Estimated money value of benefits-in-kind	13,050	0	0	0
Less:				
- capitalised in property development costs (Note 15)	(34,414)	(28,679)	0	0
Total Executive Directors' remuneration (including benefits-in-kind) (Note 31)	774,170	30,000	0	0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

32. DIRECTORS' REMUNERATION (CONTINUED)

Movements in share options granted under the ESOS during the financial year were as follows:

	2015 Unit	2014 Unit
Directors of the Company		
Executive Directors		
As at 1 January	0	1,500,000
Exercised	0	(1,500,000)
As at 31 December	0	0
Directors of the subsidiaries		
Executive Directors		
As at 1 January	1,000,000	0
Granted	0	1,000,000
As at 31 December	1,000,000	1,000,000

The terms and conditions of the share options are detailed in Note 37 to the financial statements.

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	
	2015	2014
Executive Directors		
RM750,001 - RM800,000	1	1
RM2,900,001 - RM2,950,000	1	1
Non-executive Directors		
RM1 - RM50,000	1	2
RM50,001 - RM100,000	3	2
Directors of the Subsidiaries		
Executive Director		
RM1 - RM50,000	2	2
RM700,001 - RM750,000	1	0

33. TAX EXPENSE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax expense based on profit for the financial year	38,848,800	40,855,700	430,600	790,300
Real property gain tax	566,348	145,857	0	0
Under/(Over)provision of tax in prior years	116,884	313,054	(6,002)	(26,999)
	39,532,032	41,314,611	424,598	763,301
Deferred tax (Note 13):				
- relating to origination and reversal of temporary differences	(6,490,900)	(6,408,000)	0	0
- overprovision in prior year	757,900	0	0	0
	33,799,032	34,906,611	424,598	763,301

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

33. TAX EXPENSE (CONTINUED)

The Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate will be reduced to twenty-four percent (24%) for the fiscal year of assessment 2016 onwards. The computation of deferred tax as at 31 December 2015 has yet reflects these changes.

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	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	135,744,712	138,241,777	37,063,511	41,182,793
Tax at the applicable tax rate of 25% (2014: 25%)	33,936,300	34,560,400	9,265,900	10,295,700
Tax effects in respect of:				
Non-taxable income	(3,292,500)	(3,314,500)	(8,982,400)	(10,850,300)
Non-allowable expenses	1,763,625	3,356,075	147,100	1,344,900
Different tax rate for the first RM500,000 of chargeable income	(26,400)	(38,100)	0	0
Real property gain tax	566,348	145,857	0	0
Under/(Over)provision of tax in prior years	116,884	313,054	(6,002)	(26,999)
Overprovision of deferred tax in prior year	757,900	0	0	0
Deferred tax assets not recognised during the financial year	5,300	28,600	0	0
Utilisation of deferred tax assets previously not recognised	(28,425)	(144,775)	0	0
Tax expense for the financial year	33,799,032	34,906,611	424,598	763,301

Tax savings of the Group are as follows:

	Group	
	2015 RM	2014 RM
Arising from utilisation of previous unrecognised tax losses	23,600	117,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

34. 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	
	2015 RM	2014 RM
Profit attributable to equity holders of the parent	101,118,257	102,141,296

	Group	
	2015 Unit	2014 Unit
Weighted average number of ordinary shares in issue	420,779,015	394,225,781
Effect of:		
- exercise of ESOS	62,223	1,330,526
- exercise of warrants	1,974,683	9,791,160
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	422,815,921	405,347,467
Basic earnings per ordinary share (sen)	23.92	25.20

(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	
	2015 RM	2014 RM
Profit attributable to equity holders of the parent	101,118,257	102,141,296

	Group	
	2015 Unit	2014 Unit
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share	422,815,921	405,347,467
Effects of dilution:		
- ESOS	434,360	573,015
- unexercised warrants	4,806,888	7,752,957
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	428,057,169	413,673,439
Diluted earnings per ordinary share (sen)	23.62	24.69

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

35. DIVIDENDS

	Group/Company			
	2015		2014	
	Dividend per share Sen	Amount of dividend net of tax RM	Dividend per share Sen	Amount of dividend net of tax RM
Dividends paid/declared:				
In respect of financial year ended 31 December 2014:				
Final single tier dividend	6.7	28,411,197	0	0
In respect of financial year ended 31 December 2015:				
Interim single tier dividend	3.0	12,730,974	0	0
In respect of financial year ended 31 December 2013:				
Final single tier dividend	0	0	4.6	18,918,014
In respect of financial year ended 31 December 2014:				
Interim single tier dividend	0	0	3.0	12,638,358
	9.7	41,142,171	7.6	31,556,372

A final single tier dividend in respect of the financial year ended 31 December 2015 of 6.0 sen per ordinary share amounting to RM25,461,949 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 2016.

36. EMPLOYEE BENEFITS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Wages, salaries and bonuses	9,330,260	8,323,555	0	6,933,610
Directors' fee	116,000	100,000	80,000	70,000
Contributions to defined contribution plan	1,302,184	1,207,260	0	974,571
Social security contributions	46,671	42,399	0	28,932
Share options granted under ESOS	691,367	264,795	691,367	264,795
Other benefits	874,531	1,175,177	0	463,874
	12,361,013	11,113,186	771,367	8,735,782

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM4,468,809 and RM80,000 (2014: RM3,728,279 and RM3,698,279) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

37. 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'). 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 Scheme;

(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 Scheme;

(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 Scheme;

(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 Scheme, or at the par value of the ordinary shares of RM0.50 each, whichever is higher;

(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 2015 (CONT'D)

37. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONTINUED)

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

	← Number of options over ordinary shares of RM0.50 each →					
	Outstanding as at 1.1.2015	**Movements during the financial year Granted**	**Exercised**	**Lapsed**	**Outstanding as at 31.12.2015**	**Exercisable as at 31.12.2015**
2015						
5 June 2012	69,000	0	(14,000)	0	55,000	55,000
30 November 2012	4,000	0	(2,000)	0	2,000	2,000
2 May 2013	40,000	0	0	0	40,000	40,000
15 November 2013	1,182,000	0	(125,000)	(64,000)	993,000	813,000
28 May 2014	200,000	0	0	(17,000)	183,000	183,000
17 December 2014	1,172,000	0	(6,000)	0	1,166,000	166,000
15 June 2015	0	338,000	0	(20,000)	318,000	318,000
1 December 2015	0	1,529,000	0	0	1,529,000	1,509,000
	2,667,000	1,867,000	(147,000)	(101,000)	4,286,000	3,086,000
Weighted average exercise prices (RM)	1.36	1.30	1.20	1.40	1.34	1.30
Weighted average remaining contractual life (months)	29					17

	← Number of options over ordinary shares of RM0.50 each →					
	Outstanding as at 1.1.2014	**Movements during the financial year Granted**	**Exercised**	**Lapsed**	**Outstanding as at 31.12.2014**	**Exercisable as at 31.12.2014**
2014						
5 June 2012	1,605,000	0	(1,536,000)	0	69,000	69,000
30 November 2012	15,000	0	(11,000)	0	4,000	4,000
2 May 2013	502,000	0	(462,000)	0	40,000	40,000
15 November 2013	1,338,000	0	(156,000)	0	1,182,000	622,000
28 May 2014	0	246,000	(46,000)	0	200,000	200,000
22 September 2014	0	15,000	(15,000)	0	0	0
17 December 2014	0	1,172,000	0	0	1,172,000	172,000
	3,460,000	1,433,000	(2,226,000)	0	2,667,000	1,107,000
Weighted average exercise prices (RM)	0.85	1.51	0.66	0	1.36	1.32
Weighted average remaining contractual life (months)	41					29

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

37. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONTINUED)

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

	Exercise price RM	Exercise period
2015		
5 June 2012	0.50	5.6.2012 - 5.6.2017
30 November 2012	0.65	30.11.2012 - 5.6.2017
2 May 2013	0.85	2.5.2013 - 5.6.2017
15 November 2013	1.27	15.11.2013 - 5.6.2017
28 May 2014	1.75	28.5.2014 - 5.6.2017
17 December 2014	1.45	17.12.2014 - 5.6.2017
15 June 2015	1.51	15.6.2015 - 5.6.2017
1 December 2015	1.25	1.12.2015 - 5.6.2017

Share options exercised during the financial year resulted in the issuance of 147,000 (2014: 2,226,000) ordinary shares at an average price of RM1.20 (2014: RM0.66) each. The related weighted average ordinary share price at the date of exercise was RM1.55 (2014: RM2.08).

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	
	15 June 2015	1 December 2015
Fair values of share options (RM):	0.38	0.26
Weighted average share price (RM)	1.68	1.38
Weighted average exercise price (RM)	1.51	1.25
Expected volatility (%)	38.11	38.88
Expected life (years)	1.96	1.50
Risk free rate (%)	3.00	3.00
Expected dividend yield (%)	3.94	7.02

		Grant dates	
	28 May 2014	22 September 2014	17 December 2014
Fair values of share options (RM):	0.43	0.55	0.34
Weighted average share price (RM)	1.94	2.44	1.61
Weighted average exercise price (RM)	1.75	2.20	1.45
Expected volatility (%)	30.41	30.30	32.69
Expected life (years)	3.00	2.67	2.46
Risk free rate (%)	3.00	3.00	3.00
Expected dividend yield (%)	3.40	2.70	4.11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

38. CONTINGENT LIABILITIES

	Group/Company	
	2015	2014
	RM	RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries - unsecured	187,349,000	150,650,000

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.

39. 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 10 to the financial statements;

(ii) 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;

(iii) Companies in which certain Directors have substantial financial interests; and

(iv) 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 parties	Relationship
Siram Permai Sdn. Bhd. Palmsfield Sdn. Bhd.	) Companies in which certain Directors of the Company have) substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

39. RELATED PARTY DISCLOSURES (CONTINUED)

(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	
	2015 RM	2014 RM	2015 RM	2014 RM
Progress claims charged to an associate	1,016,460	2,934,104	0	0
Rental paid to a company of which a Director has interest	188,400	148,080	19,800	55,000
Sales of investment property to:				
- Directors of the Company and/or family members	0	1,200,000	0	0
Dividend received from:				
- an associate	0	0	3,600,000	208,239
- subsidiaries	0	0	31,543,608	43,150,000
Project management fees charged to subsidiaries	0	0	0	10,274,938
Interest charged to subsidiaries	0	0	1,682,420	1,144,920
Rental charged by a subsidiary	0	0	0	237,250

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

(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	
	2015 RM	2014 RM	2015 RM	2014 RM
Short term employee benefits	4,767,387	4,483,564	296,500	4,453,564
Contributions to defined contribution plan	664,215	628,865	0	628,865
	5,431,602	5,112,429	296,500	5,082,429

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

40. 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)	Construction and project management	- Construction and project management activities

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

40. OPERATING SEGMENTS (CONTINUED)

(a) Business segments

	Investment holding RM	Property development and management RM	Construction and project management RM	Group RM
2015				
Revenue:				
Total revenue	37,968,069	363,949,562	4,471,924	406,389,555
Inter-segment revenue	(36,043,470)	(23,000)	(2,671,750)	(38,738,220)
Revenue from external customers	1,924,599	363,926,562	1,800,174	367,651,335
Interest income	845,011	2,438,921	75,961	3,359,893
Finance costs	43,587	(5,192,826)	0	(5,149,239)
Net finance income/(expense)	888,598	(2,753,905)	75,961	(1,789,346)
Depreciation of property, plant and equipment	(75,367)	(689,560)	0	(764,927)
Segment profit before income tax	2,200,968	133,007,536	789,331	135,997,835
Share of profit of an associate, net of tax	0	1,847,211	0	1,847,211
Share of profit of a joint venture, net of tax	0	182	0	182
Tax expense	(615,597)	(33,168,621)	(14,814)	(33,799,032)
Other non-cash items:				
- net gain from fair value adjustments on investment properties	6,665,269	0	0	6,665,269
- gain on disposal of property, plant and equipment	0	185,040	0	185,040
- gain on disposal of investment property	70,000	0	0	70,000
- loss on disposal of property, plant and equipment	0	(579)	0	(579)
Investment in an associate	0	2,689,581	0	2,689,581
Investment in a joint venture	0	19,493,760	0	19,493,760
Additions to non-current assets other than financial instruments and tax assets	35,169,103	48,661,750	0	83,830,853
Segment assets	356,960,220	697,588,285	5,837,393	1,060,385,898
Segment liabilities	14,845,694	311,830,123	1,052,940	327,728,757

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

40. OPERATING SEGMENTS (CONTINUED)

(a) Business segments (Continued)

	Investment holding RM	Property development RM	Construction and project management RM	Group RM
2014				
Revenue:				
Total revenue	46,351,834	472,762,167	20,598,700	539,712,701
Inter-segment revenue	(45,739,831)	(10,001,000)	(17,130,182)	(72,871,013)
Revenue from external customers	612,003	462,761,167	3,468,518	466,841,688
Interest income	640,109	2,577,489	48,265	3,265,863
Finance costs	(3,083)	(5,744,649)	(12,333)	(5,760,065)
Net finance income/(expense)	637,026	(3,167,160)	35,932	(2,494,202)
Depreciation of property, plant and equipment	(156,435)	(77,866)	(335,942)	(570,243)
Segment profit/(loss) before income tax	1,745,259	145,369,131	(8,367,213)	138,747,177
Share of profit of an associate, net of tax	0	1,303,875	0	1,303,875
Share of loss of a joint venture, net of tax	0	(6,422)	0	(6,422)
Tax expense	(407,411)	(33,868,949)	(630,251)	(34,906,611)
Other non-cash items:				
- net gain from fair value adjustments on investment properties	2,601,759	0	0	2,601,759
- gain on disposal of property, plant and equipment	5,518	0	22,073	27,591
- gain on disposal of investment property	200,000	0	0	200,000
- loss on disposal of property, plant and equipment	(387)	0	(1,549)	(1,936)
- property, plant and equipment written off	(858)	0	(3,431)	(4,289)
Investment in an associate	0	4,442,370	0	4,442,370
Investment in a joint venture	0	8,902,578	0	8,902,578
Additions to non-current assets other than financial instruments and tax assets	24,874,962	168,113,348	184,442	193,172,752
Segment assets	315,524,712	577,005,997	52,019,566	944,550,275
Segment liabilities	2,405,790	280,603,489	14,141,419	297,150,698

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

40. OPERATING SEGMENTS (CONTINUED)

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

Revenue

	2015 RM	2014 RM
Total revenue for reportable segments	406,389,555	539,712,701
Elimination of inter-segmental revenues	(38,738,220)	(72,871,013)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	367,651,335	466,841,688

Profit for the financial year

Total profit for reportable segments	135,997,835	138,747,177
Unallocated amounts:		
- corporate expenses	(253,123)	(505,400)
Profit before tax	135,744,712	138,241,777
Tax expense	(33,799,032)	(34,906,611)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	101,945,680	103,335,166

Assets

	2015 RM	2014 RM
Total assets for reportable segments	1,060,385,898	944,550,275
Elimination of investments in subsidiaries	(287,246,540)	(261,858,093)
Elimination of inter-segment balances	(23,257,907)	(40,326,915)
	749,881,451	642,365,267
Deferred tax assets	16,883,000	14,093,000
Current tax assets	7,192,868	5,322,123
Group's assets per consolidated statement of financial position	773,957,319	661,780,390

Liabilities

	2015 RM	2014 RM
Total liabilities for reportable segments	327,728,757	297,150,698
Elimination of inter-segment balances	(23,257,907)	(40,326,915)
	304,470,850	256,823,783
Deferred tax liabilities	1,281,000	4,224,000
Current tax liabilities	5,700,570	1,331,414
Group's liabilities per consolidated statement of financial position	311,452,420	262,379,197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

40. OPERATING SEGMENTS (CONTINUED)

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.

41. FINANCIAL INSTRUMENTS

(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 2015 and 31 December 2014.

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, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Borrowings (Note 21)	188,409,150	152,955,586	0	278,306
Less:				
Short term funds (Note 17)	(4,324,804)	(22,759,031)	(1,772,903)	(22,759,031)
Cash and bank balances (Note 18)	(179,593,191)	(115,388,354)	(29,242,586)	(20,263,143)
Net debt	4,491,155	14,808,201	(31,015,489)	(42,743,868)
Total capital	459,768,346	396,992,063	325,747,679	327,450,740
Net debt	4,491,155	14,808,201	(31,015,489)	(42,743,868)
Equity	464,259,501	411,800,264	294,732,190	284,706,872
Capital gearing ratio	0.97%	3.60%	*	*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Capital management (Continued)

* Capital gearing ratio is not presented as the Company is 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 equal to or not less 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 2015.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets				
Fair value through profit or loss				
Short term funds*	4,324,804	22,759,031	1,772,903	22,759,031
Loans and receivables				
Trade and other receivables (excluded prepayments)	91,268,921	117,901,978	19,678,683	34,709,310
Cash and bank balances	179,593,191	115,388,354	29,242,586	20,263,143
	270,862,112	233,290,332	48,921,269	54,972,453
Financial liabilities				
Other financial liabilities				
Borrowings	188,409,150	152,955,586	0	278,306
Trade and other payables	116,061,700	103,868,197	12,871,514	12,812,788
	304,470,850	256,823,783	12,871,514	13,091,094

* Represent fixed income trust funds in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Hire-purchase creditors

The fair value of hire-purchase creditors are estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

(iii) Short term funds

The fair value of short term funds in Malaysia is determined by reference to the counter parties' quotes at the close of the business at the end of the reporting period.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

41. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value hierarchy (Continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total fair value	Carrying amount
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2015										
Group										
Financial assets										
Financial assets at fair value through profit or loss										
- Short term funds	0	4,324,804	0	4,324,804	0	0	0	0	4,324,804	4,324,804
Financial liabilities										
Other financial liabilities										
- Hire purchase creditors	0	0	0	0	0	119,181	0	119,181	119,181	122,083
Company										
Financial assets										
Financial assets at fair value through profit or loss										
- Short term funds	0	1,772,903	0	1,772,903	0	0	0	0	1,772,903	1,772,903

41. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value hierarchy (Continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (Continued)

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**	**Total fair value RM**	**Carrying amount RM**
2014										
Group and Company										
Financial assets										
Financial assets at fair value through profit or loss										
- Short term funds	0	22,759,031	0	22,759,031	0	0	0	0	22,759,031	22,759,031
Financial liabilities										
Other financial liabilities										
- Hire purchase creditors	0	0	0	0	0	272,009	0	272,009	272,009	278,306

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2015 and 31 December 2014.

(e) The Group has established guidelines in respect to the measurement of fair values of financial instruments. The management regularly reviews significant unobservable inputs and valuation adjustments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

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.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure 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 Group's objective 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.

Exposure to credit risk

At the end of each reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

As at the end of the reporting period, the Group and the Company have no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16 to the financial statements. Deposits with licensed banks and short term investment fund that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) 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 Group's and the Company's exposure to liquidity risk arises principally from their various payables and borrowings.

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 Group's and the Company's activities.

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 table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of each reporting date based on contractual undiscounted repayment obligations.

As at 31 December 2015	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	116,061,700	0	0	116,061,700
Borrowings	57,332,516	125,191,089	32,166,041	214,689,646
Total undiscounted financial liabilities	173,394,216	125,191,089	32,166,041	330,751,346
Company				
Financial liabilities:				
Trade and other payables	12,871,514	0	0	12,871,514
Total undiscounted financial liabilities	12,871,514	0	0	12,871,514
As at 31 December 2014				
Group				
Financial liabilities:				
Trade and other payables	103,868,197	0	0	103,868,197
Borrowings	41,528,841	123,448,246	4,370,264	169,347,351
Total undiscounted financial liabilities	145,397,038	123,448,246	4,370,264	273,215,548
Company				
Financial liabilities:				
Trade and other payables	12,812,788	0	0	12,812,788
Borrowings	121,212	173,259	0	294,471
Total undiscounted financial liabilities	12,934,000	173,259	0	13,107,259

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments would fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from variable loans and borrowings.

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.

Sensitivity analysis for interest rate risk

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 December 2015. 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 decrease or increase by RM515,235 (2014: RM611,465), as a result of higher or lower interest expense on these borrowings.

For those interest expense incurred and capitalised as part of the expenditure on property development costs during the financial year, if the interest rates were to increase or decrease by 50 basis points with all other variables held constant, those assets of the Group would increase or decrease by RM279,587 (2014: RM206,967), as a result of higher or lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (Continued)

The following tables set out the carrying amounts, the interest rates as at the end of each reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	Note	Interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
As at 31 December 2015									
Fixed rates									
Deposits with licensed banks	18	3.15 - 4.00	35,119,199	0	0	0	0	0	35,119,199
Hire purchase creditors	21	4.61 - 4.66	(93,020)	(29,063)	0	0	0	0	(122,083)
Floating rates									
Short term funds	17	3.04 - 3.96	4,324,804	0	0	0	0	0	4,324,804
Cash and bank balances	18	0 - 2.80	144,473,992	0	0	0	0	0	144,473,992
Term loans	21	4.75 - 5.45	(36,246,213)	(41,179,399)	(28,788,857)	(31,147,226)	(9,894,797)	(27,930,575)	(175,187,067)
Revolving credit	21	5.26 - 5.28	(13,100,000)	0	0	0	0	0	(13,100,000)
Company									
As at 31 December 2015									
Fixed rates									
Amount due from subsidiaries	16(c)	4.00	19,578,061	0	0	0	0	0	19,578,061
Deposits with licensed banks	18	3.21 - 3.60	4,327,838	0	0	0	0	0	4,327,838
Floating rates									
Short term funds	17	3.04 - 3.96	1,772,903	0	0	0	0	0	1,772,903
Cash and bank balances	18	0 - 2.80	24,914,748	0	0	0	0	0	24,914,748

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (Continued)

The following tables set out the carrying amounts, the interest rates as at the end of each reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (Continued)

Group	Note	Interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
As at 31 December 2014									
Fixed rates									
Deposits with licensed banks	18	3.05 - 3.60	23,053,571	0	0	0	0	0	23,053,571
Hire purchase creditors	21	4.61 - 4.66	(110,983)	(116,170)	(51,153)	0	0	0	(278,306)
Floating rates									
Short term funds	17	2.93 - 3.67	22,759,031	0	0	0	0	0	22,759,031
Cash and bank balances	18	0 - 2.80	92,334,783	0	0	0	0	0	92,334,783
Term loans	21	4.51 - 5.29	(20,140,892)	(40,636,667)	(30,814,167)	(22,406,666)	(19,456,666)	(4,222,222)	(137,677,280)
Revolving credit	21	4.53	(15,000,000)	0	0	0	0	0	(15,000,000)
Company									
As at 31 December 2014									
Fixed rates									
Amount due from subsidiaries	16(c)	4.00	30,757,217	0	0	0	0	0	30,757,217
Deposits with licensed banks	18	2.85 - 3.60	4,192,530	0	0	0	0	0	4,192,530
Hire purchase creditors	21	4.61 - 4.66	(110,983)	(116,170)	(51,153)	0	0	0	(278,306)
Floating rates									
Short term funds	17	2.93 - 3.67	22,759,031	0	0	0	0	0	22,759,031
Cash and bank balances	18	0 - 2.80	16,070,613	0	0	0	0	0	16,070,613

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

43. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, TID Development Sdn. Bhd., Jasnia Sdn. Bhd. and Intanasia Development Sdn. Bhd., all wholly-owned subsidiaries of Tambun Indah Land Berhad had entered into four (4) Sale & Purchase Agreements with Naga Utama Construction Sdn. Bhd. for the purchase of 16 parcels of freehold land for a total cash consideration of RM39,418,699.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

44. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of each reporting period are analysed as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Total retained earnings of the Company and its subsidiaries:				
- realised	444,589,007	360,501,581	45,538,405	50,041,663
- unrealised	41,803,824	29,405,555	(884,000)	(884,000)
	486,392,831	389,907,136	44,654,405	49,157,663
Total share of retained earnings from an associate:				
- realised	1,858,502	3,428,591	0	0
- unrealised	0	182,700	0	0
Total share of accumulated losses from a joint venture:				
- realised	(6,241)	(6,423)	0	0
	488,245,092	393,512,004	44,654,405	49,157,663
Less: Consolidation adjustments	(310,037,599)	(275,280,597)	0	0
Total retained earnings	178,207,493	118,231,407	44,654,405	49,157,663

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting 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, 18 May 2016 at 11.00 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 2015 together with the Reports of Directors and Auditors thereon. **Please refer to Note 7**

2. To re-elect the following Directors who retire by rotation in accordance with Article 86 of the Company's Articles of Association and who, being eligible, offers themselves for re-election :-

   i) Mr. Yeoh Chong Keat **Resolution 1**
   ii) Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali **Resolution 2**

3. To approve the increase and the payment of Directors' Fees of not exceeding RM400,000.00 for the financial year ending 31 December 2016. **Resolution 3**

4. To approve the payment of a single tier final dividend of 6 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2015. **Resolution 4**

5. To re-appoint Messrs. BDO as auditors of the Company for the ensuing year and to authorise Directors to fix their remuneration. **Resolution 5**

As Special Business

To consider and if thought fit, to pass with or without modifications the following Ordinary Resolutions :

6. **Proposed renewal of general mandate for the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965**
   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued and paid-up share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares to be issued." **Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. **Proposed renewal of general mandate for the Directors to allot and issue new ordinary shares of RM0.50 each in the Company ("Tambun Indah Shares") in relation to the Dividend Reinvestment Scheme**

   "THAT, pursuant to the Dividend Reinvestment Scheme as approved by the shareholders at an Extraordinary General Meeting held on 19 June 2013, the Directors be and are hereby authorised to allot and issue such number of new Tambun Indah Shares upon the election of shareholders of the Company to reinvest the dividend pursuant to the Dividend Reinvestment Scheme until conclusion of the next Annual General Meeting 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 that the issue price of the new Tambun Indah Shares shall be fixed by the Directors at not more than 10% discount to five (5)-Market Day volume weighted average market price of Tambun Indah Shares immediately prior to the price fixing date or the par value of Tambun Indah Shares at the material time, whichever shall be higher.

   THAT the new Tambun Indah Shares, shall upon allotment and issue, rank pari passu in all respects with the existing Tambun Indah 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 Dividend Reinvestment Scheme.

   THAT the Directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Scheme with full power to assent to any conditions, modifications, variations and/or amendments or as the Directors, in its absolute discretion, deem fit and in the best interest of the Company.

   AND THAT any Executive Director and/or Secretary of the Company be and is hereby authorised to do all things necessary and to make necessary application to Bursa Malaysia Securities Berhad for the listing of and quotation for any Tambun Indah Shares that may hereafter issued and allotted pursuant to the Dividend Reinvestment Scheme." **Resolution 7**

8. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the Eighth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 12 May 2016. Only a depositor whose name appears on the Record of Depositors as at 12 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/vote on his/her behalf.

By Order of the Board,
LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Secretaries
Penang

Date: 26 April 2016

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 and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting.

3. Where a member appoints more than one (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 Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. For a proxy to be valid, the Proxy Form, duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.

6. 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 authorized.

EXPLANATORY NOTE ON ORDINARY BUSINESS

7. Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company. Hence, Agenda 1 is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

8. The Resolution 6 is to seek a renewal of general mandate for the Directors of the Company to allot and issue new shares in the Company up to an amount not exceeding 10% of the total issued and paid-up share capital 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 general meeting will expire at the conclusion of the next Annual General Meeting.

   As at the date of notice of meeting, the Directors did not issue any new shares pursuant to the general mandate granted at the last Annual General Meeting of the Company and of which, it will lapse at the conclusion of the Eighth Annual General Meeting of the Company to be held on 18 May 2016.

   The 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.

9. The Resolution 7 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 Annual General Meeting. A renewal of this mandate will be sought at the next Annual General Meeting of the Company.

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

PROXY FORM

*I/We..
(*I/C No. / Passport No. / Company No. ....) of ....
....
.... being a *member/members of the abovenamed Company,
hereby appoint .... (*I/C No. / Passport No.
....) of ....
....or failing whom,
the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Eighth Annual General Meeting 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, 18 May 2016 at 11.00 a.m., and at any adjournment thereof.

No.	Resolutions	FOR	AGAINST
1.	To re-elect Mr. Yeoh Chong Keat as a Director.		
2.	To re-elect Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali as a Director.		
3.	To approve the increase and the payment of Directors' Fees.		
4.	To approve the payment of a single tier final dividend.		
5.	To re-appoint Messrs. BDO as auditors of the Company.		
6.	To authorise the Directors to allot and issue new shares pursuant to Section 132D of Companies Act, 1965.		
7.	To authorise the Directors to allot and issue new shares in relation to the Dividend Reinvestment Scheme.		

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 this ....day of...........................,2016.

No. of shares held

....
Signature(s)/Common Seal of member(s)

For appointment of two(2) proxies, percentage of shareholdings to be represented by the proxies :

	No. of Shares	%
Proxy 1		
Proxy 2		
		100

Notes

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting.*
3. *Where a member appoints more than one (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 authorized nominee as defined under the Securities Industry Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in each securities account it holds which is credited with the ordinary shares of the Company.*
5. *For a proxy to be valid, this Form, duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.*
6. *In the case of a corporate member, this Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorized.*
7. *In respect of deposited securities, only a depositor whose name appear on the Record of Depositors on 12 May 2016 shall be eligible to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.*

**strike out whichever is not desired.*

Fold this flag sealing

2nd fold here

Stamp

The Company Secretary
Tambun Indah Land Berhad (810446-U)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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TAMBUN INDAH
恒大置地

Tambun Indah Land Berhad
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