



ANNUAL REPORT

2021

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CORPORATE INFORMATION

Board of Directors

Lai Fook Hoy

Independent Non-Executive Chairman

Teh Kiak Seng

Executive Deputy Chairman

Teh Deng Wei

Managing Director

Teh Theng Theng

Executive Director

Tsai Chia Ling

Non-Independent Non-Executive Director

Lam Voon Kean

Independent Non-Executive Director

Dato' Seri Mokhtar Bin Mohd Jait

Independent Non-Executive Director

Audit Committee

Lam Voon Kean

Chairman / Independent Non-Executive Director

Dato' Seri Mokhtar Bin Mohd Jait

Member / Independent Non-Executive Director

Tsai Chia Ling

Member / Non-Independent Non-Executive Director

Remuneration Committee

Dato' Seri Mokhtar Bin Mohd Jait

Chairman / Independent Non-Executive Director

Lam Voon Kean

Member / Independent Non-Executive Director

Tsai Chia Ling

Member / Non-Independent Non-Executive Director

Nominating Committee

Dato' Seri Mokhtar Bin Mohd Jait

Chairman / Independent Non-Executive Director

Lam Voon Kean

Member / Independent Non-Executive Director

Tsai Chia Ling

Member / Non-Independent Non-Executive Director

Company Secretaries

Lee Peng Loon (MACS 01258)

SSM PC No. 201908002340

P'ng Chiew Keem (MAICSA 7026443)

SSM PC No. 201908002334

Registered Office

51-21-A Menara BHL Bank

Jalan Sultan Ahmad Shah

10050 Penang

Tel : 604-210 8833

Fax : 604-210 8831

Business Address

12-01 Penthouse Wisma Pantai

Jalan Wisma Pantai

Kampung Gajah

12200 Butterworth

Penang

Tel: 604-324 0088

Fax: 604-324 0090

Website: www.tambunindah.com

Auditors

BDO PLT (LLP0018825-LCA & AF 0206)

Chartered Accountants

51-21-F Menara BHL

Jalan Sultan Ahmad Shah

10050 Penang

Principal Bankers

OCBC Bank (Malaysia) Berhad

CIMB Bank Berhad

Malayan Banking Berhad

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel No. 603-2783 9299

Fax No. 603-2783 9222

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
(Bursa Securities)

CORPORATE STRUCTURE

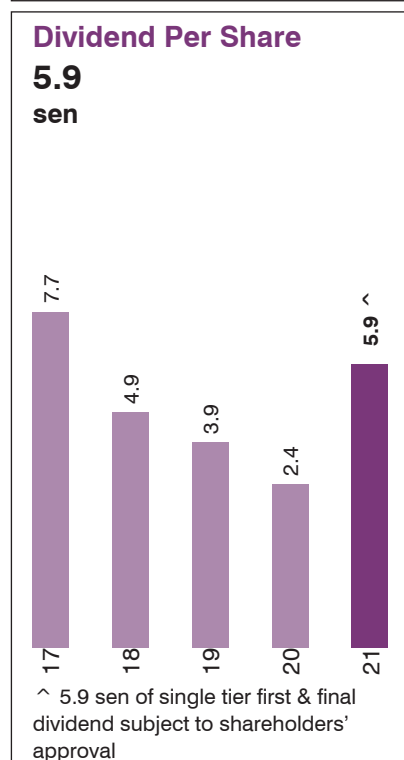
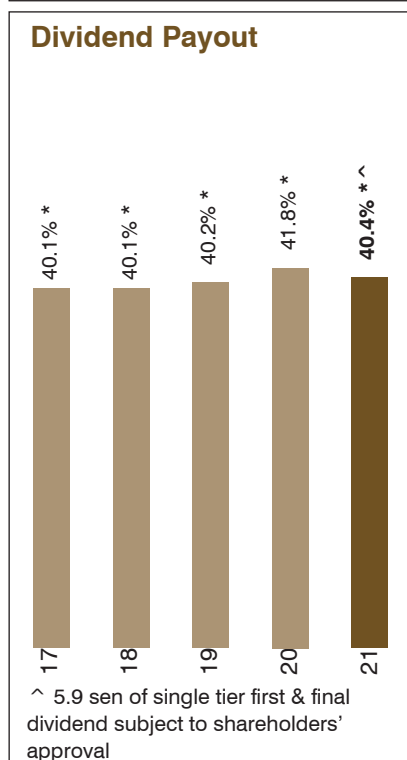
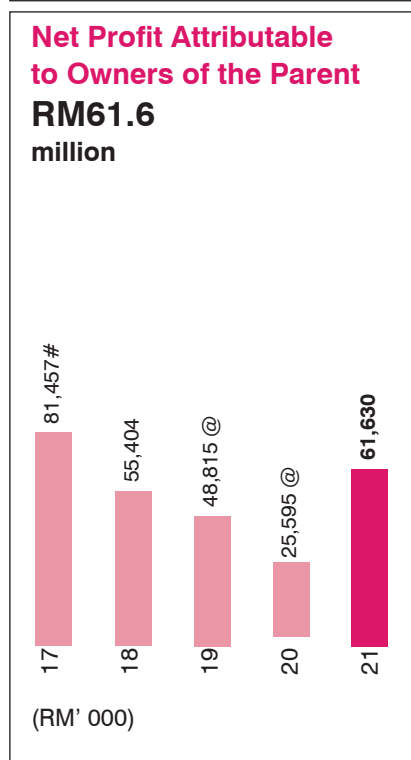
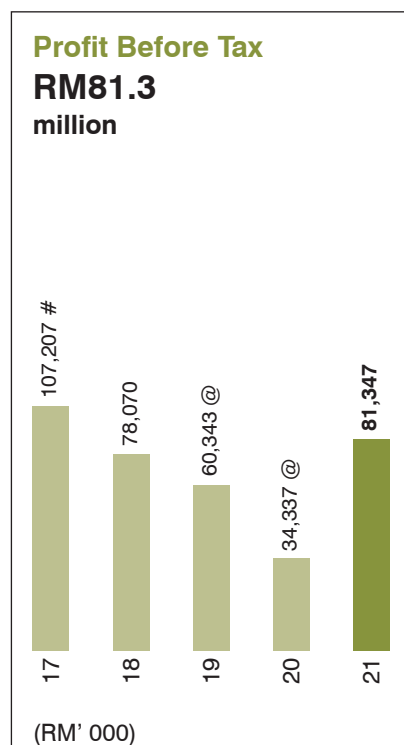
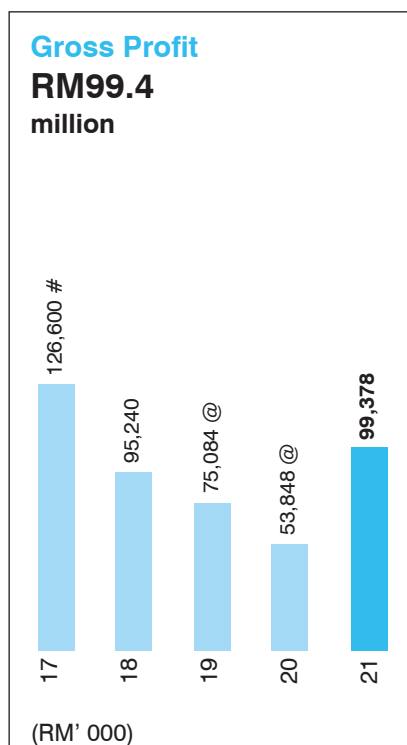
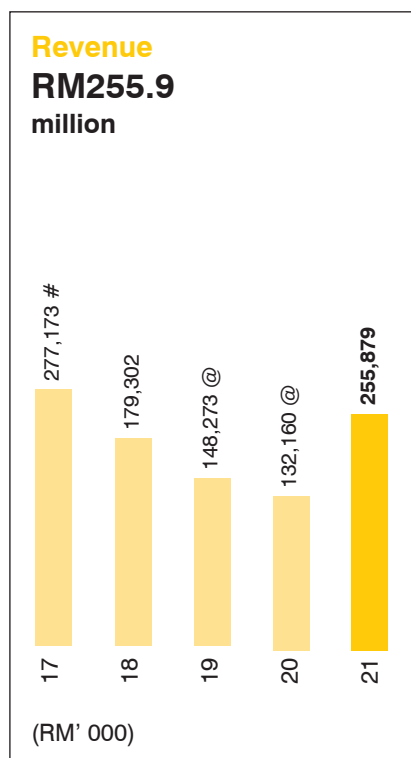


Tambun Indah Land Berhad

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

^ In the process of winding up

FINANCIAL HIGHLIGHTS



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

The figures have been restated following the adoption of MFRSs

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

FINANCIAL HIGHLIGHTS (cont'd)

Summarised Group Statement of Profit or Loss and Other Comprehensive Income

	Financial Year Ended 31 December				
	Audited ¹ 2017 RM'000	Audited 2018 RM'000	Audited ² 2019 RM'000	Audited ² 2020 RM'000	Audited 2021 RM'000
Revenue	277,173	179,302	148,273	132,160	255,879
Gross Profit	126,600	95,240	75,084	53,848	99,378
Profit Before Tax	107,207	78,070	60,343	34,337	81,347
Net Profit Attributable to Owners of the Parent	81,457	55,404	48,815	25,595	61,630

Summarised Group Financial Position

	Audited ¹ 2017 RM'000	Audited 2018 RM'000	Audited ² 2019 RM'000	Audited ² 2020 RM'000	Audited 2021 RM'000
Total non-current assets	313,020	308,280	454,604	450,568	442,314
Total current assets	435,851	428,058	375,458	340,913	405,542
Total assets	748,871	736,338	830,062	791,481	847,856
Share capital	287,520	287,580	287,637	288,189	289,096
Other reserves	958	890	998	1,216	1,118
Retained earnings	292,921	319,370	351,307	364,326	415,493
Shareholders' equity	581,399	607,840	639,942	653,731	705,707
Non-controlling interests	1,880	1,317	488	(1,798)	(2,672)
Total non-current liabilities	68,536	37,499	119,399	104,274	88,339
Total current liabilities	97,056	89,682	70,233	35,274	56,482
	748,871	736,338	830,062	791,481	847,856
Net assets per share (RM)	1.34	1.40	1.48	1.50	1.62

Financial Analysis

	2017 ¹	2018	2019 ²	2020 ²	2021
Gross Profit Margin	45.68%	53.12%	50.64%	40.74%	38.84%
Profit Before Tax Margin	38.68%	43.54%	40.70%	25.98%	31.79%
Net Profit Margin	29.39%	30.90%	32.92%	19.37%	24.09%
Short term funds and cash and bank balances (RM'000)	105,284	175,405	158,133	97,575	141,584
Total borrowings (RM'000)	106,425	95,821	159,973	116,459	108,390
Lease liabilities (RM'000)	-	-	518	408	298
Net Gearing	0.20%	Net cash	0.37%	2.95%	Net cash

Note :

¹ The figures have been restated following the adoption of MFRSs

² The figures have been restated following the adoption IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 Borrowing Costs

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Tambun Indah Land Berhad and its subsidiaries ("Tambun Indah" or "the Group") for the financial year ended 31 December 2021 (FY2021).



Ambay Garden



Pearl Impiana

Financial Overview

The year 2021 had been another challenging year as the prolonged COVID-19 pandemic continued to affect the economy and businesses. Lockdowns with varying degrees of restriction were imposed to curb the spread of COVID-19. Nevertheless as the National COVID-19 Immunisation Programme accelerated, the movement restrictions were gradually relaxed.

Amidst the challenges brought on by the COVID-19 pandemic, the Group managed to achieve a satisfactory result, with a total revenue of RM256 million and net profit after tax attributable to owners of RM62 million, compared to RM132 million and RM26 million respectively in previous financial year. This was mainly due to higher new property sales helped by the Home Ownership Campaign 2021 ("HOC 2021") initiative by the Government. An analysis of the Group's financial performance is further detailed in the "Management Discussion and Analysis" section of this Annual report.

Dividend

The Board will recommend a single tier first & final dividend of 5.9 sen per ordinary share for shareholders' approval at the forthcoming Annual General Meeting. The dividend of 5.9 sen (FY2020: 2.4 sen) per ordinary share for the year is equivalent to 40.4% of the Group's net profit, excluding any valuation gain or loss on investment properties.

Property Sector Outlook

The property market is expected to remain challenging in 2022 with the uncertainties caused by the continuing COVID-19 pandemic. Moreover, potential interest rate hikes in the midst of a global inflationary environment coupled with price increases of building materials and supply chain disruptions, will potentially affect the purchase of big-ticket items such as property. Despite the challenges anticipated, we foresee continued demand for our development projects as we mainly focus on market-driven products at an affordable price range which will typically attract first-time home buyers and young families. Furthermore, we are constantly surveying the market and adapting to the homebuyers' needs in order to stay competitive in the market.

Appreciation

On behalf of the Board, I would like to thank my fellow board members and all our dedicated staff members for their valuable contribution and commitment in overcoming the challenges faced during the year.

I would also like to extend my appreciation to our valued customers, shareholders and business partners who have continuously supported us throughout our journey.

Thank you.
Lai Fook Hoy
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

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

Tambun Indah consists of a portfolio of business segments primarily in property development and management. Over the years, Tambun Indah has built a variety of developments such as landed residential homes, high rise residential condominiums, commercial premises, and industrial factories. At Tambun Indah, we strive to be an organization that continuously delivers quality and affordable homes through innovation and dedication, and reinforce our status as a leading township developer in Mainland Penang. Moving forward, we will continue to be prudent in managing new project launches as we continue to focus on the growth of our flagship development, the Pearl City township.

FINANCIAL PERFORMANCE

REVENUE

For FY2021, the Group posted a 94% improvement in revenue of RM256 million compared to RM132 million reported in FY2020.

Business Segment	FY 2021 (RM'000)	FY 2020 (RM'000)	Difference (%)
Property Development & Management	252,814	127,910	98%
Property Investment	3,065	4,250	-28%
TOTAL	255,879	132,160	94%

The significant improvement in revenue from property development & management segment was mainly due to higher new property sales achieved in FY2021 of RM298 million (FY2020: RM168 million). The Group was able to achieve higher new property sales due to the positive response of homebuyers to the Home Ownership Campaign 2021 (HOC 2021) initiative by the Government as well as the Group's dynamic sales strategy, leveraging more on various social media platforms. The Group had also launched two projects in FY2021, as compared to one project in FY2020.

The revenue of property investment segment is mainly derived from rental of investment properties and operation of car parks. This segment recorded lower revenue in FY2021 as rental rebates were granted to tenants affected by the prolonged pandemic and the imposition of the various lockdowns throughout the year.

PROFIT BEFORE TAX

In FY2021, the Group's profit before tax ("PBT") significantly increased to RM81 million from RM34 million in previous financial year, mainly due to higher new property sales as explained above. In overall, the Group's PBT margin had increased by 6% as the Group continued to monitor closely to manage its cost effectively across its operation while maintaining the quality of its development and efficiency.

ASSETS AND LIABILITIES

Generally, the Group remains in a healthy financial position with a strong balance sheet. Total assets increased by RM56 million, as compared to a marginal increase in the total liabilities of RM5 million mainly due to the net cash generated from operating activities. Total borrowings of the Group reduced to RM108 million from RM116 million a year ago, with the Group having a net cash position as at end-2021 compared to a net gearing ratio of 0.03 times a year ago.

With its strong balance sheet and net cash position, the Group will be well placed to meet its debt obligations and working capital requirements in the coming years. It also will be an advantage and allows flexibility in funding future land banking and business expansion.

The Group will continue to maintain a prudent strategy in financing its capital expenditure or acquisitions, with a combination of internal funding and external borrowings. The Group's future expansion and capital expenditure are further explained in the Growth Strategies section in this Statement.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW

PROPERTY DEVELOPMENT

In FY2021, the Group achieved new property sales of 592 units, a 40% increase from 422 units in FY2020. The total transaction value of RM298 million was 77% higher against RM168 million in FY2020. The higher new property sales were mainly due to the positive response of homebuyers to HOC 2021 initiative, together with the launch of two new projects in FY2021, as explained in the Financial Performance section in this statement.

On-Going Projects:

Project Name	Type of Development	No. of Units	GDV RM' mil
Mutiara Indah	Low Cost Flats and Shops	302	16
Palma Residency	Gated and Guarded Landed Homes	90	52
Palm Garden	Serviced Apartments	335	120
Begonia Villa	Gated and Guarded Landed Homes	187	85
Residency Permai	Gated and Guarded Landed Homes	92	59
Ambay Park	Terrace Homes	255	122
Aster Villa	Gated and Guarded Landed Homes	255	156
Ambay Garden	Terrace and Semi-Detached Homes	178	89

Six (6) of the on-going projects are within Pearl City township, whereas two (2) other projects, namely Palma Residency and Residency Permai are located in Bukit Mertajam, Seberang Perai Tengah. The average take-up rate of the on-going projects was 76% (FY2020: 55%) and the unbilled sales stood at RM131 million (FY2020: RM93 million) as at the end of the financial year.

Encouraged by the positive response of homebuyers to the HOC 2021, the Group had launched two new projects, Aster Villa and Ambay Garden in FY2021, despite the challenging market conditions due to COVID-19 pandemic. Both projects are located in our Pearl City township, and contribute a combined gross development value ("GDV") of RM245 million.

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



Pearl City's centralised and strategic location at Simpang Ampat gives an added advantage with its excellent connectivity to the North-South Highway, Penang Bridge and Electrified Double Track Railway. The township is well-planned with ready infrastructure and its proximity to several large scale industrial parks such as the Batu Kawan Industrial Park and Bukit Minyak Industrial Park makes it a preferred location for those working in the surrounding industrial parks. It is also surrounded by various amenities, including Pearl City Mall, Jesselball Sports Centre, a variety of food outlets and various schools such as mainland Penang's first international school (GEMS International School). The developments in Pearl City have progressed in tandem with the growing population, and has much potential to further transform in the next 10 years.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

PROPERTY DEVELOPMENT (CONT'D)

Bandar Tasek Mutiara ("Pearl City"), Penang



Ambay Garden

Ambay Garden is a newly launched project, and offers a total of 178 units of double-storey semi-detached and terrace homes in Pearl City. It caters for young families who are looking for landed homes at an affordable price range. Strategically located within Pearl City with easy access to GEMS International School, Pearl City Mall, schools nearby, and F&B outlets.



Ambay Park

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



Aster Villa

Within a gated and guarded landscaped compound, Aster Villa offers a well-balanced mix comprising 254 units of double-storey semi-detached and terrace homes, and also 1 unit of bungalow designed for the privileged few who appreciate premier spacious living. It is complete with recreational facilities that promise a contemporary and healthy lifestyle.



Begonia Villa

Begonia Villa is a family-orientated gated and guarded project that provides residents with resort-style facilities such as backyard garden, jogging track, indoor gym and also barbecue area. The development comprises 95 units of double-storey terrace homes and 92 units of duplex villa with a townhouse living concept.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

PROPERTY DEVELOPMENT (CONT'D)

Bandar Tasek Mutiara ("Pearl City"), Penang (cont'd)



Palm Garden

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

Bukit Mertajam, Penang



Residency Permai

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



Palma Residency

Palma Residency comprises 90 units of low-density gated and guarded double-storey terrace homes. Strategically located near Lotus's Stores and AEON Mall at Alma, Bukit Mertajam, Palma Residency offers convenience to home owners.

PROPERTY INVESTMENT

The Group continues to earn a steady revenue stream from its investment properties, such as GEMS International School (Pearl City), Jesselball Sports Centre (Pearl City) and Straits Garden Commercial Shops, as well as the recurring income from the joint venture company, TNC Capital Sdn Bhd which owns Pearl City Mall.

GEMS International School (Penang)



As one of the globally recognised education providers, GEMS International School not only focuses on academic excellence but also concentrates on development of performing arts and commitment to sports. It is equipped with first-rate facilities like football field, swimming pool and specialist classrooms including science labs, a dance studio, a black box theatre and various shared learning spaces – indoors and outdoors. These facilities are an essential part of their approach to education and are integrated into an enriched curriculum and form part of everyday school life.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

PROPERTY INVESTMENT (CONT'D)

Pearl City Mall



C Mart Premium Hypermarket (“C Mart”), a well-known mall chain in Northern Peninsular, is the anchor tenant in Pearl City Mall, which is strategically located in the heart of Pearl City. C Mart provides convenience for the residents to fulfil their daily needs under one roof.

Jesselball Sports Centre (Pearl City)



Jesselball Sports Centre is well-furnished with various sport facilities such as badminton courts and futsal courts and a newly added gym centre.

OPERATIONAL AND FINANCIAL RISKS

Tambun Indah’s operations are largely shaped by the nation’s economic wellbeing, government regulations, and policies. The uncertainties in the global macroeconomy during the prolonged COVID-19 pandemic, the increase in costs of construction materials when financing policies remain stringent will affect consumer sentiment especially on purchase of big ticket items like property. The rising in cost of construction materials may affect the Group in pricing its products. In addition, the Group also faces competition from other players developing in the vicinity.

In response to the challenging market conditions, the Group will continue to offer a variety of property types at affordable prices in order to meet the current market requirements. The Group also leverages on various social media platforms to drive the property sales during the prolonged COVID-19 pandemic.

On managing operation costs, the Group will strengthen its cost and contract management practices through continuous negotiation with contractors during tendering stage to ensure optimal pricing. The Group together with its technical consultants will also continue to monitor material costs and look into mitigating the impact of escalating material costs. The Group has also maintained excellent working relationships with local suppliers and contractors to ensure supply chain sustainability.

Stringent policies of property financing result in difficulties for prospective buyers in securing bank loans. The property market and financing framework are also subject to various authorities’ regulations, and any change in the requirements affects property purchases. In response to the risk, the Group need to constantly keep abreast with new regulations imposed by the authorities and plan ahead for its ongoing and upcoming projects.

The Group is mindful of competition from other property players operating in the same region and market segment. Since 1993, the Group has been committed to ensure timely delivery and distinguishable quality in its products. Given the Group’s track record, the Group has steadily grown from strength to strength to become a reputable real estate and property developer in the northern region. In order to enhance the brand visibility, the Group constantly seeks to be innovative in its products and to enhance its marketing strategy so as to stay competitive in the property market.

Backed by an experienced management team, the Group intends to continue managing the inherent risks through an efficient operating model and prudent financial administration. The risk management system of the Group is in the Statement on Risk Management and Internal Control section of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROWTH STRATEGIES

Moving to FY2022 should there be no initiatives such as HOC 2021, and within a global inflationary environment, we expect at best a moderate sales momentum for property market. Amidst the challenges of property industry, the Group will continuously review its projects in the pipeline and product strategy to ensure that it responds appropriately to market demands and changes.

In view of the above, the Group plans to launch a new project, namely Pearl Impiana, which has a total GDV of approximately RM78.4 million.

Pearl Impiana



Pearl Impiana, will be another addition of a new residential component to the self-contained Pearl City township at Simpang Ampat. It offers a total of 148 units of double-storey semi-detached and terrace homes. Strategically located within Pearl City with easy access to GEMS International School, Pearl City Mall, Jesselball Sports Center, schools and F&B outlets.

As for the long-term growth of the Group, it is estimated that a GDV of approximately RM3.2 billion will be generated from the Group's pipeline projects over the next ten years or more depending on prevailing market conditions.

Subsequent to the financial year, it was decided that the duration of the Memorandum of Understanding with Show Chwan Medical Care Corporation to collaborate efforts for the proposed establishment of a private hospital would not be extended and the MOU lapsed after 27 January 2022.

In addition, with the advantage of a healthy balance sheet, the Group will be consistently on the lookout for new development land that complements the Group's business strategy, sustainability and continuity in the long term. For new opportunities, the Group prefers to focus on the northern and central regions of West Malaysia. At the beginning of 2022, the Group has entered into Sale and Purchase Agreement to acquire lands amounting to RM20 million located in Mainland Penang which is yet to be completed as at the date of this report.

Dividends

The Board will propose a single tier first & final dividend of 5.9 sen per share, representing a dividend payout of approximately RM26 million, for shareholders' approval at the forthcoming Annual General Meeting.

The Group will continue to maintain its dividend policy that pays 40% to 60% of net profit, excluding valuation gain or loss on investment properties.

Conclusion

While the property market continues to see its fair share of challenges, the Group will continue to seek opportunities for growth and to create value by leveraging on its expertise and experience to ensure sustainable growth for Tambun Indah and to create continued value for stakeholders.

SUSTAINABILITY STATEMENT

SUSTAINABILITY AT TAMBUN INDAH

With another year of unprecedented challenges faced by many nations and corporations due to COVID-19 pandemic, Tambun Indah Land Berhad (“Tambun Indah” or “The Group”) has proved its strength and resilience through its strong commitment to focusing on our company goals and integrating sustainability approaches into our business operations. Furthermore, the pandemic has further reinforced our belief that the economic, environmental and social (“EES”) matters are paramount to delivering long-term and sustainable results for our community, our customers, our business partners, and the assets we manage.

Over the years, Tambun Indah and its management team have continued to practice diligence and perseverance in our business. With over 25 years of experience as one of the leading property developers in the Northern Region of Malaysia, we steered through the COVID-19 crisis, operate effectively, support our business counterparts and community, maintain our relationships with customers, and grow our business. As a result, the Group continued to progress towards our sustainability initiatives in FY2021. In summary, we dedicated our resources in:-



Preserving our economic performance



Sourcing environmental-friendly building materials



Upholding health and safety-related measures for our people

Nevertheless, the journey towards advancing our EES performance and achievements will remain substantial in the years ahead. Essentially, we commit to playing our part in improving the local economy, advocating environmental stewardship and contributing to society. It is the way we conduct our business – adhering to sustainable, ethical practices and promoting the culture of giving back the best to our people, investors, business partners and the communities where we operate.

REPORTING PERIOD AND SCOPE

The EES activities and contents disclosed in this Sustainability Statement (hereinafter referred to as “Statement”) are prepared for our financial reporting period from 1 January 2021 to 31 December 2021, unless stated otherwise.

Similar to our previous reporting approach, the scope and boundary of this Statement include all key subsidiaries which we have control over their operational activities. Our disclosure excludes all outsourced activities and joint-venture partnerships as we do not have sole administrative control over these entities. Nevertheless, we strive to promote our sustainability ambition to the business partners and welcome them to create and develop a sustainable environment.

REPORTING FRAMEWORK

This Statement is fundamentally guided by the Sustainability Reporting Guide (2nd edition) issued by the Bursa Malaysia Securities Berhad (“Bursa”). This Guide, along with the earnest feedback from our primary stakeholders, allows us to keep abreast of the pertinent EES matters of the Group.

Additionally, to provide an all-inclusive report to our stakeholders, we strongly suggest all interested parties to read this Statement together with the Management Discussion and Analysis (“MD&A”) section disclosed in this Annual Report. It sets out the Group’s financial and operational performance for the reporting year.

SUSTAINABILITY STATEMENT (CONT'D)

FEEDBACK

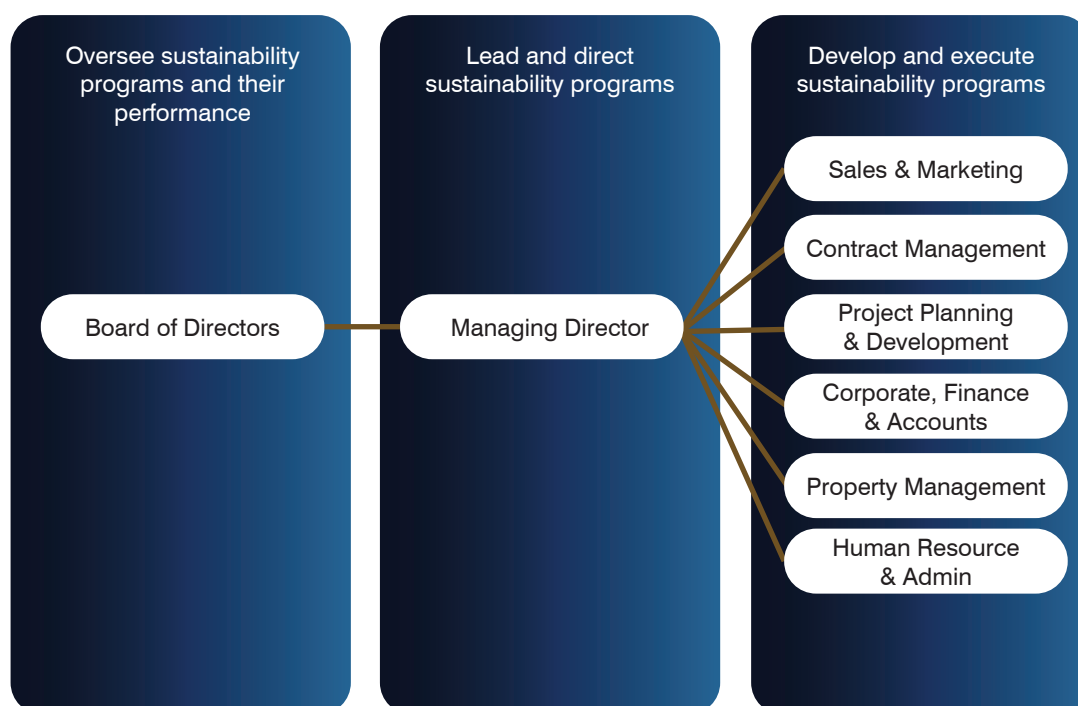
While working towards sustainability, we strive to ensure that our EES initiatives and programs remain meaningful to our stakeholders. As such, your opinions and feedback are important to us. Please reach out to us at tambunindah@investor.net.my to drop your questions or suggestions.

OUR GOVERNANCE STRUCTURE

In recognition of the growing emphasis of Tambun Indah's EES activities and programs, the Group had introduced a dedicated Sustainability Working Group ("SWG") in 2018. The objective of forming the SWG is to demonstrate the Group's commitment to ensure that the prominent EES matters are integrated into our business practices.

The sustainability governance structure is designed to provide top-down support for implementing the Group's EES initiatives. At the highest level, the Board of Directors ("the Board") oversees the sustainability performance of the Group and provides strategic guidance to the management team while ensuring that the sustainability programs are aligned to the corporate directives. The Managing Director, assisted by the SWG, leads and directs sustainability programs, deploys the necessary resources to implement the programs and reports the progress to the Board.

The SWG comprises the key management team across the business divisions to integrate the EES principles into the business operations. Essentially, they are responsible for the annual sustainability reporting, betterment of program design and execution, and relevant performance data collection wherever applicable. The Group's sustainability governance structure is illustrated as follows:-



This year, the SWG held two meetings to discuss the progress of existing EES activities and upcoming EES initiatives that the Group may consider. Topics concerning sustainability initiatives and the SWG's Terms of Reference ("ToR") were also included as part of the Board meeting's agenda in November 2021. This aligned our practices with the recent updates on the Malaysian Code on Corporate Governance ("MCCG") – to promote the Board's leadership and oversight of sustainability. The ToR has been updated to reinforce the SWG's roles and responsibilities in assisting the Board in communicating the Group's sustainability priorities, targets and performance to the stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

OUR ENGAGEMENT WITH STAKEHOLDERS

Our journey to become a sustainable business mainly depends on the stakeholder relationships we build across the Group. This underlying value drives the Group's commitment to promote an interactive and inclusive stakeholder engagement. We are convinced that mutual respect, transparent behaviour, and open dialogue contribute to building strong and positive relationships, which come with confidence and value creation between the stakeholders and us. Furthermore, their opinions, priorities and expectations allow us to identify the emerging sustainability risks and opportunities and make informed business decisions.

To uphold our commitment as a responsible business organisation, we ensure that the needs of our various stakeholders are considered and addressed, especially those who might be affected by our activities or who may have an impact on our business conduct. As such, we empower the respective business functions to assess the role and importance of their stakeholders to determine a suitable approach and level of engagement. These engagements range from day-to-day interactions to formal dialogues and meetings, depending on the stakeholder group.

In summary, our primary stakeholders are categorised into six (6) main groups, namely employees, customers, suppliers, governmental agencies, shareholders and the broad communities where we operate. As described above, the stakeholders are identified and grouped accordingly to two (2) key aspects – their level of influence and impact on the Group's operation.

The Stakeholder Engagement Table below outlines the stakeholder groups, the details of the respective engagement approaches, and the engagement frequencies :-



Employees

Engagement Approaches	Frequency
<ul style="list-style-type: none"> • Performance Appraisal System • Trainings / Workshop / Forum • Staff Engagement Events • Formal and Informal Meeting and Discussion • Memo 	Annually Ongoing Ongoing Ongoing Ad-hoc



Customers

Engagement Approaches	Frequency
<ul style="list-style-type: none"> • After Sales Services • Marketing Campaign and Advertisement • Social Media • Company Website • Emails and Telecommunication • Customer Satisfaction Survey 	Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing



Contractors /
Consultants / Suppliers

Engagement Approaches	Frequency
<ul style="list-style-type: none"> • Site Meetings/ Client and Consultant Meeting • Site Inspection Exercise • Emails and Telecommunication • Meeting and Discussion • Vendor Registration and Evaluation • Contract Negotiation / Tender Discussion 	Fortnightly Ongoing Ongoing Ongoing Ad-hoc Ad-hoc

SUSTAINABILITY STATEMENT (CONT'D)

OUR ENGAGEMENT WITH STAKEHOLDERS (CONT'D)



Government/
Authorities

Engagement Approaches	Frequency
<ul style="list-style-type: none"> Financial reports Company Website Discussion / Meeting Engagement Forum Official Circulars Front Desk Consultation 	Quarterly / Annually Ongoing Ad-hoc Ad-hoc Ad-hoc Ad-hoc



Shareholders

Engagement Approaches	Frequency
<ul style="list-style-type: none"> Annual General Meeting Annual Report Investors Briefing Press Release Company Website Site Visit Request/Tele-conference Call 	Annually Annually Quarterly Ad-hoc Ongoing Ad-hoc



Public Communities

Engagement Approaches	Frequency
<ul style="list-style-type: none"> CSR Programmes Social Media Dialogue sessions with Resident Associations and Local Authorities 	On-Going On-Going Ad-Hoc

Nevertheless, we acknowledge that the diverse stakeholders' needs and expectations may evolve as time passes. As such, we commit to having proactive and meaningful engagements with them. Where possible, we aim to further enhance our communication approaches in our future engagements.

IDENTIFYING AND PRIORITISING MATERIAL ASPECTS

While many topics and issues fall under the sustainability umbrella, it may not be feasible for the Group to address every EES factor. Therefore, a structured materiality assessment is pivotal to identifying, analysing, and implementing the most practical and effective sustainability practices. We firmly believe that the right sustainability program begins with identifying material matters that are key to both stakeholders and the success of our business.

In developing the material matters and ensuring that our sustainability initiatives and reporting remain focused on the business and stakeholders, we have carefully considered the viewpoints collected from various stakeholder engagements as described in the previous section. For this Statement, material matters are defined as what we deemed most important to our stakeholders and most significant to our long-term business performance.

SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING AND PRIORITISING MATERIAL ASPECTS (CONT'D)

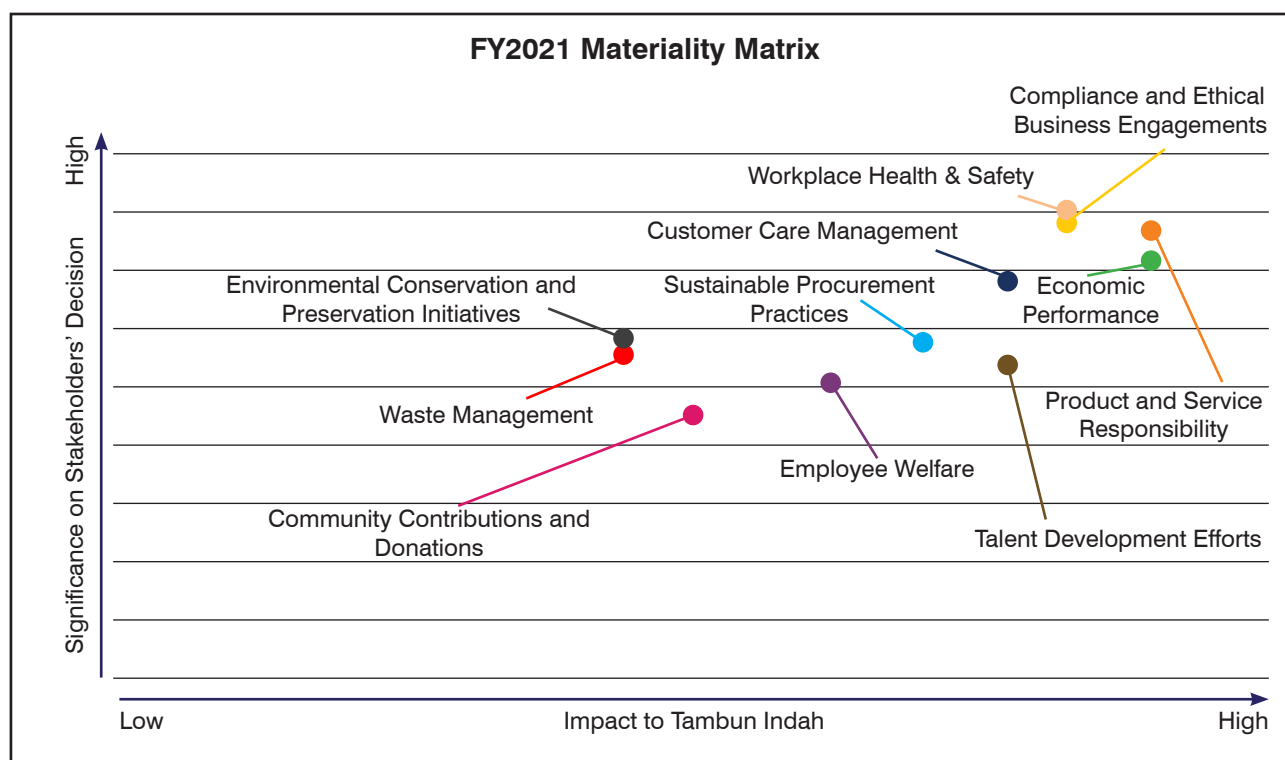
Following the materiality principle, the SWG members conduct the said materiality assessment on an annual basis to re-assess and determine the progressive and evolving material issues that represent the Group's pivotal economic, environmental and social impacts, and that substantively influence the assessments and decisions of our stakeholders. Principally, the following methodologies guide our process in assessing materiality:-



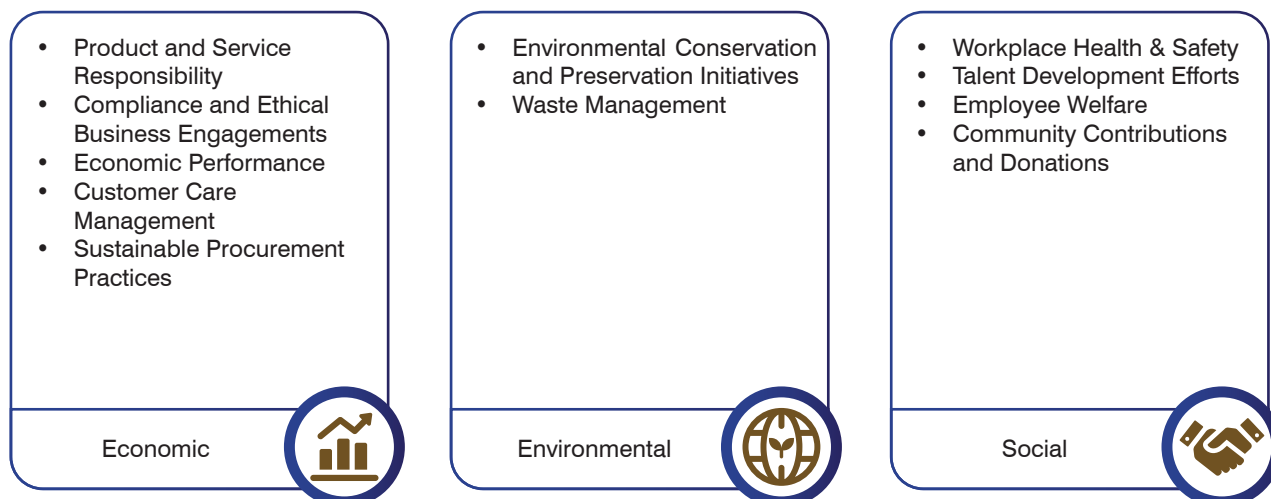
SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING AND PRIORITISING MATERIAL ASPECTS (CONT'D)

The following matrix represents our FY2021 materiality assessment results:-



The top right quadrant comprises the material matters that we have found to be most important to our Group's operations and to stakeholders. In contrast, the minor critical matters are shown at the bottom left. This year, we have included two (2) new sustainability matters – customer care management and employee welfare. In summary, eleven (11) material matters are discussed and disclosed in this Statement. These matters are grouped under three (3) themes – Economic, Environmental and Social, as illustrated below:-



SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH

CONTRIBUTING TO A SUSTAINABLE ECONOMY

Product and Service Responsibility

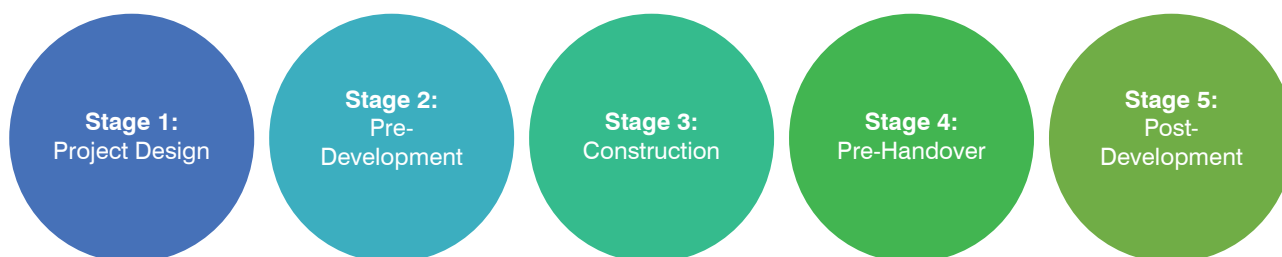
As a responsible property developer, our core value is to ensure we develop projects with high standards and qualities. It is the predominant element to our success – not only to advance our bottom-line or uphold our reputation but also to ensure public health and safety are adequately protected.

For many years since the establishment of Tambun Indah, we have earned a reputation as a reliable property developer who delivers recognisable quality with functional features in our housing development. Therefore, in the area of economic responsibility, we are committed to upholding our credible reputation by deliberately developing and delivering quality yet affordable properties that match our customers' evolving needs and expectations.

As a start, we have a team of technical professionals responsible for embedding the idea of quality throughout the development process – from conception to construction and occupancy. Fundamentally, the Team manages the project quality, construction progress, and controls over the safety-related measurements by adhering to and applying the following:-

- The relevant National and Local Housing Regulations and Requirements; and
- The internal control procedures established and enforced by the management

Generally, our building quality management practices are summarised into five (5) different stages:-



Stage 1: Project Design

Our projects begin with the generation of concepts. Prior to a project launch, our Project Team works closely with the consultants – architects and engineers, and Sales & Marketing Team to integrate designs that meet the market demands and customers' needs during the conceptualism stage.



Stage 2: Pre-Development

Our Project Team is responsible to ensure the specific quality requirements as required by the National and Local Housing Authorities and consultant's recommendations are embedded into the Scope of Work of the appointed contractors.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

CONTRIBUTING TO A SUSTAINABLE ECONOMY (CONT'D)

Product and Service Responsibility (cont'd)



Stage 3: Construction

Our Quality Control ("QC") Team is tasked to conduct regular on-site inspections for quality control purposes and examine whether the construction is carried out according to the pre-defined standards and requirements. We collaborate closely with our contractors to resolve issues if discrepancies are noted.



Stage 4: Pre-Handover

Our QC Team conducts a series of final inspections before the customers take possession of their new homes. The inspections aim to ensure our buildings comply with the relevant industry standards.

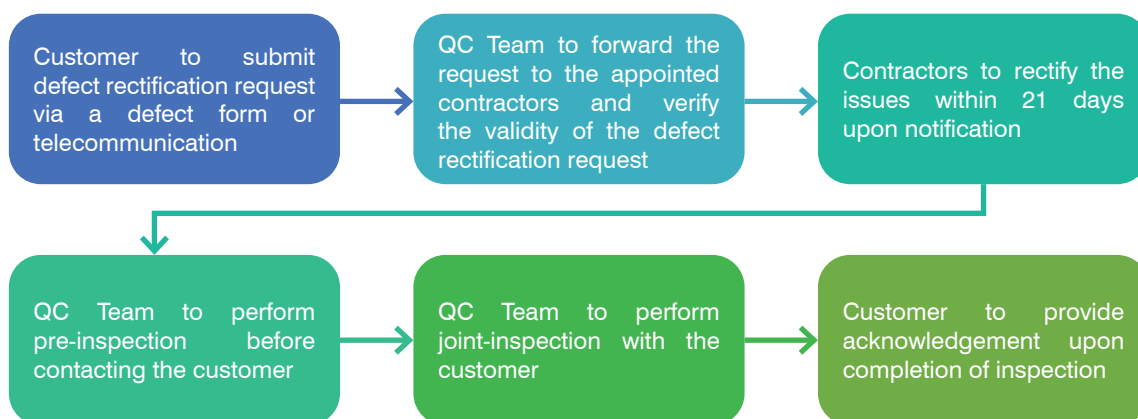


Stage 5: Post-Development

The Group is committed to prioritising customers' satisfaction. For more information on managing customer satisfaction, kindly refer to the Customer Care Management section in this Statement.

To demonstrate our commitment to quality excellence while adhering to the local regulations, we provide a defect liability period ("DLP") of up to twenty-four (24) months to our customers upon vacant possession ("VP"). During these periods, we have set aside adequate resources and workforces to oversee and manage customers' expectations concerning the workmanship of the property. Our customers may submit their concerns by filling up a defect form at the respective project management office or reach us through telecommunication. Subsequently, we collaborate closely with the contractors to rectify the concerns and diligently complete the rectification work.

The following flow chart illustrates our management of project defect rectification:-



In FY2021, we had four (4) projects under DLP. We are committed to ensuring that the rectification works are executed smoothly and most of the concerns for these projects were rectified within 21 days.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

CONTRIBUTING TO A SUSTAINABLE ECONOMY (CONT'D)

Compliance and Ethical Business Engagements

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

Bearing that in mind, we are determinedly committed to the highest standards of governance, ethics, and integrity in our business decisions and actions. In demonstrating our commitment to ensuring our practices are responsible and ethical while creating value for our stakeholders, we have relentlessly promoted a strong governance culture and established rigorous risk management control across our operations.

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

In light of the recent amendments to the MCCG practices, we re-assessed our current corporate governance practices during the Board meeting held in November 2021 and we have incorporated or intend to enhance our practices in the following areas:-

Adopted in FY2021



Formalising sustainability agenda during Board meeting



Circulating AGM meeting minutes and Q&A within 30 business days after AGM is conducted

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

Aside from complying with the relevant rules and regulations, our commitment to upholding good governance and high ethical conduct standards is primarily governed by the following internal policies and procedures. All employees and related parties representing us shall adhere to these policies and procedures at all times.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

CONTRIBUTING TO A SUSTAINABLE ECONOMY (CONT'D)

Compliance and Ethical Business Engagements (cont'd)

Maintaining integrity in our business dealings	
Code of Business Conducts and Ethics ("COBCE")	<p>The COBCE highlights the fundamental principles of ethical conduct expected of our directors, employees, and any persons conducting business on behalf of Tambun Indah. Generally, the COBCE outlines the responsibilities of the relevant parties in the following areas:-</p> <ul style="list-style-type: none"> • Working with the local communities in a socially responsible manner; • Practising fair-dealing in all business activities; • Fully adhering to applicable laws and regulations while dealing with government officials; • Promoting workplace diversity and inclusion; • Complying to all relevant rules and regulations, including Anti-Bribery and Corruption, Anti-Money Laundering, and Insider Trading; • Advocating a safe and healthy work environment; and • Avoiding or reporting conflicts of interest, etc. <p>The COBCE is publicly available on our website.</p>
Anti-Bribery and Corruption ("ABC") Policy	<p>We have established adequate procedures with section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability, which came into effect on 1 June 2020. Fundamentally, all parties conducting business for or on behalf of Tambun Indah shall abide by a zero-tolerance approach to bribery and corruption. Among others, our practices in combating bribery and corruption include:-</p> <ul style="list-style-type: none"> • The Board sets the "tone from the top" by reviewing and approving the relevant policies and procedures in relation to the anti-bribery and corruption commitment; • The contractors, suppliers, consultants, and other goods and services providers endorse the Group's ABC Policy upon award of contract; • To provide relevant awareness briefings or trainings to the Directors, employees, or business counterparts when applicable; and • To close the gap and seek future improvements in our practices through the internal audit procedures and regular reviews on our current practices. <p>Further to the abovementioned practices, the Policy also highlights our stance in attaining a corruption-free environment and provides practical guidance to our Directors, employees, and business counterparts for performing their duties. In summary, we prohibit:-</p> <ul style="list-style-type: none"> • Giving and receiving of gifts, entertainment, and corporate hospitality which may be perceived to influence business decisions; • Offering or giving facilitation payments to any public officials in return for expediting a specific process; • Influencing a business decision through political contribution or Corporate Social Responsibility programs; and • Influencing a business decision by offering an employment opportunity. <p>The management has reviewed and updated the aforesaid Policy during the year to reflect better our commitment to upholding integrity in our business practices.</p> <p>We have updated the latest Policy on our website.</p>
Whistleblowing Policy	<p>Our Whistleblowing Policy is in place to protect the integrity of our operations. As part of our commitment to fostering a culture of openness, accountability, and ethicality, any individual is allowed to report any misconduct he/she observed within Tambun Indah and its operations without the fear of retaliation.</p> <p>In FY2021, there were no reported cases of violation or whistleblowing.</p> <p>Our Whistleblowing Policy is published on our website.</p>

Irrespective of the practices laid out above, we strive to keep abreast of the latest rules and regulations through various consultations with the relevant parties such as the government authorities, consultants, and company secretaries.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

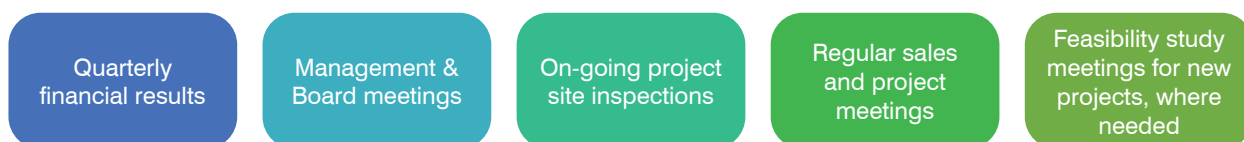
CONTRIBUTING TO A SUSTAINABLE ECONOMY (CONT'D)

Economic Performance

Promoting economic growth and maintaining a healthy financial performance is central to achieving the Group's sustainability goals. Through a sustainability lens, we acknowledge that value creation is beyond short-term returns – not only through the development of our business operations but also a predominant factor to measure our capacity in:-



In pursuing organic economic growth and maximising the values of our stakeholders, we ensured that we diligently assessed our financial performance, capital structure, and cash flows regularly. The Group reviews its financial health through:-



Notwithstanding the challenging operating landscape that arose from the COVID-19 pandemic, the Group remained committed to contributing to the country's economic recovery by staying engaged to our strategic priorities and positioning ourselves for long-term growth. For the reporting year, we recorded economic value generated of RM62 million in profit attributable to owners of the company, representing a 138% increase from FY2020, mainly due to higher new property sales. Please refer to Directors' Report and Audited Financial Statement section disclosed in this Annual Report for Tambun Indah's FY2021 financial results.

Customer Care Management

Customers are among our primary stakeholders and are integral to our value proposition. As such, we remained focused on building solid and trusting relationships with them by offering quality yet affordable housing projects and excellent customer experiences. At Tambun Indah, we commit to continuously improving project quality and customer service by listening to our customers' needs and expectations. In demonstrating our commitment in this particular area, our ongoing customer experience initiatives include:-



SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

CONTRIBUTING TO A SUSTAINABLE ECONOMY (CONT'D)

Customer Care Management (cont'd)

Customer satisfaction survey

While the market has become increasingly competitive, fulfilling customer satisfaction is at the forefront to measure the success of our project. This is when the customer satisfaction survey comes into the picture. It serves as an effective tool for the management to identify gaps and areas for improvements in future projects and sustain our market competitive advantage in the long run.

In FY2021, we have undertaken the said satisfaction survey for six (6) projects, namely Begonia Villa, Aster Villa, Ambay Park, Residensi Permai, Pearl Tropika, and Palma Residensi, after customers confirmed their purchases. Generally, the survey aims to obtain our customers' viewpoint from the perspective of:-

- Product Design;
- Project Environment;
- Pricing;
- Developer's track record; and
- Service of salesperson

From the surveys, the customer satisfaction level was rated at 86% on average. Despite the positive results, we remain committed to looking for opportunities to enhance our customer experience.

Customer Data Privacy

As part of our business process and commitment to remain engaged with our customers, we have collected our customer information throughout the sales process. Therefore, it is essential that we manage the collected information to prevent any data loss, which may lead to severe impacts such as breaching regulatory compliance, disruption, or reputational damage to our business operations.

At Tambun Indah, we treat customers' data with the utmost confidentiality. As a start, we strictly comply with the Personal Data Protection Act 2010 ("PDPA"), where relevant data is only collected and shared with the data owner's permission. The data collected are stored securely by the management with restricted access levels. Where needed, we conduct briefings to our employees to promote awareness of the importance of safeguarding our customers' data.

In FY2021, there were no complaints concerning breach of customer privacy or loss of customer data.

Customer Engagement Approach

Since the start of the COVID-19 pandemic, the Group has accelerated our customer engagement efforts by leveraging digital tools and social media platforms. Among which, we have invested in creating virtual reality ("VR") showrooms and advertising our projects on social media. We are convinced that we can elevate our customers' digital experience through these immersive and engaging platforms while safeguarding their safety during the pandemic. These measures have allowed our Team to move seamlessly to expand our customer base and achieve stable sales throughout the reporting year.

Sustainable Procurement Practices

Tambun Indah recognises that effective supply chain management is imperative in supplementing our operational efficiency and customer satisfaction. Bearing that in mind, we work closely with our business partners – contractors, suppliers, consultants and other business associates to ensure that our values are aligned.

We commit to ensuring a transparent and rigorous supplier selection process is practised across the Group to achieve the said objective. For instance, we partnered with our entrusted consultants in our project tender activities to assess the tenderers' qualifications based upon a set of pre-defined criteria – cost, workmanship quality and reputation, occupational health and safety track record, financial stability, among others.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

CONTRIBUTING TO A SUSTAINABLE ECONOMY (CONT'D)

Sustainable Procurement Practices (cont'd)

Subsequent to awarding a contract, our Team will continue to observe the performance of the contractors to ensure that they remain competitive and compliant to the applicable rules and regulations as stipulated in the contract and the local requirements. In the provision of carrying out their duties as our contractors, they are required, at all times to:-



Adhere with all applicable regulatory requirements including - national, state, and municipal laws and statutes.



Fulfill the requirements set by the industry standards and limits, especially of the health, safety and environmental elements.



Committed to safeguarding the environment by reducing waste generated throughout the project.

Following the latest development of the Employees' Minimum Standard of Housing, Accommodation, and Amenities Act (hereinafter referred to as Act 446), we have communicated to our consultants on the latest development of Act 446. In this respect, our contractors will work closely with our consultants to provide the workers with a safer and healthier living environment.

In addition to the above, the Group endeavours to develop local value chains and promote local job creation. Therefore, it has always been our aim to source locally to the greatest extent possible where we operate. Engaging local suppliers also reduces environmental footprint of transportation. Similar to FY2020, 100% of Tambun Indah's suppliers during the reporting year are local.

PROTECTING THE MOTHER EARTH

Environmental Conservation and Preservation Initiatives

The Group commits to contribute to environmental preservation by initiating several programmes and measures. Our continued efforts serve as the guiding principles to environmental stewardship, and we endeavour to minimise adverse environmental impacts throughout our business operations.

Given this, the Group has established a monitoring mechanism to manage our energy and water emissions, as well as the waste generated from all our activities. The Group also ensures seamless connectivity amongst all relevant departments in dealing with environmental issues particular to our operation.

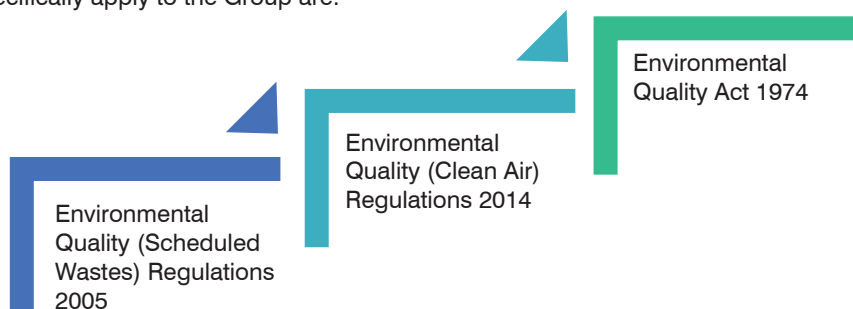
SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

PROTECTING THE MOTHER EARTH (CONT'D)

Environmental Conservation and Preservation Initiatives (cont'd)

Essentially, we are committed to complying with the relevant environmental laws and regulations. The environmental regulations that specifically apply to the Group are:



As of 31 December 2021, we do not have any non-compliance cases reported concerning the breach of environmental law.

Green Building Initiatives

The Group's strenuous effort in continually adopting an eco-friendly initiative is incorporated into our project developments. Where practicable, we strive to opt for green materials whilst maintaining the highest quality to our customers.

The green initiatives as promoted by the Group can be summarised as follows:-



SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

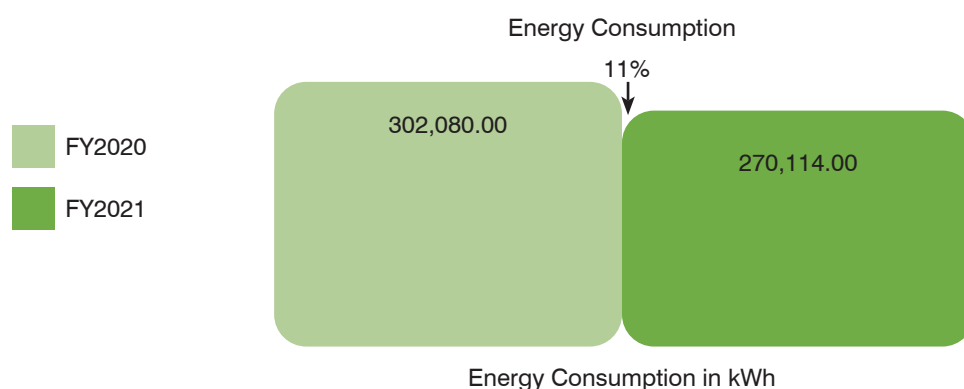
PROTECTING THE MOTHER EARTH (CONT'D)

Environmental Conservation and Preservation Initiatives (cont'd)

Energy Saving

The management has taken necessary actions to reduce the overall energy consumption by putting up reminders to switch off lightings and air-conditioners when not in use. Meanwhile, the lighting system in and around our office has been converted to energy-saving Light Emitting Diodes ("LED") in stages. The replacement of LED signifies lower energy consumption, longer lifetime, improved brightness, and better durability and reliability.

Our energy consumption for FY2020 and FY2021 are presented as follows:-

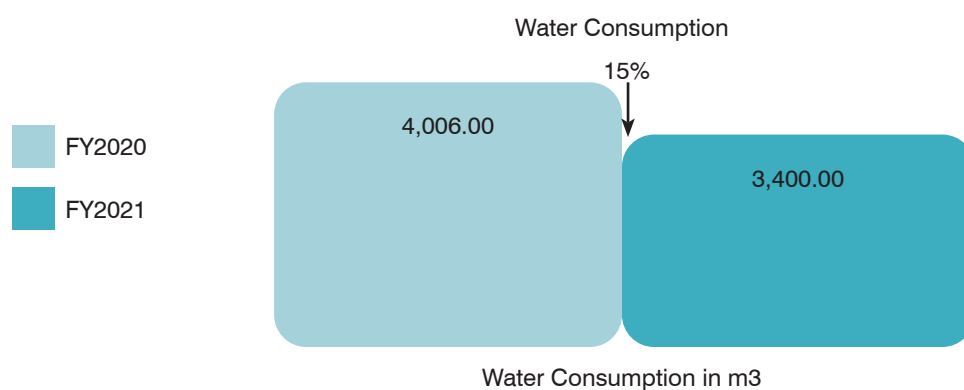


The lower energy consumption was mainly contributed by our efforts in saving energy and also the work from home initiative in conjunction with the Movement Control Order ("MCO").

Water Saving

Water is a limited resource, therefore it is vital that our Group continues its efforts to both improving the efficiency with which we consume our water, as well as working to educate our employees and the contractors or business counterparts about the need to conserve it.

The water consumption for FY2020 and FY2021 are presented as follows:-



The reduction in water consumption in FY2021 was mainly due to the work from home arrangement which the management has been practising since the start of MCO and our increased awareness in saving water.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

PROTECTING THE MOTHER EARTH (CONT'D)

Environmental Conservation and Preservation Initiatives (cont'd)

Reducing Waste at the Workplace

The Group creates awareness to guide employees to segregate the waste from our offices before sending the waste to recycling facilities. We aim to provide more training on the importance of general waste segregation and reducing our impact on the environment.

Reducing Paper Consumption

The Group encourages employees to prioritise electronic means to share and store documents and reduce printing or photocopying. Starting from FY2020, we have urged our shareholders to retrieve our Annual Report and Newsletter through our Company's website, to avoid sending hard copies of the said reports to them.

Waste Management

We understand that it is essential to maintain an appropriate waste disposal system as it brings wide-ranging implications to communities and the environment. The Group advocates the primary goal of eliminating waste and seeks to contribute to the eventual realisation of total safe waste elimination. In light of the environmental challenges faced by the Group, particularly in waste generated from our operational activities, we strive to reduce the impacts by complying with the Department of Environment ("DOE") requirements. Additionally, we have also implemented a set of monitoring mechanisms across the Group, as described below:-

Construction Waste

Due to our business environment, most waste is generated throughout the construction phase. Nevertheless, the items are primarily recyclable in nature – steel, plywood, wooden pallets, and municipal solid wastes. Fundamentally, we communicate our waste management expectations to our contractors prior to appointing them and continue to observe their waste management practices during the construction period. Any gaps or improvements noted will be communicated promptly to the contractors for mitigation purposes. Starting this year, we have strengthened our monitoring approach in this area. We have requested our contractors submit a Waste Management Report ("WMR"), detailing the types of waste disposed to the waste collector. As this initiative is relatively new to the contractors, we are working with them to enhance the reporting format for better monitoring the waste disposed on site.

In summary, our site waste management measurements include:-



SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

SUPPORTING THE COMMUNITIES

Workplace Health and Safety Initiatives

A Safe Workplace

The Group believes that the safety and well-being of its employees are the foundation of its success. As such, we strive to provide a safe and healthy environment for our employees and ensure safe practices in all aspects of our business operations. Amongst others, the Group has in place practices as follows:-



Create awareness particularly on infectious disease, injury and ill health amongst the employees



Compliance with laws and regulations in relation to occupational safety and health



Establishment of goals and measures to manage occupational safety and health performance across the Group



Promote a healthy culture where all employees are committed to observe the Group's initiatives pertaining to safety and health measures

The Group would inculcate a culture of safety and compliance at the workplace through safety and health training for employees. In this respect, the Group places utmost importance on continuous compliance with all relevant health and safety laws and regulations such as Occupational Safety and Health Act, 1994, and our Safety Officers are registered with the Department of Occupational Safety and Health ("DOSH").

Due to the ongoing COVID-19 pandemic, the Group had continued to observe and implement a COVID-19 workplace safety measure guideline to curb the infection rate. The guidelines aimed to protect the safety of our employees through:-



A Safe Construction Site

Likewise, Tambun Indah expects its contractors to uphold the safety of the people working at the construction sites. Our expectations are clear – for them to strictly adhere to all safety-related rules and regulations imposed by the national and local authorities and the relevant industrial standards. Essentially, appropriate safety measures at all our project sites are monitored closely by the Site Safety Supervisor ("SSS") or Safety and Health Officer ("SHO"). Any significant concerns observed on-site are raised and addressed in the fortnightly meetings, participated by the representative from our contractors, consultants and our management team.

In our continuous efforts to prevent and reduce COVID-19 transmissions on-site, we have kept abreast of the latest COVID-19 Standard Operating Procedures ("SOP") issued by the government, with which all contractors shall comply.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

SUPPORTING THE COMMUNITIES (CONT'D)

Talent Development Efforts

The Group recognises the importance of establishing a comprehensive talent development strategy to upskill our workforce to stay competitive and productive continuously. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development. As such, an annual training plan is designed to improve the knowledge and skill of all employees in both front and back-end processes of the Group.

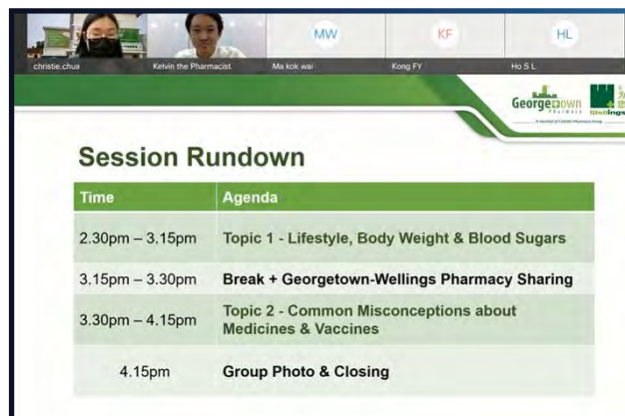
On an annual basis, the data is collected through appraisal forms to identify the training needs to equip the employees with the necessary skillsets to improve their job performance. The training for employees would be vital for them to shoulder additional roles and responsibilities on their career trajectories and advancement. Based on the training needs analysis for FY2021, the Human Resources ("HR") Department together with Heads of Department ("HOD") arranged development programmes covering various topics, including health talk, construction development, environmental management and compliance-related upskilling programmes.

As part of the Group's initiative to support continuous learning and development, the management team is authorised to propose adequate training programmes for employees for personal development in their profession. Employees are encouraged to provide their feedback on the effectiveness of the training programmes. The responses received allow the HR Department and the HOD to assess the overall effectiveness, relevancy and significance of the trainings organised.

As of 31 December 2021, we have recorded a total of 948 (FY2020: 673) training hours, participated by 98% (FY2020: 85%) of our total workforce, while our attrition rate remained at 2%.



Annual briefing on MACC Act



Health Talk

Employee Welfare

Our employees are an indispensable asset in driving our sustainable growth. Bearing that in mind, we aim to cultivate a sustainable work environment. We are mindful that an open and inclusive workforce contributes to improved job performance, good health, effective leadership and work-life balance.

Generally, we placed a strong emphasis on the following areas in safeguarding our employees' welfare:-



Equal Employment Opportunities



Workforce Diversity and Inclusion

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

SUPPORTING THE COMMUNITIES (CONT'D)

Employee Welfare (cont'd)

Equal Employment Opportunities

In upholding our commitment to treat our employees fairly and equally, our recruitment opportunities and career advancement are strictly based on personnel performance and merit.

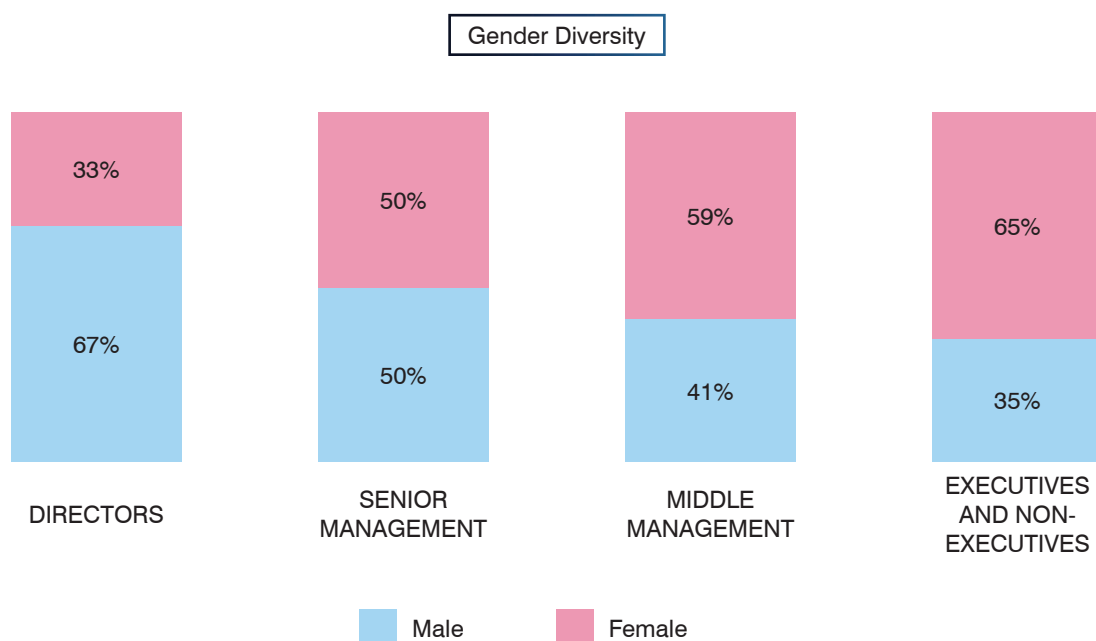
With reference to the appointment and recruitment strategies, the Group prides itself for being an employer that provides equal opportunities and continuously seeks to promote the key performers regardless of religious belief, status, gender or marital status. Our commitment in that aspect applies to all employment activities, resource allocation, and all employment terms and conditions.

All employees are given equal opportunity to advance their careers with us. They will receive a performance review that ties to our performance-based merits and rewards every year. Additionally, in realising their career development and goals, we strive to provide fair and equal learning opportunities to our employees.

Workforce Diversity and Inclusion

We draw strength from the workforce diversity and inclusiveness prevalent in our workplace. The Group has set out a policy to have at least 30% female representation on the Board and this practice also applies to each category of its workforce as shown below. As of 31 December 2021, the total number of employees, including directors, stood at 83 (FY2020: 82), of which 61% (FY2020: 62%) are female and the remaining 39% (FY2020: 38%) are male. Having a diverse team of employees across gender, age, and industry experience, encourages open-minded dialogues and exert positive influence amongst our workforce.

The profile of our overall workforce as of 31 December 2021 for each employee category, by gender and age, are illustrated below:-



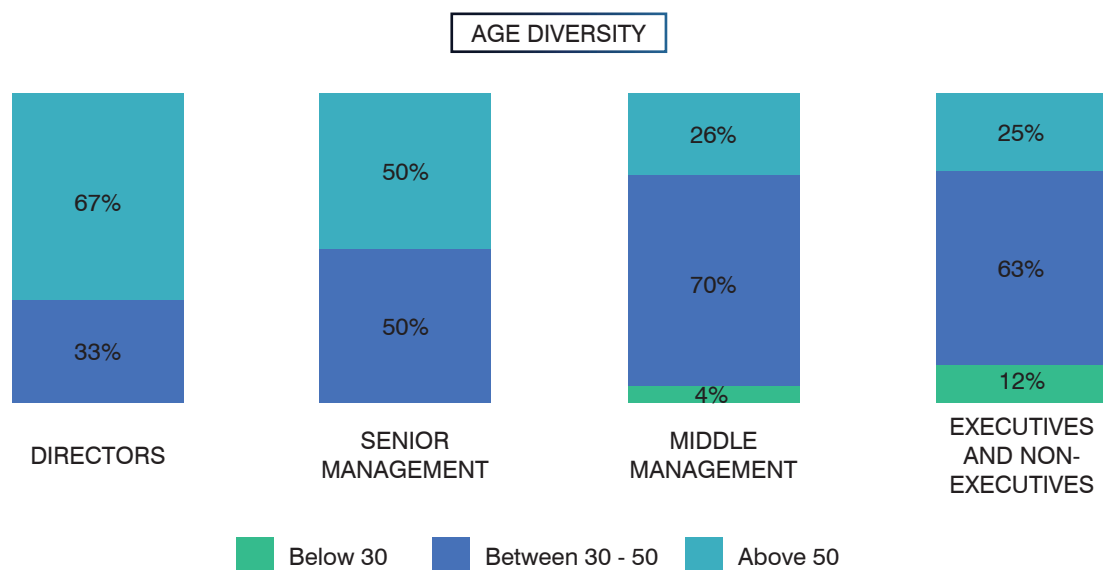
SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

SUPPORTING THE COMMUNITIES (CONT'D)

Employee Welfare (cont'd)

Workforce Diversity and Inclusion (cont'd)



Community Contributions and Donations

Supporting the community has always been an integral element of Tambun Indah's culture and our Corporate Social Responsibility ("CSR") program. As a good corporate citizen, we endeavour to bring a positive impact in the community where we operate.

In the effort of making a difference and giving back to our community, we focused our initiatives on three (3) main areas:-

Supporting the local community	Rental Rebates	Financial and in-kind Contributions
As part of our relief efforts to support vulnerable communities during the prolonged COVID-19 pandemic, the Group donated tablets to facilitate online studies and provided food aid to those in need.	The COVID-19 pandemic has undoubtedly impacted our communities – including our tenants. To support our tenants that faced financial constraints during the pandemic, we granted rental rebates of approximately RM2 million to our tenants during the year.	The Group is consistent in contributing towards various organisations and societies that are actively engaged in outreach and development of underprivileged and disabled individuals.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

SUPPORTING THE COMMUNITIES (CONT'D)

Community Contributions and Donations (cont'd)



Food aid to local community



In-kind donation made to charity home

LOOKING AHEAD

Despite another challenging year where we are coping with the pandemic while operating our business, we are delighted that our Group made some good progress in developing our sustainability initiatives. Moving ahead, we remain positive in our journey to attain our sustainability objectives. In this context, we will continue to enhance our disclosures and reporting approach, improve performance, and advance within the three sustainability pillars – Economic, Environmental, and Social.

DIRECTORS' PROFILE

Lai Fook Hoy

Independent Non-Executive Chairman

Lai Fook Hoy, a Malaysian, aged 71, Male, was appointed to the Board of Tambun Indah on 24 February 2012 and is presently the Independent Non-Executive Chairman. He was the Chairman of Remuneration Committee, a member of Audit Committee and a member of Nominating Committee until 1 January 2022 when he retired from the positions.

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

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

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

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

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

Teh Kiak Seng

Executive Deputy Chairman

Teh Kiak Seng, a Malaysian, aged 72, Male, is the founder of our Group and is presently the Executive Deputy Chairman. He was appointed to the Board of Tambun Indah on 19 March 2008 and was the Managing Director until 2 January 2020 when he was redesignated to his current position.

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

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

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

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

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

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

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

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

DIRECTORS' PROFILE (CONT'D)

Teh Deng Wei

Managing Director

Teh Deng Wei, a Malaysian, aged 35, Male, is presently the Managing Director of Tambun Indah. He was appointed to the Board of Tambun Indah on 18 November 2016 as Executive Director of the Group. He was redesignated to his current position on 2 January 2020.

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

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

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

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

Teh Theng Theng

Executive Director

Teh Theng Theng, a Malaysian, aged 58, Female, was appointed to the Board of Tambun Indah on 23 November 2010 and is presently the Executive Director.

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

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

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

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

DIRECTORS' PROFILE (CONT'D)

Tsai Chia Ling

Non-Independent Non-Executive Director

Tsai Chia Ling, a Taiwanese, aged 43, Female, was appointed to the Board of Tambun Indah on 27 July 2012 as an alternate director to Mr Tsai Yung Chuan. On 19 June 2013, she ceased as an alternate director to Mr Tsai Yung Chuan and was appointed to the Board of Tambun Indah. She is presently the Non-Independent Non-Executive Director. She was appointed as a member of Audit Committee, Nominating Committee and Remuneration Committee on 1 January 2022.

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

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

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

Lam Voon Kean

Independent Non-Executive Director

Lam Voon Kean, a Malaysian, aged 69, Female, was appointed to the Board of Tambun Indah on 1 June 2018 and is an Independent Non-Executive Director. She is the Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee.

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

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

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

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

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

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

DIRECTORS' PROFILE (CONT'D)

Dato' Seri Mokhtar Bin Mohd Jait

Independent Non-Executive Director

Dato' Seri Mokhtar Bin Mohd Jait, a Malaysian, aged 66, Male, was appointed to the Board of Tambun Indah on 1 July 2019 and is an Independent Non-Executive Director. He is also the Chairman of the Nominating Committee and a member of Audit Committee. He was a member of Remuneration Committee until 1 January 2022 when he was appointed as the Chairman of Remuneration Committee.

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

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

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

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

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

SENIOR MANAGERIALS' PROFILE

Lim Beng Hoe

Chief Operating Officer

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

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

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

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

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

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

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

Roselyn Tan

General Manager and Head of Finance

Roselyn Tan, a Malaysian, aged 46, Female, is presently the General Manager and Head of Finance of Tambun Indah. She joined the Group as Deputy General Manager on 1 November 2016 and was redesignated on 2 January 2020 to her current position.

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

She has over 20 years of professional and commercial working experience. In 1999, she started her career in auditing with Arthur Andersen and continued on with Ernst & Young following the merger in 2002. Her audit exposure was mainly with listed companies in the property development industry. She left Ernst & Young in 2004 and continued her career in the commercial sector. From 2004 until prior to joining the Group in 2016, she held

senior managerial roles in various financial management related functions, mainly in privately owned property development companies. She has wide experience in financial management as well as operational experience in the property development industry. She currently heads the finance department and also manages the corporate affairs and general administration of the Group. She does not hold any directorship in any public companies and listed issuers.

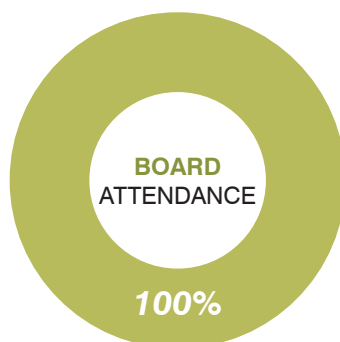
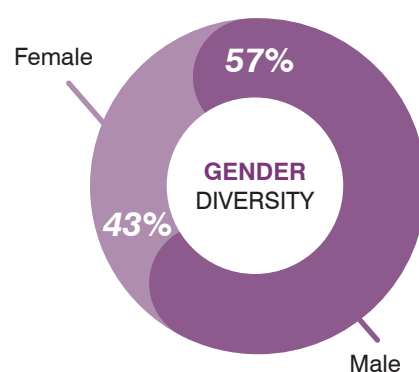
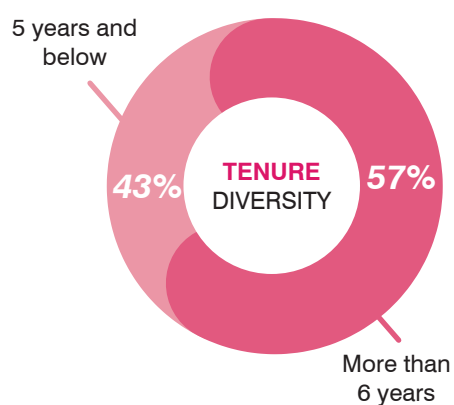
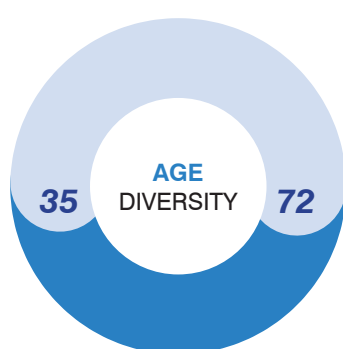
She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GOVERNANCE AT A GLANCE FY2021

BOARD OF DIRECTORS

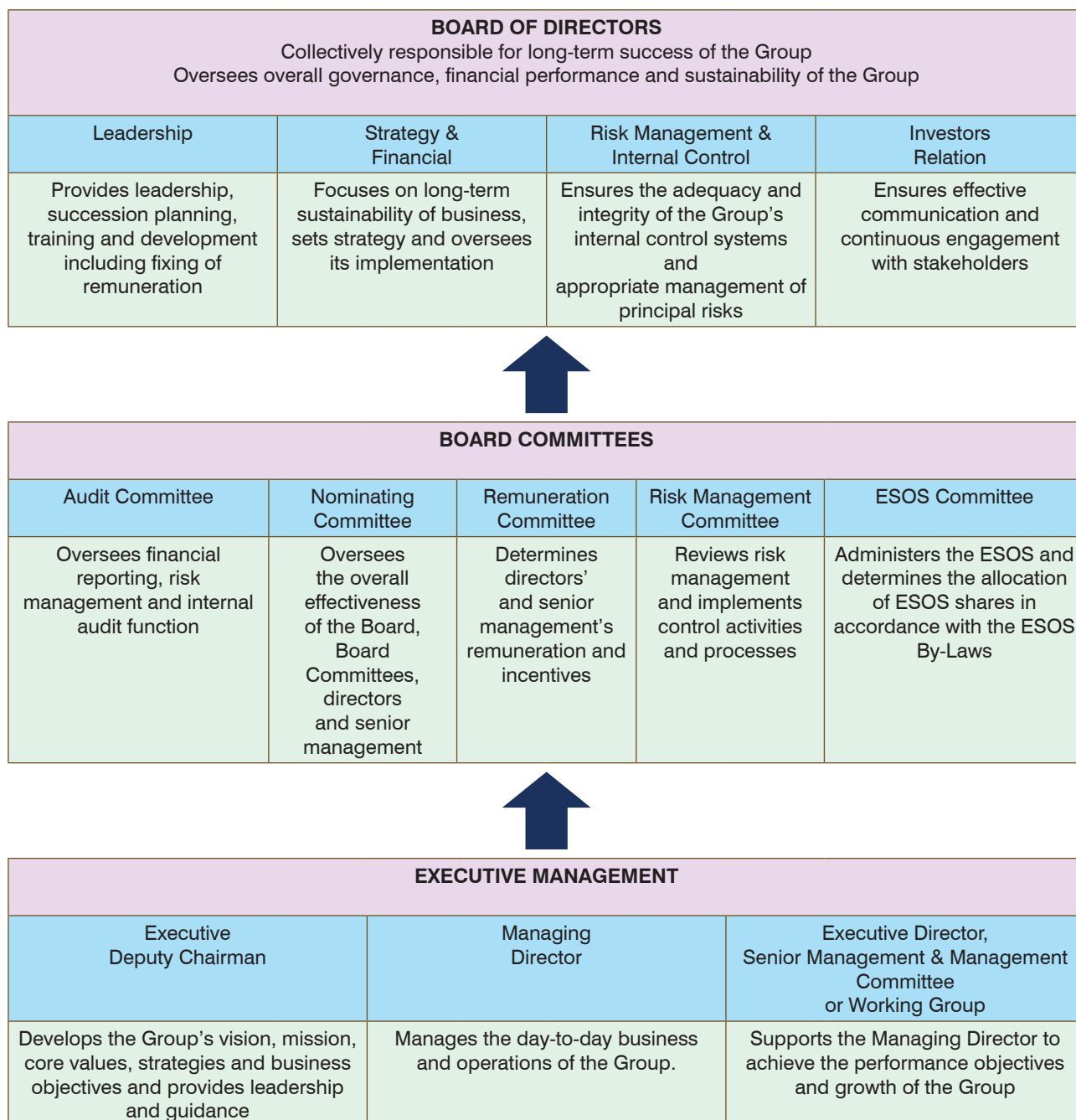


SKILLS & EXPERIENCE OF DIRECTORS

Industry Experience	Finance & Accounting	Legal & Regulatory
Regional/Global Experience	Governance & Risk Management	Business Development & Economics
Corporate CEO	Human Capital & Talent Management	Public & Governmental Policy
Entrepreneurship	ESG & Sustainability	Information Technology & Digital

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

GOVERNANCE STRUCTURE FY2021



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Corporate Governance ("CG") Overview Statement is prepared in accordance with the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the revised Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia on 28 April 2021.

This statement provides shareholders an overview of the corporate governance practices of Tambun Indah Land Berhad ("Tambun Indah" or "the Company") during the financial year ended 31 December 2021 ("FY2021") and it is to be read together with the Corporate Governance Report 2021 which is available at the Company's website (www.tambunindah.com).

In FY2021, the Company had applied the following key principles of good corporate governance in the MCCG:

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

The Company had also adopted 40 out of the total 43 recommended practices in the MCCG. The recommended practices not adopted/not applicable were as follows:

- Practice 5.2 – At least half of the Board comprises independent directors.
- Practice 8.2 – The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 12.2 – Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Additionally, the Company had adopted the following Step-Up practices:

- Practice 4.5 – Step Up – The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.
- Practice 9.4 – Step Up – The Audit Committee should comprise solely of Independent Directors.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board

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

FY2021 has indeed been another year of COVID-19 pandemic. Like many others, the COVID-19 pandemic has posed challenges and also accelerated underlying trends such as work from home and digitalization with impact to the operating environment. During FY2021, the Board continued to spend time monitoring the impact of the ongoing COVID-19 pandemic and reviewing the Group's sustainability plan, risk management and other mitigating measures to stay resilient in the challenging environment.

The Board had established a governance structure where specific powers of the Board were delegated to the relevant Board Committees and the Executive Management for effective decision-making process and greater efficiency. This also serves as a control to mitigate or minimize any abuse of authorities.

The governance structure is governed by a defined organisational chart, terms of reference, framework, policies and the manual on Limit of Authorities (LOA) approved by the Board. The LOA sets out clear authority limits pertaining to the operations of the Group through segregation of duties. It also defines the level of authorisation required for specified transactions and its approval limits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Matters Reserved for Board's Decision

It is the general policy of the Company that all major decisions be considered by the Board as a whole. The Chairman of the Board, Executive Deputy Chairman and the Managing Director were held by different individuals. Their roles were separated to ensure an appropriate balance of power and their respective responsibilities were clearly established and set out in the Board Charter.

Matters specifically reserved for the Board's approval or upon recommendations as may be made from time to time by the Board Committees are as follows:

- material acquisitions and disposals of fixed assets of the Group;
- new investment, divestment, corporate restructuring and/or establishment of joint ventures;
- related party transactions and conflict of interest issues;
- annual financial statements and quarterly financial results;
- declaration of dividends;
- appointment of directors; and
- terms of reference of Board Committees and changes in the composition of the Board Committees established from time to time.

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

During FY2021, the Board had held 6 meetings and also approved certain matters of the Company via circular resolutions. To facilitate a more effective check on the affairs of the Company, the non-executive directors held 2 meetings each with the Internal Auditors and External Auditors respectively during the financial year without the presence of the Executive Management (Private Sessions).

BOARD ACTIVITIES FY2021

In FY2021, key activities and transactions deliberated and/or approved by the Board were summarized below:

Leadership	Leadership succession plan Updates on changes to senior management team Trainings & Development Remuneration Package
Strategy & Financial	Business Plan and Budget of the Group Quarterly performance review Sustainability strategies and implementation Quarterly unaudited financial results Annual consolidated financial results Solvency position and dividend payments Updates on the impact from the adoption of new accounting standards
Governance	Board Committees' Reports & Recommendations Effectiveness & Composition of the Board, Board Committees Performance of Individual Directors & Senior Management Independence of Independent Directors Board Charter & Terms of Reference of Board Committees Anti-Bribery & Corruption Policy Code of Business Conducts & Ethics Whistle-Blowing Policy Updates of Recurrent Related Party Transactions

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

BOARD ACTIVITIES FY2021 (CONT'D)

Risk Management & Internal Control	Updates of principal risks, key controls and risk mitigations Monitoring risk management and internal audit function Review of the impact of changes in regulatory landscape Implementation of Anti-Bribery Management System
Investors' Relation	Annual General Meeting Annual Report and Circular to Shareholders Announcements to Bursa Securities Analyst Reports Website

Chairman of the Board

The Chairman of the Board is an independent director with no executive function. His key responsibilities include leading the Board in establishing and monitoring good corporate governance practices, ensuring effectiveness of the Board, and ensuring effective communications with shareholders and other stakeholders.

The Chairman of the Board was the Chairman of Remuneration Committee, a member of Audit Committee and a member of Nominating Committee until 01 January 2022 when he retired from the positions.

Executive Deputy Chairman

The Executive Deputy Chairman takes on more strategic role focusing his attention on matters relating to the strategic plans and policies of the Group at the same time, he provides leadership to the overall conduct of the Group's businesses to ensure that the Group is being properly managed.

Managing Director

The Managing Director is responsible in the day-to-day management of the business and operations of the Group. He is supported by the executive director and a senior management team. Various management committees or working groups are set-up as and when necessary.

The senior management of the Group is selected based upon the criteria of recognized skills, experience and capabilities in their specific field of expertise and whose knowledge and abilities support the delivery of the performance objectives and growth of the Group.

Independent Non-Executive Directors

The primary responsibility of independent non-executive directors is to protect the long-term interest of shareholders, employees, customers, suppliers and other stakeholders of the Group.

Non-Independent Non-Executive Director

The primary responsibility of non-independent non-executive director is to provide valuable external perspectives by virtue of their positions in other industries and to promote greater balance in the Board's decision-making process.

The profiles of the directors and senior management are set out in the Directors' Profile and Senior Managements' Profile sections of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board Committees

The Board had established 5 Board Committees, each with predefined terms of reference and responsibilities which are clearly set out in the Company's Board Charter.

As at 31 December 2021, the main Board Committees namely the Audit Committee, Nominating Committee and Remuneration Committee comprised entirely independent directors.

During FY2021, the Chairman of the respective Board Committees reported the outcome of the Committee meetings to the Board and relevant decisions were incorporated in the minutes of the meetings of the Board Committees. During the financial year, the Board Committees had also made recommendations on matters that required the decision of the Board as a whole.

The Board Committees as at 31 December 2021 were as follows:

1) Audit Committee

During FY2021, the Audit Committee met 5 times and the members' attendance was as follows:

Members of Audit Committee	No. of meetings attended	Percentage of attendance
Lam Voon Kean	5/5	100%
Lai Fook Hoy	5/5	100%
Dato' Seri Mokhtar Bin Mohd Jait	5/5	100%

A full report of the Company's Audit Committee for FY2021 is set out in the Audit Committee Report section of this Annual Report.

2) Nominating Committee

During FY2021, the Nominating Committee conducted assessments and made corresponding recommendations to the Board in respect of the following matters:

- The composition and effectiveness of the Board and the Board Committees;
- The contribution and competencies of each individual director;
- The independence and time commitment of the independent non-executive directors;
- The effectiveness and objectivity of the Audit Committee and each of its members;
- The trainings attended by the directors in FY2021;
- The boardroom diversity;
- The performance of senior management and succession plan of the Group;
- The directors due for retirement by rotation at the Company's 13th Annual General Meeting ("AGM"); and
- The independence of the independent non-executive director who had served more than 9 years due for re-appointment at the forthcoming 13th AGM.

The members' attendance for FY2021 was as follows:

Members of Nominating Committee	No. of meetings attended	Percentage of attendance
Dato' Seri Mokhtar Bin Mohd Jait	2/2	100%
Lam Voon Kean	2/2	100%
Lai Fook Hoy	2/2	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board Committees (cont'd)

3) Remuneration Committee

During FY2021, the Remuneration Committee met twice to review and recommend the remuneration packages of the executive directors and senior management as well as the directors' benefits, incentives and fees.

The members' attendance for FY2021 was as follows:

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

4) Risk Management Committee

The Risk Management Committee comprised of executive directors and senior management as at 31 December 2021.

During FY2021, the Risk Management Committee met once to review and discuss the risks profile, risk controls and mitigation policies to ensure their relevance in the Group's business environment and also to review the identified risks affecting the Group were being addressed, managed and mitigated on an ongoing basis.

The members' attendance for FY2021 was as follows:

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

5) ESOS Committee

The ESOS Committee comprised of executive directors and senior management as at 31 December 2021.

During FY2021, the ESOS Committee met twice to grant options to eligible employees of the Company pursuant to the ESOS By-Laws.

The members' attendance for FY2021 was as follows:

Members of ESOS Committee	No. of meetings attended	Percentage of attendance
Teh Kiak Seng	2/2	100%
Teh Theng Theng	2/2	100%
Teh Deng Wei	2/2	100%
Roselyn Tan	2/2	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board Succession

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

The Board was satisfied that the current organisational structure including its work force aligned with the needs of the Group.

Board Policies

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

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

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

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

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

Sustainability Governance

Since 2018, the Board had established a Sustainability Working Group led by the Managing Director to integrate sustainability initiatives and considerations in the day-to-day operations of the Company and amongst others to ensure an effective implementation of sustainability directions of the Group.

The Board regards sustainability as part of its corporate culture and embraces the three key principles namely economic, environmental and social (EES) to enhance the stakeholders' value by pursuing a strategy of long-term sustainable growth and value creation.

Further details of the Group's sustainability are set out in the Sustainability Statement section of this Annual Report.

Access to Information or Advice

The Company recognises the importance of providing the directors with complete, accurate and relevant information on a timely basis. This is to give the directors sufficient time to evaluate and consider issues relevant to the businesses and operations of the Company and to participate effectively in discharging their duties.

Apart from the detailed meeting papers provided at every Board meeting, the directors also have full and unrestricted access to all information of the Group. Such information is not only quantitative, but also includes other information that deemed necessary for them to make an informed decision.

Senior Management may be invited to Board meetings to provide insight into matters being discussed and to furnish clarification on issues that may be raised by the directors. If required, the directors may meet and discuss with the Senior Management outside the normal scheduled meetings without the presence of the executive directors.

All the directors also have unrestricted access to the advice and services of the Company Secretary. If further information, which they may require in discharging their duties, the directors may seek independent professional advice at the Company's expense subject to prior approval of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Company Secretaries

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

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.

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 when required. They are also responsible for the proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company.

During the FY2021, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes and other areas of laws, governance and tax.

II. BOARD COMPOSITION

Board Independence

The Board comprised of 3 independent directors, 1 non-independent non-executive director and 3 executive directors, which is equivalent to 43% of independent directors represented in the Company's boardroom.

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

The role of the Board is regulated in the Board Charter. The Board operates in the manner that its directors exercise independent judgement and with the interests of the shareholders and/or stakeholders always in the forefront when important decisions are made by the Board.

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

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

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

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

Conflict of Interest

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

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

As at 31 December 2021, none of the directors have any conflict of interest with the Company and the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Board Experience

As at 31 December 2021, the Board comprised of directors with core competencies in the areas of construction, civil engineering, finance, manufacturing, public policy and regulatory as well as business development. Coupled with the directors' work experiences and skills, the existing composition of the Board is adequately appropriate in leading the Group to meet the objectives and business direction of the Group.

As at 31 December 2021, the composition and diversity of the Board was as follows:

Gender Diversity		Ethnicity Diversity		Age Diversity		Tenure of Directorships	
	%		%		%		%
Male	57	Malay	14	35 years & below	14	5 years & below	43
Female	43	Chinese	86	36 - 55 years	14	Above 6 years	57
				56 - 72 years	72		

Gender Diversity

The Board embraces gender diversity as essential to strengthen the composition of the Board. In this respect, the Board has set out the policy in the Board Charter to have at least 30% women director represented on the Board.

As at 31 December 2021, the Board comprised of 3 female directors, which was equivalent to 43% female representation in the Company's boardroom.

Ethnicity Diversity

The Board does not set any target on ethnicity diversity but the Board believes diverse cultures in the boardroom would offer better insights in deliberation and decision making of the Board.

As at 31 December 2021, the Board comprised of one Malay director, which was equivalent to 14% ethnicity diversity in the Company's boardroom.

Age Diversity

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

As at 31 December 2021, the age profile of the directors ranged from 35 to 72 years of age.

Tenure of Directorships

The Board believes that the independence of independent director cannot be determined arbitrarily based on a period of time as the ability to serve independently also depends on the person's caliber, experience and personal qualities such as integrity and objectivity.

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

The tenure of one of the independent directors of the Company, Mr. Lai Fook Hoy had exceeded a cumulative term limit of 9 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Tenure of Directorships (cont'd)

The Nominating Committee had assessed the independence of Mr. Lai Fook Hoy and recommended to retain him as an independent non-executive director of the Company by virtue of his integrity, objectivity and caliber. During FY2021, Mr. Lai had demonstrated his objectivity and independence in expressing his opinions in the decision making of the Board. The length of his service on the Board has not in any way interfered with his independence.

The Board agreed with the recommendation of the Nominating Committee and had resolved to recommend that Mr. Lai Fook Hoy be retained and continue to act as an independent non-executive director of the Company until the conclusion of the next AGM of the Company for shareholders' approval through a two tier voting process at the forthcoming AGM.

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

Re-elections and Appointments

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

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

Mr. Teh Kiak Seng, the Deputy Executive Chairman and Dato' Seri Mokhtar Bin Mohd Jait, the Independent Non-Executive Director will be retiring by rotation in accordance with the Company's Constitution. Being eligible for re-election, they had provided their consents to seek for re-election at the forthcoming 14th AGM of the Company.

The Board through the Nominating Committee had assessed and recommended them for re-election as directors at the forthcoming 14th AGM having regard to the following assessment criteria:

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Re-elections and Appointments (cont'd)

The Board will then consider the recommendations of the Nominating Committee and make its final decision as to the appointment.

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

Annual Assessments

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

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

The Board was satisfied that the size and composition of the Board and the Board Committees in FY2021 were adequate and appropriate with relevant mix of skills, knowledge, capabilities, objectivity, integrity as well as diversity of perspectives that are required to support the execution of the Company's business strategy and to effectively spearhead the Group in the best interest of the Company and its stakeholders.

The assessments of individual directors, independent directors and senior management are carried out by way of self-assessment questionnaires. The self-assessment questionnaires include amongst others the character, integrity, contributions in meetings, quality of input, understanding of role and time commitment.

The Board was satisfied that all the directors and senior management in FY2021 were able to discharge their duties and responsibilities diligently in the best interest of the Group.

Board Commitments

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Board Commitments (cont'd)

To facilitate the directors to plan ahead and fit the year's meetings into their own schedules, the Company Secretary will prepare an annual corporate calendar where board meetings are scheduled in advance before the beginning of each new financial year.

As at 31 December 2021, none of the directors held more than 5 directorships in public listed companies.

The directors are required to notify the Managing Director before accepting any new directorships in public listed companies, and of his/her time commitment in fulfilling his/her role to make positive contributions to the Board.

The Board was satisfied with the level of commitment by the directors in fulfilling their roles and responsibilities and this was further affirmed by the high percentage of the directors' attendance at meetings held during FY2021.

Board Attendance

In light of the pandemic, the Board had convened its meetings virtually during the financial year. All the directors had participated the virtual meetings remotely in a secure, efficient and convenient manner.

During FY2021, the Board met 6 times and the details of the directors' attendance were as follows:

Members of the Board	No. of meetings attended	Percentage of attendance
Lai Fook Hoy	6/6	100%
Teh Kiak Seng	6/6	100%
Teh Deng Wei	6/6	100%
Teh Theng Theng	6/6	100%
Tsai Chia Ling	6/6	100%
Lam Voon Kean	6/6	100%
Dato' Seri Mokhtar Bin Mohd Jait	6/6	100%

During FY2021, the Board had also approved certain matters relating to the Company's affairs by way of Directors' Circular Resolution signed by all the directors for the time being of the Company. A total of twelve (12) Directors' Circular Resolution were circulated and duly passed.

Board Development

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Board Development (cont'd)

As at 31 December 2021, all the directors had participated in various programmes to enhance their knowledge and understanding of recent developments in accounting, sustainability, corporate governance, tax, sales and leadership to aid them in the discharge of their duties and responsibilities as directors of the Company.

The Board through the Nominating Committee had assessed the trainings attended by the directors in FY2021 and was satisfied with the directors' own evaluation of their training needs and therefore, a policy on directors' training is not required.

During FY2021, the trainings attended by the directors were as follows:

Name	Description
Lai Fook Hoy	<ul style="list-style-type: none"> The Event Horizon Telescope: The First Black Hole Image and Beyond Don't Give Fire A Chance Overview on Investigation of Construction Accidents Overseas Experience in Traffic and Transport Data Collection Seismic Vulnerability of Buildings in Malaysia
Teh Kiak Seng	<ul style="list-style-type: none"> The Event Horizon Telescope: The First Black Hole Image and Beyond Practical Design of Stone Columns 54th Annual General Meeting of the Institution of Engineering, Malaysia
Teh Deng Wei	<ul style="list-style-type: none"> Reimagine Leadership and Governance, Not Capitalism
Teh Theng Theng	<ul style="list-style-type: none"> The Business of Retirement Villages in Malaysia Covid 19 & Lockdown: Effective Strategies To Increase Your Property Sales Remotely
Tsai Chia Ling	<ul style="list-style-type: none"> Mandatory Accreditation Programme
Lam Voon Kean	<ul style="list-style-type: none"> Sustainable Finance: Making better financial decisions Integrated Reporting IR: The ASEAN Experience Section 17A of the Malaysian Anti-Corruption Commission Act 2009 The New Reality of Cyber Hygiene IASB ED/2021/3 Disclosure Requirements in IFRS Standards Transfer Pricing War Stories US Forced Labor Legislation: Impact on Corporate Malaysia Updated Malaysian Code on Corporate Governance 2021 The 2022 Budget: Insights From Dr. Veerinderjeet Plus a Members Forum AOB Conversation with Audit Committees ASEAN Board Trends Survey 2022: What keeps You Awake at Night? Your biggest "S" in ESG: Sustainable Human Capital Management & Work-place Transformation Demystifying Investors' ESG Expectations, the Do's & Don'ts Special Voluntary Disclosure & Amnesty ("VA") for Indirect Taxes
Dato' Seri Mokhtar Bin Mohd Jait	<ul style="list-style-type: none"> The Update Malaysian Code on Corporate Governance (MCCG)

III. REMUNERATION

Remuneration Policies

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

CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

III. REMUNERATION (CONT'D)

Remuneration Policies (cont'd)

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

The Board determines the remuneration package of the executive directors and senior management as recommended by the Remuneration Committee. No executive director or senior management participates in deciding his/her own remuneration.

The Remuneration Committee also reviews and recommends to the Board, the remunerations of the non-executive directors based on their level of responsibilities and commitment required. The directors' fees and benefits payable to non-executive directors as determined by the Board are subject to annual shareholders' approval at the AGM.

Remuneration of Directors

The remuneration of the directors for FY2021 was as follows:

Name	Fees	Allowance	Salaries & other emoluments	Bonus	Defined contribution plan	Benefits in-kind	Total
Non-Executive Director (in RM)							
Lai Fook Hoy	60,000	3,500	-	-	-	-	63,500
Lam Voon Kean	58,000	3,500	-	-	-	-	61,500
Dato' Seri Mokhtar Bin Mohd Jait	52,000	3,500	-	-	-	-	55,500
Tsai Chia Ling	40,000	3,000	-	-	-	-	43,000
Executive Director (in RM)							
Teh Kiak Seng	40,000	-	600,593	300,000	135,000	38,431	1,114,024
Teh Deng Wei	40,000	-	1,500,924	750,000	337,500	27,000	2,655,424
Teh Theng Theng	40,000	-	410,123	170,500	86,955	11,100	718,678
	330,000	13,500	2,511,640	1,220,500	559,455	76,531	4,711,626

Save as disclosed above, none of the directors provided services or received fees for services rendered to the Company or its subsidiaries in FY2021.

Remuneration of Senior Management

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION (CONT'D)

Remuneration of Senior Management (cont'd)

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

For FY2021, the aggregate sum of remunerations paid to the senior management team was approximately RM0.83 million.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

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

The Audit Committee reviews the accounting policies applied by the Group in financial statements, changes in these principles as well as the impact of adoption of new accounting standards through the external auditors. The Audit Committee also reviews the internal audit reports by the outsourced internal auditors.

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

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

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

External Auditors

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

During FY2021, the Audit Committee reviewed the scope and approach of the external audit, the reporting obligations, the audit procedures, deliverables and key dates for the year's audit before the external auditors commenced their audits of the Company and its subsidiaries.

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

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

The Audit Committee met with the external auditors twice without the presence of the executive directors and management of the Group in FY2021.

The Audit Committee is responsible to assess 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 and of the Company as well as the independence and objectivity of the external auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. AUDIT COMMITTEE (CONT'D)

External Auditors (cont'd)

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

BDO PLT had confirmed to the Audit Committee in writing that they complied with the ethical requirements regarding independence with respect to the audit of the Company and its subsidiaries for FY2021 in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conducts and Practice.

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management

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

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

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

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

This process had been in place for FY2021 and up to the date of issuance of the Statement on Risk Management and Internal Control.

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

Internal Audit Function

In FY2021, the Group had outsourced its internal audit function to an independent professional firm of consultants, Sterling Business Alignment Consulting Sdn. Bhd., a member of The Institute of Internal Auditors Malaysia (IIAM), to provide the Board with the assurance it required regarding the adequacy and integrity of the systems of internal control of the Group.

The internal auditors confirmed that there were no relationships or conflict of interest in the discharge of their responsibilities during FY2021 and they remained independent and had no direct operational responsibility or authority over any of the activities audited.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

Internal Audit Function (cont'd)

The internal auditors report directly to the Audit Committee.

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

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

I. COMMUNICATION WITH STAKEHOLDERS

Financial Reporting

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

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

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

In the preparation of the consolidated financial statements for FY2021, the Board in discharging its duties had taken the necessary steps to ensure all applicable accounting policies were applied consistently, and supported by reasonable and prudent judgement.

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

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

Stakeholders Communications

The Board 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 the investment community.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Stakeholders Communications (cont'd)

All pertinent information is disseminated or communicated to shareholders, stakeholders and the investment community through:

- Announcements and disclosures to Bursa Securities
- Annual Report of the Company
- Circulars to Shareholders
- Corporate briefings
- Company's website

SHAREHOLDERS ENGAGEMENT

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

CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

SHAREHOLDERS ENGAGEMENT (CONT'D)

Voting

- Company has leveraged technology to facilitate voting via Remote Participation and Voting (“RPV”) facilities at meeting of members.
- All the resolutions set out in the notice of meeting of members are put to vote by poll.
- The poll will be conducted by the Company’s Share Registrar and scrutinised by an independent scrutineer.
- Procedures for conducting the poll are explained to members during the meeting prior to the taking of the poll.
- Poll results are announced and posted on the Bursa Securities’ and the Company’s websites on the same day after the meeting.

II. CONDUCT OF GENERAL MEETINGS

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

The Board supports and encourages active shareholders’ participation at AGM and any other general meetings. In accordance with the Company’s Constitution, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his/her behalf in any general meeting. The proxy need not be a member of the Company.

All the resolutions set out in the notice of meeting will be put to vote by poll. During the meeting, the independent non-executive Chairman will invite shareholders to raise questions pertaining to the proposed resolution before putting the motion to vote by poll. Board members and senior management will be present to respond to any questions from the shareholders. The Company’s external auditors are also present to address issues relating to the audits and the auditors’ reports.

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

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

Annual General Meeting

The 13th AGM of the Company was held on 27 September 2021. The entire AGM proceedings were through live streaming and online participation using RPV facilities.

The Company regards meeting of members is a vital forum for interaction with shareholders. At the commencement of the 13th AGM, the Managing Director presented the Group’s performance and future plan to the shareholders and this had enabled them to share feedbacks and post questions relating to the Company’s prospects during the meeting.

Before the proposed resolutions of the 13th AGM were put to the vote by poll, Chairman invited shareholders to raise questions relating to the proposed resolutions which the Board and Senior Management were present to respond to any questions from the shareholders. The Company’s External Auditors were also present to address issues relating to the audits and the auditors’ reports.

Other than live questions or remarks posted during the AGM, shareholders also submitted their questions electronically before the 13th AGM via the online platform provided by the Company’s Share Registrar.

The Company’s responses to all the questions were made available on the Company’s website after the 13th AGM.

This statement was approved by the Board on 14 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Securities, the Board of Directors (“the Board”) of Tambun Indah Land Berhad (“the Company”) is pleased to provide the following statement on risk management and internal control of Tambun Indah Land Berhad and its subsidiaries (“the Group”) for the financial year ended 31 December 2021. This has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), Malaysian Code on Corporate Governance (“MCCG”) and “Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers”.

Responsibility for Risk Management and Internal Control

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

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

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

Risk Management

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

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

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

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

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

Risk Management (cont'd)

- The Risk Management Working Group reviews the Terms of Reference to ensure that it is operating at maximum effectiveness, recommending any changes it considers necessary to the Group.
- The Risk Management Working Group updates the Board on the Group's risk profile and reports any new significant risks once a year.
- The Group has implemented the Anti-Bribery Management System with the objective of compliance with subsection (4) of section 17A under the Malaysian Anti-Corruption Commission (MACC) Act 2009 that effective from 1 June 2020 onwards. The Group will continue to adopt the Guideline on Adequate Procedures (GAP) and comply with the listing requirements in relation to Anti-Corruption measures.
- Since the Movement Control Order ("MCO") was imposed by the Malaysian Government on 18 March 2020, the Group has been emphasizing the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in offices and development sites as stipulated by the relevant authorities. In addition, the Group has established a business continuity plan to minimize disruptions to the business and operations during the COVID-19 period.

Internal Audit Functions

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

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

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

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

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

For the financial year ended 31 December 2021, four (4) internal audit reviews had been carried out and reported by Sterling:

Audit Period	Reporting Month	Audited Areas
1 st Quarter (Jan 2021 – Mar 2021)	May 2021	<ul style="list-style-type: none"> Human Resources Administration
2 nd Quarter (Apr 2021 – Jun 2021)	Aug 2021	<ul style="list-style-type: none"> Project Management Control of Progress Claims (from Main Contractor)
3 rd Quarter (Jul 2021 – Sep 2021)	Nov 2021	<ul style="list-style-type: none"> Anti-Bribery Management System GAP Assessment
4 th Quarter (Oct 2021 – Dec 2021)	Feb 2022	<ul style="list-style-type: none"> Building Maintenance

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

Internal Audit Functions (cont'd)

For the financial year ended 31 December 2021, four (4) follow-up status reviews on previously reported audited findings had been carried out and reported by Sterling.

Other Key Elements of Internal Controls

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

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, appropriate segregation of duties and levels of delegated authority;
- A set of documented internal policies and procedures, which is subject to regular review and improvement by management;
- Budgets for the financial year are reviewed on a yearly basis and major variances if any, are followed up and remedial actions are taken where necessary;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Report by the Management to the Board on significant operational matters and other issues that affect the Group;
- Regular visits to operating units and/or project sites by Executive Deputy Chairman, Managing Director, Executive Director and Senior Management;
- The internal audit function carries out quarterly internal audit reviews to ascertain the adequacy of, and 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 2021.

Assurance from the Management

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

Review of Statement by the External Auditors

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

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

Conclusion

The Board remains committed to maintaining a sound system of internal control and risk management to achieve a balance between the Group's business objectives and operational efficiency. The Board is of the view that there were no material losses incurred during the financial year ended 31 December 2021 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 14 April 2022.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee as at 31 December 2021 consisted of:

Name	Designation	Directorate
Lam Voon Kean	Chairman	Independent Non-Executive
Lai Fook Hoy	Member	Independent Non-Executive
Dato' Seri Mokhtar Bin Mohd Jait	Member	Independent Non-Executive

MEETINGS AND ATTENDANCE

A total of 5 Audit Committee meetings were held during the financial year ended 31 December 2021 and the details of attendance were as follows:

Name	No. of Meetings Attended
Lam Voon Kean	5 / 5
Lai Fook Hoy	5 / 5
Dato' Seri Mokhtar Bin Mohd Jait	5 / 5

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

SUMMARY ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 31 December 2021 were summarised as follows:

- Reviewed the unaudited quarterly financial results before presentation to the Board for approval and for release to the authorities and public.
- Reviewed and approved the internal and external audit plans.
- Reviewed the draft audited financial statements before presentation to the Board for approval and for release to the authorities and public.
- Reviewed the related party transactions that arose within the Group.
- Reviewed and assessed the risk management activities of the Company and the Group.
- Reviewed and verified the allocation of options to eligible employees of the Group pursuant to the share option scheme.
- Reviewed the internal audit reports and the management action plan on recommendations noted in the reports.
- Reviewed the external audit findings with the External Auditors.
- Appraised the performance of the Internal Auditor and approve any appointment and termination of the Internal Auditor.
- Appraised the performance of the External Auditors and to consider the appointment and/or re-appointment of the External Auditor.
- Oversee the implementation adequacy and effectiveness of the Group's Anti-Bribery Management System.
- To approve non-audit services rendered by the External Auditors and its affiliate.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

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

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

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

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2021 was RM88,617.

The activities of the internal auditors during the financial year ended 31 December 2021 were summarised as follows:

- 1) Followed up reviews on the findings reported in the previous financial quarters.
- 2) Reviewed the Human Resources and Administration functions.
- 3) Reviewed the Project Management and Control of Progress Claims (from Main Contractor) functions.
- 4) Gap assessment on Anti-bribery Management System.
- 5) Reviewed the Building Maintenance function.

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 2020 and in the financial year ended 31 December 2021.

2. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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

3. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the external auditor or a firm or corporation affiliated to the auditor firm by the Company and the Group for the financial year ended 31 December 2021 were as follow:

	Group (RM)	Company (RM)
Fees paid or payable to the external auditor		
- Audit Fees	160,100	48,000
- Non-Audit Fees	13,800	4,000
Non-Audit fees paid or payable to an affiliated firm of the external auditor for tax compliance, tax advisory services and sustainability reporting review	124,150	47,450
Total	298,050	99,450

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

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during the financial year ended 31 December 2021.

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Employees' Share Option Scheme ("ESOS") of up to 5% of the issued and paid-up share capital of the Company came into effect on 5 June 2012 and was in force for an initial period of 5 years until 5 June 2017. The ESOS was then further extended for another 5 years until 4 June 2022.

The details of the ESOS are set out as follows:

	As at 31 December 2021	
Total number of options granted	19,612,900	
Total number of options vested	19,517,900	
Total number of options exercised	12,542,100	
Total number of options lapsed	853,500	
Total options outstanding	6,217,300	
	As at 31 December 2021	
Granted to Directors		
Total number of options granted	7,500,000	
Total number of options vested	7,500,000	
Total number of options exercised	5,100,000	
Total number of options lapsed	-	
Total options outstanding	2,400,000	
Granted to Directors & Senior Management	During the financial year ended 31 December 2021	Since commencement of the ESOS on 05 June 2012
Aggregate Maximum Allocation	-	50.0%
Actual Granted (% of the options under the scheme)	-	43.1%

No options were granted by the Company to the Directors during the financial year ended 31 December 2021. Further information is set out in Directors' Report.

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 2021, the Directors had:

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

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

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

This statement is made in accordance with the Board Resolution dated 14 April 2022.

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. Lot 24937, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Rumah Pangsa Mutiara Indah, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	1.86	8,970,781	04.05.2011
2. Lot 24938 to Lot 24941, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Low Cost Flat, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	8.93	10,718,464	04.05.2011
3. Lot 24539 to Lot 24717, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Ambay Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	6.72	9,424,225	04.05.2011
4. Lot 24718 to Lot 24926, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Saujana - Phase 3, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	7.05	7,628,878	04.05.2011
5. Lot 25297, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Palm Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.61	23,388,423	04.05.2011
6. Lot 25298, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Avenue Heights, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.38	2,371,786	04.05.2011
7. PT 3178, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Botanik, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	30.26	20,401,396	04.05.2011
8. PT 3030 to PT 3177, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Impiana, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	5.58	7,602,993	04.05.2011

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

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
DEVELOPMENT PROPERTIES						
9. Part of Lot 23201, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Development land approved for commercial development	N/A	8.56	8,376,108	04.05.2011
10. Lot 25701, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Begonia Villas, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	8.91	1,937,991	04.05.2011
11. Lot 25446 to Lot 25700, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Ambay Park, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	7.58	3,458,278	04.05.2011
12. Part of Lot 13, Part of Lot 25705, Lot 1383, Lot 25704, Part of Lot 25706 and Part of Lot 25703, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Development land approved for commercial development	N/A	35.12	19,616,349	04.05.2011
13. Lot 25291, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Aster Villa, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	19.48	26,541,675	04.05.2011
14. Lot 32865, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang. (Residensi Palma, Alma, Bukit Mertajam).	Freehold	Development land approved for residential development	N/A	4.75	1,847,273	02.06.2014
15. Lot 33146, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang. (Residensi Permai, Bukit Mertajam)	Freehold	Development land approved for residential development	N/A	5.17	3,710,108	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 (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
DEVELOPMENT PROPERTIES						
16. Lot 114 & Lot 1067, Mukim 15, Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	44.33	30,497,713	30.06.2010
17. Lot 23213, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	2.60	1,561,213	04.05.2011
18. Part of Lot 13, Lot 8936, Lot 10016, Lot 10017, Lot 10023, Lot 25702, Part of Lot 25706 & Part of Lot 25703 and Lot 25331 & Lot 25332, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	33.95	26,047,927	04.05.2011
19. Lot 10272, Mukim 10, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	0.41	701,180	03.11.2009
20. Lot 148, Seksyen 5, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	0.47	798,086	14.05.2012
21. Part of Lot 25705, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	0.16	125,782	07.05.2013
22. Lots 8764, 8768, 8775 & 11159, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang and PT 1427 & PT 1428, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Amenities Land, Bandar Tasek Mutiara)	Freehold	Land held for development	N/A	18.62	431,026	04.05.2011
23. Lot 1368, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	24.09	15,471,367	13.11.2013
24. Lot 21030, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	15.62	5,797,604	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 (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
DEVELOPMENT PROPERTIES						
25. Lots 4738 & 4741, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	20.88	13,403,626	21.10.2013
26. Lots 1428, 1433, 1445, 8748, 25292 & 25293, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	38.32	21,687,446	04.05.2011
27. Lot 21024, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	0.58	231,964	11.06.2014
28. Lots 159, 1429, 33147 to 33149, 32942, 32944, 32946 to 32953, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	14.38	29,153,097	21.05.2015
29. Lots 1058, 1060, 1066, 1295, 1309, 1373, 1375, 1376, 1378, 1442, 3407 to 3423, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang.	Freehold	Land held for development	N/A	209.53	138,298,910	25.04.2019

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

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area/ Building Area (Meter Square)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
INVESTMENT PROPERTIES						
1. No. 6 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang	Freehold	3-storey terrace shop office	23	153/ 459.12	950,000	31.12.2021
2. No. 1-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/147	290,000	31.12.2021
3. No. 1-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/125	245,000	31.12.2021
4. No. 7-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/145	300,000	31.12.2021
5. No. 7-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/120	250,000	31.12.2021
6. No. 7-06 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	6 levels of multi-storey 128 bays of covered car parks, and 1 new office lot	25	NA/6,171	3,900,000	31.12.2021

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						
7. No. 5099 Dahlia Park Jalan Kampung Benggali 12200 Butterworth Pulau Pinang	Freehold	Double storey terrace shop office	8	205/409.98	1,400,000	31.12.2021
8. Part of Lot 23201 & Part of Lot 23202, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for investment purpose	N/A	143,925/NA	32,564,404	04.05.2011
9. Lot 24317, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (International School, Bandar Tasek Mutiara).	Freehold	International School	7	32,255/19,508	51,000,000	31.12.2021
10. Part of Lot 23202, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Sports Complex, Bandar Tasek Mutiara).	Freehold	Sport Complex	3	14,447/7,311	13,700,000	31.12.2021
11. No. 10-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/143	295,000	31.12.2021
12. No. 10-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/169	350,000	31.12.2021
13. No. 10-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/131	270,000	31.12.2021

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						
14. No. 10-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/151	315,000	31.12.2021
15. No. 2-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/169	300,000	31.12.2021
16. 349-01-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/88	950,000	31.12.2021
17. 349-02-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/288	1,270,000	31.12.2021
18. 349-03-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/288	1,100,000	31.12.2021
19. 349-01-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/125	1,340,000	31.12.2021
20. 349-02-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	440,000	31.12.2021
21. 349-03-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	385,000	31.12.2021
22. 349-01-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/125	1,340,000	31.12.2021
23. 349-02-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	440,000	31.12.2021
24. 349-03-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	385,000	31.12.2021
25. 349-01-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/125	1,340,000	31.12.2021

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						
26. 349-02-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	440,000	31.12.2021
27. 349-03-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	385,000	31.12.2021
28. 349-01-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/125	1,340,000	31.12.2021
29. 349-02-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	440,000	31.12.2021
30. 349-03-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/105	385,000	31.12.2021
31. 349-01-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot, and 4 levels of multi-storey 102 bays of covered car parks	6	NA/1,376	3,740,000	31.12.2021
32. 349-02-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/217	960,000	31.12.2021
33. 349-03-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/217	830,000	31.12.2021
34. 349-01-10, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	6	NA/18	95,000	31.12.2021

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	25	NA/137	160,305	19.06.2013
2. No. 3-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/169	311,573	01.12.2018
3. No. 4-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/117	184,143	04.06.2014
4. No. 4-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/169	240,741	03.01.2020
5. No. 4-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/135	172,881	24.07.2012
6. No. 4-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	25	NA/126	125,000	22.12.2010
7. No. 12-01, 12-02 & 12A-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	3 penthouse office lots	25	NA/878	1,114,261	30.06.2010

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022

Total number of issued shares : 436,245,617
 Class of shares : Ordinary shares
 Voting right : One vote per ordinary share

Distribution of shareholders

Size of holdings	No. of shareholders	%	No. of shares	%
1 - 99	23	0.39	527	0.00
100 to 1,000	682	11.61	480,218	0.11
1,001 to 10,000	3,169	53.93	17,079,650	3.92
10,001 to 100,000	1,718	29.24	55,490,354	12.72
100,001 to 21,812,279 (*)	281	4.78	122,345,524	28.04
21,812,820 and above (**)	3	0.05	240,849,344	55.21
TOTAL	5,876	100.00	436,245,617	100.00

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

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

Substantial Shareholders	Direct	No. of issued shares		
		%	Deemed	%
Siram Permai Sdn. Bhd.	142,800,001	32.73	-	-
Amal Pintas Sdn. Bhd.	36,602,449	8.39	-	-
Teh Kiak Seng	61,446,894	14.09	142,800,001 ^(N1)	32.73
Tsai Yung Chuan	-	-	36,602,449 ^(N2)	8.39
Tsai Chang Hsiu-Hsiang	-	-	36,602,449 ^(N2)	8.39
Tsai Chia Ling	-	-	36,602,449 ^(N2)	8.39

Notes :

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

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

Directors	Direct	No. of issued shares		
		%	Deemed	%
Teh Kiak Seng	61,446,894	14.09	142,800,001 ^(N1)	32.73
Teh Theng Theng	1,860,965	0.43	-	-
Tsai Chia Ling	-	-	36,602,449 ^(N2)	8.39
Lai Fook Hoy	4,316,262	0.99	-	-
Lam Voon Kean	50,000	0.01	-	-

Notes :

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

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022 (CONT'D)

LIST OF TOP 30 HOLDERS AS AT 31 MARCH 2022

NO	NAME	HOLDINGS	%
1	SIRAM PERMAI SDN. BHD.	142,800,001	32.73%
2	TEH KIAK SENG	61,446,894	14.09%
3	AMAL PINTAS SDN. BHD.	36,602,449	8.39%
4	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI</i>	6,299,500	1.44%
5	POH CHEAN HUNG	6,201,658	1.42%
6	LAI FOOK HOY	4,316,262	0.99%
7	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)</i>	3,400,000	0.78%
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (PHEIM)</i>	3,359,000	0.77%
9	LIM KHUAN ENG	3,020,000	0.69%
10	UOB KAY HIAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS)</i>	2,983,200	0.68%
11	QUAH TEE PENG	2,824,200	0.65%
12	TEH CHING CHING	2,003,497	0.46%
13	TEH THENG THENG	1,860,965	0.43%
14	THZEW BEE CHOO	1,828,800	0.42%
15	FOO LEE FEI	1,550,000	0.36%
16	ZHENG TIANDONG	1,533,700	0.35%
17	CHUAH BENG KIAT	1,500,000	0.34%
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIEW JEW FOOK (E-PDG)</i>	1,382,900	0.32%
19	CHAN HOOI LING	1,342,800	0.31%
20	YEO KHEE HUAT	1,200,000	0.28%
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)</i>	1,180,000	0.27%
22	TEH PENG PENG	1,179,400	0.27%
23	SOW TIAP	1,050,000	0.24%
24	LEE JOO PING SDN BHD	1,044,800	0.24%
25	CHEE KHAY LEONG	1,010,000	0.23%
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI (7003683)</i>	1,000,000	0.23%
27	FOO KAM MEE	1,000,000	0.23%
28	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>LIM KOK KHONG (AA0039387)</i>	1,000,000	0.23%
29	YEO KHEE HUAT	1,000,000	0.23%
30	KENANGA NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MONEX BOOM SECURITIES (HK) LIMITED</i>	965,000	0.22%



**TAMBUN
INDAH**

恒大置地

Tambun Indah Land Berhad

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

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DIRECTORS' REPORT

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 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are set out in Note 8 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>60,755,839</u>	<u>9,479,032</u>
Attributable to:		
Owners of the parent	61,629,623	9,479,032
Non-controlling interests	<u>(873,784)</u>	<u>0</u>
	<u>60,755,839</u>	<u>9,479,032</u>

DIVIDENDS

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

	Company RM
In respect of financial year ended 31 December 2020:	
Final single tier dividend of 2.4 sen per ordinary share, paid on 23 December 2021	<u>10,464,255</u>

The Directors propose a single tier first and final dividend of 5.9 sen per ordinary share amounting to RM25,726,396 in respect of the financial year ended 31 December 2021, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from 434,492,017 to 436,040,617 by way of issuance of 1,548,600 new ordinary shares pursuant to 1,548,600 options exercised under the Employees' Share Options Scheme for cash.

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

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

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

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

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

Date of offer	Option price RM	Number of options over ordinary shares					Exercisable as at 31.12.2021
		Outstanding as at 1.1.2021	Movements during the financial year			Outstanding as at 31.12.2021	
			Granted	Exercised	Lapsed*		
15 November 2013	1.27	414,000	0	0	0	414,000	414,000
28 May 2014	1.75	163,000	0	0	0	163,000	163,000
17 December 2014	1.45	1,046,000	0	0	0	1,046,000	1,046,000
15 June 2015	1.51	258,000	0	0	0	258,000	258,000
1 December 2015	1.25	482,000	0	0	(6,000)	476,000	476,000
21 June 2016	1.25	70,000	0	0	0	70,000	70,000
16 December 2016	1.24	59,000	0	0	0	59,000	59,000
3 July 2017	1.30	125,000	0	0	0	125,000	125,000
18 December 2017	0.92	19,000	0	0	0	19,000	19,000
8 June 2018	0.69	107,000	0	0	0	107,000	107,000
26 February 2019	0.71	684,300	0	(41,500)	(1,500)	641,300	641,300
3 September 2019	0.69	581,000	0	(45,000)	0	536,000	536,000
26 February 2020	0.60	1,057,500	0	(366,000)	(3,000)	688,500	688,500
27 August 2020	0.47	2,625,600	0	(1,031,100)	0	1,594,500	1,564,500
25 February 2021	0.59	0	40,000	(40,000)	0	0	0
26 August 2021	0.62	0	45,000	(25,000)	0	20,000	20,000
		7,691,400	85,000	(1,548,600)	(10,500)	6,217,300	6,187,300

* Due to resignation

The Company has been granted exemption by the Companies Commission of Malaysia via its letter dated 20 January 2022 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 Part 1 of Fifth Schedule Paragraph 5 of the Companies Act 2016 in Malaysia except for information of employees who were granted 154,000 options and above.

There were no employees of the Company and of the subsidiaries who were granted 154,000 options and above under the ESOS during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

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

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

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

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

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.1.2021	Bought	Sold	Balance as at 31.12.2021
<u>Shares in the Company</u>				
Direct interests				
Teh Kiak Seng	48,109,294	12,557,500	0	60,666,794
Teh Theng Theng	1,860,965	0	0	1,860,965
Lai Fook Hoy	4,116,262	200,000	0	4,316,262
Lam Voon Kean	50,000	0	0	50,000
Indirect interests				
Teh Kiak Seng ^	142,800,001	0	0	142,800,001
Tsai Chia Ling **	36,602,449	0	0	36,602,449
Lam Voon Kean #	100,000	0	(100,000)	0

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

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

Deemed interested by virtue of shareholdings held by her son, Khoo Ta Kang

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CON'D)

	Number of options over ordinary shares			
	Balance as at 1.1.2021	Movement during the financial year		Balance as at 31.12.2021
		Granted	Exercised	
Share options in the Company				
Teh Deng Wei	1,500,000	0	0	1,500,000
Lam Voon Kean	300,000	0	0	300,000
Lai Fook Hoy	200,000	0	(200,000)	0
Tsai Chia Ling	300,000	0	0	300,000
Dato' Seri Mokhtar Bin Mohd Jait	300,000	0	0	300,000

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

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 25 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

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

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision have been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

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

(III) AS AT THE DATE OF THIS REPORT

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

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 34 to the financial statements.

AUDITORS

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

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2021 amounted to RM48,000 and RM112,100 respectively.

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

Teh Kiak Seng

Director

Penang

14 April 2022

Teh Deng Wei

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 90 to 160 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Teh Kiak Seng
Director

Teh Deng Wei
Director

Penang
14 April 2022

STATUTORY DECLARATION

I, Roselyn Tan Bee Tee (MIA 23344), being the officer primarily responsible for the financial management of Tambun Indah Land Berhad, do solemnly and sincerely declare that the financial statements set out on pages 90 to 160 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 14 April 2022

Roselyn Tan Bee Tee
General Manager, Head of Finance

Before me,

Commissioner for Oaths

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tambun Indah Land Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 90 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Revenue and cost of sales recognition for property development activities

Revenue from property development activities during the financial year as disclosed in Note 23 to the financial statements amounted to RM238,333,710. Cost of sales from property development activities for the financial year as disclosed in Note 24 to the financial statements amounted to RM147,840,767.

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

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

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

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

Audit response

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

- (a) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (b) Recomputed transaction prices based on historical profit margins of the Group, and compared these transaction prices allocated to profit margins of similar contracts subsequent to the end of reporting period;
- (c) Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (d) Inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (e) Compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls;
- (f) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs; and
- (g) Review the effects of COVID-19 on variable consideration that may be less likely to be achieved.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Other Matter

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

BDO PLT

LLP0018825-LCA & AF 0206
Chartered Accountants

Penang
14 April 2022

Lee Beng Tuan

03271/07/2022 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Group	NOTE	31.12.2021 RM	31.12.2020 RM (Restated)	1.1.2020 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	5	3,436,313	3,631,595	3,346,780
Right-of-use assets	6	268,932	482,421	622,728
Investment properties	7	123,734,404	125,844,911	125,574,051
Investment in an associate	9	340,411	341,023	340,117
Investment in a joint venture	10	27,346,871	28,065,040	27,815,441
Deferred tax assets	11	5,787,490	8,905,300	12,759,900
Inventories	12	281,399,771	283,297,847	284,144,564
		<u>442,314,192</u>	<u>450,568,137</u>	<u>454,603,581</u>
Current assets				
Inventories	12	114,532,839	154,589,350	154,445,596
Trade and other receivables	13	27,523,818	29,763,814	35,820,318
Contract assets	14	119,176,420	56,615,427	24,522,331
Current tax assets		2,724,625	2,369,036	2,536,907
Short term funds	15	27,913,408	40,307,159	62,057,956
Cash and bank balances	16	113,670,961	57,267,922	96,075,316
		<u>405,542,071</u>	<u>340,912,708</u>	<u>375,458,424</u>
TOTAL ASSETS		<u>847,856,263</u>	<u>791,480,845</u>	<u>830,062,005</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021 (CONT'D)

Group	NOTE	31.12.2021 RM	31.12.2020 RM (Restated)	1.1.2020 RM (Restated)
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	17	289,096,030	288,189,478	287,636,669
Reserves	18	416,611,064	365,541,752	352,305,546
		<u>705,707,094</u>	<u>653,731,230</u>	<u>639,942,215</u>
Non-controlling interests	8(d)	<u>(2,672,028)</u>	<u>(1,798,244)</u>	<u>487,572</u>
TOTAL EQUITY		<u>703,035,066</u>	<u>651,932,986</u>	<u>640,429,787</u>
LIABILITIES				
Non-current liabilities				
Borrowings	19	87,088,000	103,345,430	118,474,116
Lease liabilities	6	203,385	298,069	407,539
Deferred tax liabilities	11	1,048,000	630,530	517,656
		<u>88,339,385</u>	<u>104,274,029</u>	<u>119,399,311</u>
Current liabilities				
Trade and other payables	22	32,811,850	21,971,611	27,837,563
Borrowings	19	21,302,127	13,114,041	41,499,119
Lease liabilities	6	94,685	109,470	110,899
Current tax liabilities		2,273,150	78,708	785,326
		<u>56,481,812</u>	<u>35,273,830</u>	<u>70,232,907</u>
TOTAL LIABILITIES		<u>144,821,197</u>	<u>139,547,859</u>	<u>189,632,218</u>
TOTAL EQUITY AND LIABILITIES		<u>847,856,263</u>	<u>791,480,845</u>	<u>830,062,005</u>

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021 (CONT'D)

Company	NOTE	31.12.2021 RM	31.12.2020 RM
ASSETS			
Non-current assets			
Investments in subsidiaries	8	336,068,874	336,068,874
Investment in an associate	9	366,206	366,206
Trade and other receivables	13	12,320,000	1,958,700
		<u>348,755,080</u>	<u>338,393,780</u>
Current assets			
Trade and other receivables	13	8,844,249	14,365,799
Current tax assets		30,100	0
Short term funds	15	13,009,995	20,181,302
Cash and bank balances	16	12,969,499	5,969,219
		<u>34,853,843</u>	<u>40,516,320</u>
TOTAL ASSETS		<u>383,608,923</u>	<u>378,910,100</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	288,628,451	287,721,899
Reserves	18	89,951,872	91,033,151
TOTAL EQUITY		<u>378,580,323</u>	<u>378,755,050</u>
LIABILITIES			
Current liabilities			
Trade and other payables	22	28,600	97,450
Borrowings	19	5,000,000	0
Current tax liabilities		0	57,600
		<u>5,028,600</u>	<u>155,050</u>
TOTAL LIABILITIES		<u>5,028,600</u>	<u>155,050</u>
TOTAL EQUITY AND LIABILITIES		<u>383,608,923</u>	<u>378,910,100</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	NOTE	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Revenue	23	255,878,728	132,160,412	9,553,600	6,053,600
Cost of sales	24	(156,500,867)	(78,312,523)	0	0
Gross profit		99,377,861	53,847,889	9,553,600	6,053,600
Other income					
- Interest income		1,269,280	2,554,668	969,816	2,304,829
- Other income		3,823,237	407,626	0	0
Selling and distribution expenses		(4,718,776)	(4,840,618)	0	0
Administrative expenses		(15,205,742)	(13,286,891)	(903,371)	(901,828)
Reversal of impairment loss/(impairment loss) on trade receivables	13(d)	57,300	(43,927)	0	0
Finance costs		(3,537,224)	(4,552,624)	(14,974)	(27,968)
Share of (loss)/profit of an associate, net of tax	9(e)	(612)	906	0	0
Share of profit of a joint venture, net of tax	10(e)	281,831	249,599	0	0
Profit before tax		81,347,155	34,336,628	9,605,071	7,428,633
Tax expense	26	(20,591,316)	(10,077,891)	(126,039)	(334,643)
Profit for the financial year		60,755,839	24,258,737	9,479,032	7,093,990
Total other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		<u>60,755,839</u>	<u>24,258,737</u>	<u>9,479,032</u>	<u>7,093,990</u>
Profit for the financial year and total comprehensive income attributable to:					
Owners of the parent		61,629,623	25,595,053	9,479,032	7,093,990
Non-controlling interests	8(d)	(873,784)	(1,336,316)	0	0
		<u>60,755,839</u>	<u>24,258,737</u>	<u>9,479,032</u>	<u>7,093,990</u>

Earnings per ordinary share attributable to owners of the parent:

Basic (Sen)	27(a)	<u>14.17</u>	<u>5.90</u>
Diluted (Sen)	27(b)	<u>14.15</u>	<u>5.90</u>

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	NOTE	Share capital RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2020, as previously reported		287,636,669	998,599	351,134,211	639,769,479	487,572	640,257,051
Effect of adoption of Agenda Decision	35.2	0	0	172,736	172,736	0	172,736
Balance as at 1 January 2020, as restated		287,636,669	998,599	351,306,947	639,942,215	487,572	640,429,787
Profit for the financial year		0	0	25,595,053	25,595,053	(1,336,316)	24,258,737
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	25,595,053	25,595,053	(1,336,316)	24,258,737
Transactions with owners							
Issuance of ordinary shares pursuant to ESOS	17	552,809	(58,031)	0	494,778	0	494,778
Capital reduction		0	0	0	0	(199,500)	(199,500)
Dividend	28	0	0	(12,596,527)	(12,596,527)	0	(12,596,527)
Dividends paid to non-controlling interests of subsidiaries	8(e)	0	0	0	0	(750,000)	(750,000)
Share options granted under ESOS		0	295,711	0	295,711	0	295,711
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(20,495)	20,495	0	0	0
Total transactions with owners		552,809	217,185	(12,576,032)	(11,806,038)	(949,500)	(12,755,538)
Balance as at 31 December 2020		288,189,478	1,215,784	364,325,968	653,731,230	(1,798,244)	651,932,986

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Group	NOTE	Share capital RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2021		288,189,478	1,215,784	364,325,968	653,731,230	(1,798,244)	651,932,986
Profit for the financial year		0	0	61,629,623	61,629,623	(873,784)	60,755,839
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	61,629,623	61,629,623	(873,784)	60,755,839
Transactions with owners							
Issuance of ordinary shares pursuant to ESOS	17	906,552	(102,721)	0	803,831	0	803,831
Dividend	28	0	0	(10,464,255)	(10,464,255)	0	(10,464,255)
Share options granted under ESOS		0	6,665	0	6,665	0	6,665
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(1,970)	1,970	0	0	0
Total transactions with owners		906,552	(98,026)	(10,462,285)	(9,653,759)	0	(9,653,759)
Balance as at 31 December 2021		289,096,030	1,117,758	415,493,306	705,707,094	(2,672,028)	703,035,066

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Company	NOTE	Share capital RM	Share options reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2020		287,169,090	998,599	95,299,409	383,467,098
Profit for the financial year		0	0	7,093,990	7,093,990
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	7,093,990	7,093,990
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	17	552,809	(58,031)	0	494,778
Dividend	28	0	0	(12,596,527)	(12,596,527)
Share options granted under ESOS		0	295,711	0	295,711
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(20,495)	20,495	0
Total transactions with owners		552,809	217,185	(12,576,032)	(11,806,038)
Balance at 31 December 2020		287,721,899	1,215,784	89,817,367	378,755,050
Balance at 1 January 2021		287,721,899	1,215,784	89,817,367	378,755,050
Profit for the financial year		0	0	9,479,032	9,479,032
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	9,479,032	9,479,032
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	17	906,552	(102,721)	0	803,831
Dividend	28	0	0	(10,464,255)	(10,464,255)
Share options granted under ESOS		0	6,665	0	6,665
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(1,970)	1,970	0
Total transactions with owners		906,552	(98,026)	(10,462,285)	(9,653,759)
Balance at 31 December 2021		288,628,451	1,117,758	88,834,114	378,580,323

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	NOTE	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		81,347,155	34,336,628	9,605,071	7,428,633
Adjustments for:					
Depreciation of property, plant and equipment	5	418,505	425,708	0	0
Depreciation of right-of-use assets	6	120,605	140,307	0	0
Dividend income		0	0	(9,553,600)	(6,053,600)
Loss on disposal of property, plant and equipment		0	2,389	0	0
Reversal of impairment loss on trade receivables	13(d)	(57,300)	0	0	0
Impairment loss on trade receivables	13(d)	0	43,927	0	0
Bad debt written off		2,000	0	0	0
Interest income		(1,269,280)	(2,554,668)	(969,816)	(2,304,829)
Interest expense		3,537,224	4,552,624	14,974	27,968
Net loss/(gain) from fair value adjustments on investment properties	7	2,000,000	(115,000)	0	0
Property, plant and equipment written off		1,402	10,996	0	0
Share of profit of a joint venture, net of tax	10(e)	(281,831)	(249,599)	0	0
Share of loss/(profit) of an associate, net of tax	9(e)	612	(906)	0	0
Share options granted under ESOS		6,665	295,711	6,665	295,711
Operating profit/(loss) before changes in working capital		85,825,757	36,888,117	(896,706)	(606,117)
Changes in working capital:					
Inventories		41,949,251	702,963	0	0
Trade and other receivables		2,295,296	6,012,577	(4,839,750)	39,002,911
Contract assets		(62,560,993)	(32,093,096)	0	0
Trade and other payables		10,840,239	(1,531,396)	(68,850)	63,450
Cash generated from/(used in) operations		78,349,550	9,979,165	(5,805,306)	38,460,244
Interest received		1,269,280	2,554,668	969,816	2,304,829
Tax paid		(15,223,883)	(7,452,762)	(213,739)	(289,443)
Tax refunded		6,700	803,598	0	0
Net cash from/(used in) operating activities		64,401,647	5,884,669	(5,049,229)	40,475,630

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

		Group		Company	
	NOTE	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend income from:					
- an associate		0	0	0	0
- subsidiaries		0	0	9,553,600	6,053,600
Redemption of RPS in a joint venture	10(f)	1,000,000	0	0	0
Acquisition of RPS in a subsidiary	8(h)	0	0	0	(56,000,000)
Proceeds received from capital reduction	8(g)	0	0	0	3,800,002
Payment of capital reduction on non-controlling interest of subsidiary company		0	(199,500)	0	0
Proceeds from disposal of property, plant and equipment		0	1,051	0	0
Proceeds from disposal of investment properties	7	285,000	0	0	0
Purchase of investment properties	7	(169,157)	(155,860)	0	0
Purchase of property, plant and equipment	5	(131,741)	(724,959)	0	0
Net changes in deposits pledged with licensed banks		(41,251)	(55,436)	0	0
Net cash from/(used in) investing activities		942,851	(1,134,704)	9,553,600	(46,146,398)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(10,464,255)	(16,931,083)	(10,464,255)	(16,931,083)
Dividends paid to non-controlling interests of subsidiaries	8(e)	0	(750,000)	0	0
Drawdowns of bank borrowings		30,000,000	0	5,000,000	0
Interest paid		(3,520,443)	(4,530,779)	(14,974)	(27,968)
Proceeds from the issuance of shares pursuant to ESOS		803,831	494,778	803,831	494,778
Repayments of bank borrowings		(38,069,344)	(43,513,764)	0	(25,000,000)
Repayments of lease liabilities		(126,250)	(132,744)	0	0
Net cash used in financing activities		(21,376,461)	(65,363,592)	(4,675,398)	(41,464,273)
Net increase/(decrease) in cash and cash equivalents		43,968,037	(60,613,627)	(171,027)	(47,135,041)
Cash and cash equivalents at beginning of the financial year		94,853,967	155,467,594	26,150,521	73,285,562
Cash and cash equivalents at end of the financial year	16(d)	138,822,004	94,853,967	25,979,494	26,150,521

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6)		Borrowings (Note 19)	
	Group RM	Company RM	Group RM	Company RM
At 1 January 2020	518,438	0	159,973,235	25,000,000
Cash flows	(132,744)	0	(43,513,764)	(25,000,000)
Non-cash flows:				
Unwinding of interest	21,845	0	0	0
At 31 December 2020	<u>407,539</u>	<u>0</u>	<u>116,459,471</u>	<u>0</u>
At 1 January 2021	407,539	0	116,459,471	0
Cash flows	(126,250)	0	(8,069,344)	5,000,000
Non-cash flows:				
Unwinding of interest	16,781	0	0	0
At 31 December 2021	<u>298,070</u>	<u>0</u>	<u>108,390,127</u>	<u>5,000,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2021 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 14 April 2022.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are set out in Note 8 to the financial statements.

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

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of IFRS Interpretations Committee ('IFRIC')'s Agenda Decision on IAS 23 Borrowing Costs ("Agenda Decision") during the financial year. Comparative figures for the financial year ended 31 December 2019 and 31 December 2020 have been restated to give effects to these changes as disclosed in Note 35.2 to the financial statements. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 35.1 to the financial statements.

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

4. OPERATING SEGMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

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

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

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

(a) Business segments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

	Investment holding RM	Property development and management RM	Other operations RM	Group RM
2020				
Revenue:				
Total revenue	11,525,103	129,054,586	0	140,579,689
Inter-segment revenue	(7,274,696)	(1,144,581)	0	(8,419,277)
Revenue from external customers	4,250,407	127,910,005	0	132,160,412
Interest income	843,808	1,654,655	56,205	2,554,668
Finance costs	(30,328)	(4,522,296)	0	(4,552,624)
Net finance income/(expense)	813,480	(2,867,641)	56,205	(1,997,956)
Depreciation of property, plant and equipment	(96,223)	(329,485)	0	(425,708)
Depreciation of right-of-use assets	0	(140,307)	0	(140,307)
Segment profit before income tax	4,223,103	30,259,872	43,827	34,526,802
Share of profit of an associate, net of tax	0	906	0	906
Share of profit of a joint venture, net of tax	249,599	0	0	249,599
Tax expense	(586,262)	(9,484,463)	(7,166)	(10,077,891)
Other non-cash items:				
- net gain from fair value adjustments on investment properties	115,000	0	0	115,000
- net loss on disposal of property, plant and equipment	0	(2,389)	0	(2,389)
- property, plant and equipment written off	0	(10,996)	0	(10,996)
Investment in an associate	0	341,023	0	341,023
Investment in a joint venture	0	28,065,040	0	28,065,040
Additions to non-current assets other than financial instruments and tax assets	415,860	790,141	0	1,206,001
Segment assets	405,207,419	738,257,970	2,751,648	1,146,217,037
Segment liabilities	182,623	167,967,658	3,400	168,153,681

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

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

Revenue

	2021 RM	2020 RM (Restated)
Total revenue for reportable segments	280,841,099	140,579,689
Elimination of inter-segmental revenues	(24,962,371)	(8,419,277)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	<u>255,878,728</u>	<u>132,160,412</u>

Profit for the financial year

Total profit for reportable segments	81,530,560	34,526,802
Unallocated amounts:		
- corporate expenses	(183,405)	(190,174)
Profit before tax	<u>81,347,155</u>	<u>34,336,628</u>
Tax expense	(20,591,316)	(10,077,891)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	<u>60,755,839</u>	<u>24,258,737</u>

Assets

	2021 RM	2020 RM (Restated)
Total assets for reportable segments	1,204,838,016	1,146,217,037
Elimination of investments in subsidiaries	(336,695,468)	(336,695,468)
Elimination of inter-segment balances	(28,798,400)	(29,315,060)
	<u>839,344,148</u>	<u>780,206,509</u>
Deferred tax assets	5,787,490	8,905,300
Current tax assets	<u>2,724,625</u>	<u>2,369,036</u>
Group's assets per consolidated statement of financial position	<u>847,856,263</u>	<u>791,480,845</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

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

Liabilities

	2021 RM	2020 RM (Restated)
Total liabilities for reportable segments	170,298,447	168,153,681
Elimination of inter-segment balances	(28,798,400)	(29,315,060)
	<u>141,500,047</u>	<u>138,838,621</u>
Deferred tax liabilities	1,048,000	630,530
Current tax liabilities	2,273,150	78,708
Group's liabilities per consolidated statement of financial position	<u>144,821,197</u>	<u>139,547,859</u>

Geographical segments

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

5. 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 2021	3,032,966	790,817	1,225,874	2,228,044	466,014	17,530	56,877	7,819,122
Additions	0	40,196	86,845	4,700	0	0	0	131,741
Transfer from right-of-use assets *								
(Note 6)	0	0	0	206,410	0	0	0	206,410
Written off	0	0	(6,869)	0	0	0	0	(6,869)
Balance as at 31 December 2021	3,032,966	831,013	1,305,850	2,439,154	466,014	17,530	56,877	8,149,404
Accumulated depreciation								
Balance as at 1 January 2021	631,706	742,069	741,948	1,807,499	245,775	17,530	0	4,186,527
Current charge	92,356	25,495	120,725	146,766	33,163	0	0	418,505
Transfer from right-of-use assets *								
(Note 6)	0	0	0	113,526	0	0	0	113,526
Written off	0	0	(5,467)	0	0	0	0	(5,467)
Balance as at 31 December 2021	724,062	767,564	857,206	2,067,791	278,938	17,530	0	4,713,091
Carrying amount								
Balance as at 31 December 2021	2,308,904	63,449	448,644	371,363	187,076	0	56,877	3,436,313

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

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 2020	2,772,966	780,160	1,503,146	1,921,260	365,955	17,530	66,877	7,427,894
Additions	260,000	13,754	44,362	306,784	100,059	0	0	724,959
Disposal	0	0	(236,021)	0	0	0	0	(236,021)
Written off	0	(3,097)	(85,613)	0	0	0	(10,000)	(98,710)
Balance as at 31 December 2020	3,032,966	790,817	1,225,874	2,228,044	466,014	17,530	56,877	7,818,122
Accumulated depreciation								
Balance as at 1 January 2020	539,350	708,101	944,961	1,671,993	199,179	17,530	0	4,081,114
Current charge	92,356	37,064	114,186	135,506	46,596	0	0	425,708
Disposal	0	0	(232,581)	0	0	0	0	(232,581)
Written off	0	(3,096)	(84,618)	0	0	0	0	(87,714)
Balance as at 31 December 2020	631,706	742,069	741,948	1,807,499	245,775	17,530	0	4,186,527
Carrying amount								
Balance as at 31 December 2020	2,401,260	48,748	483,926	420,545	220,239	0	56,877	3,631,595

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

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

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

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

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

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

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

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

- (c) The buildings with carrying amount of RM2,068,164 (2020: RM2,150,890) have been charged to banks for credit facilities granted to the Group (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group

Right-of-use assets

	Office lots RM	Motor vehicle RM	Total RM
2021			
At cost			
Balance as at 1 January 2021	556,625	206,410	763,035
Transfer to property, plant and equipment * (Note 5)	0	(206,410)	(206,410)
Balance as at 31 December 2021	556,625	0	556,625
Accumulated depreciation			
Balance as at 1 January 2021	198,050	82,564	280,614
Current charge	89,643	30,962	120,605
Transfer to property, plant and equipment * (Note 5)	0	(113,526)	(113,526)
Balance as at 31 December 2021	287,693	0	287,693
Carrying amount			
Balance as at 31 December 2021	268,932	0	268,932
2020			
At cost			
Balance as at 1 January 2020/31 December 2020	556,625	206,410	763,035
Accumulated depreciation			
Balance as at 1 January 2020	99,025	41,282	140,307
Current charge	99,025	41,282	140,307
Balance as at 31 December 2020	198,050	82,564	280,614
Carrying amount			
Balance as at 31 December 2020	358,575	123,846	482,421

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

Group

Lease liabilities

	Office lots RM	Motor vehicle RM	Total RM
2021			
Carrying amount			
Balance as at 1 January 2021	388,371	19,168	407,539
Lease payments	(106,800)	(19,450)	(126,250)
Interest expense	16,499	282	16,781
Balance as at 31 December 2021	<u>298,070</u>	<u>0</u>	<u>298,070</u>

2020

Carrying amount

Balance as at 1 January 2020	474,492	43,946	518,438
Lease payments	(106,800)	(25,944)	(132,744)
Interest expense	20,679	1,166	21,845
Balance as at 31 December 2020	<u>388,371</u>	<u>19,168</u>	<u>407,539</u>

Represented by:

	2021 RM	2020 RM
Current liabilities	94,685	109,470
Non-current liabilities	<u>203,385</u>	<u>298,069</u>
	<u>298,070</u>	<u>407,539</u>
Lease liabilities owing to financial institutions	0	19,168
Lease liabilities owing to non-financial institutions	<u>298,070</u>	<u>388,371</u>
	<u>298,070</u>	<u>407,539</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

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

Office lots	5 - 6 years
Motor vehicle	5 years

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

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

	Group	
	2021	2020
	RM	RM
Depreciation charge of right-of-use assets (included in cost of sales)	120,605	140,307
Interest expense on lease liabilities (included in finance costs)	16,781	21,845
Expense relating to lease of low-value assets (included in administrative expenses)	14,316	15,730
	<u>151,702</u>	<u>177,882</u>

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

	Group	
	2021	2020
	RM	RM
Included in net cash from operating activities:		
Payment relating to low-value assets	14,316	15,730
Included in net cash used in financing activities:		
Repayment of lease liabilities	<u>126,250</u>	<u>132,744</u>
Total cash outflows for leases	<u>140,566</u>	<u>148,474</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

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

Group	Weighted average incremental borrowing rate per annum (%)	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to five (5) years RM	Total RM
31 December 2021					
Lease liabilities					
Floating rates	4.75	94,685	99,282	104,103	298,070
31 December 2020					
Lease liabilities					
Floating rates	4.75	90,302	94,684	203,385	388,371
	Effective interest rate (%)	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to five (5) years RM	Total RM
31 December 2021					
Lease liabilities					
Fixed rate	1.88	0	0	0	0
31 December 2020					
Lease liabilities					
Fixed rate	1.88	19,168	0	0	19,168

Sensitivity analysis for fixed rate lease liabilities at the end of the reporting period is not presented as fixed rate lease liabilities are not affected by change in interest rates.

A sensitivity analysis has been performed based on the outstanding floating rate lease liabilities of the Group as at 31 December 2021. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's profit after tax would increase or decrease by RM1,577 (2020: RM1,924), as a result of higher or lower interest expense on these lease liabilities.

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

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
31 December 2021			
Lease liabilities	106,800	213,600	320,400
31 December 2020			
Lease liabilities	126,250	320,400	446,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

The Group as lessor

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

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

	2021 RM	2020 RM
Less than one (1) year	1,600,000	3,527,872
One (1) to two (2) years	1,600,000	3,527,872
Two (2) to three (3) years	1,600,000	3,548,139
Three (3) to four (4) years	1,600,000	3,609,344
Four (4) to five (5) years	1,900,000	3,671,773
More than five (5) years	59,588,481	86,904,531
	<u>67,888,481</u>	<u>104,789,531</u>

7. INVESTMENT PROPERTIES

	Group	
	2021 RM	2020 RM
Fair value		
Freehold land and buildings		
Balance as at 1 January	93,455,000	93,340,000
Disposal	(285,000)	0
(Loss)/Gain on fair value adjustment	(2,000,000)	115,000
Balance as at 31 December	<u>91,170,000</u>	<u>93,455,000</u>
At cost		
Construction-in-progress		
Balance as at 1 January	32,389,911	32,234,051
Additions	169,157	155,860
Transfer from land held for property development (Note 12(a))	5,336	0
Balance as at 31 December	<u>32,564,404</u>	<u>32,389,911</u>
Total investment properties	<u>123,734,404</u>	<u>125,844,911</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

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

The carrying amounts of the investment properties were based on valuation carried out by Henry Butcher Malaysia (Seberang Perai) Sdn. Bhd. and PA International Property Consultants (Penang) Sdn. Bhd. on 31 December 2021. Fair value is determined primarily based on comparison approach. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use.

Comparison method/Depreciated replacement cost method

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

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

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

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

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

	Group	
	2021	2020
	RM	RM
Level 3		
Freehold land and buildings	91,170,000	93,455,000

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

- (e) Investment properties with a carrying amount of RM55,665,000 (2020: RM57,950,000) have been charged to bank for credit facilities granted to the Group (Note 20 and Note 21).
- (f) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group	
	2021	2020
	RM	RM
Insurance	59,688	73,389
Quit rent and assessment	197,302	214,586
Repair and maintenance	98,882	15,409

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
At cost		
Unquoted ordinary shares	166,066,516	166,066,516
Redeemable preference shares ('RPS')	190,000,000	190,000,000
Less: Impairment losses	(19,997,642)	(19,997,642)
	<u>336,068,874</u>	<u>336,068,874</u>

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

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

- (b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2021	2020	
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2021	2020	
Epiland Properties Sdn. Bhd.	Malaysia	100%	100%	Property management
Hong Hong Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Intanasia Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Jasnia Sdn. Bhd.	Malaysia	100%	100%	Property development
Juru Heights Sdn. Bhd.	Malaysia	100%	100%	Property development
Langstone Sdn. Bhd.	Malaysia	100%	100%	Investment holding and operation of car park
Mustiara Sdn. Bhd.	Malaysia	70%	70%	Property development
Palmington Sdn. Bhd.	Malaysia	100%	100%	Property development and investment holding
Perquest Sdn. Bhd.	Malaysia	100%	100%	Property development
Premcourt Development Sdn. Bhd.	Malaysia	100%	100%	Property development and investment holding
Pridaman Sdn. Bhd.	Malaysia	100%	100%	Property development
Tokoh Edaran Sdn. Bhd.	Malaysia	100%	100%	Construction management
Tambun Indah Sdn. Bhd.	Malaysia	100%	100%	Property development
Tambun Indah Development Sdn. Bhd.	Malaysia	100%	100%	Property development
TID Development Sdn. Bhd.	Malaysia	100%	100%	Property development
TKS Land Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Zipac Development Sdn. Bhd.	Malaysia	100%	100%	Property development

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2021	2020	
<i>Held through TKS Land Sdn. Bhd.:</i>				
Ascention Sdn. Bhd.	Malaysia	50%	50%	Property development
CBD Land Sdn. Bhd.	Malaysia	50%	50%	Property development
<i>Held through Palmington Sdn. Bhd.:</i>				
Novinia Sdn. Bhd.	Malaysia	100%	100%	Dormant

All subsidiaries above are audited by BDO PLT, Malaysia.

(c) The Group considers that it controls Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. even though it owns fifty percent (50%) of the voting rights. This is because the Group is the single largest shareholder of Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. with a fifty percent (50%) equity interests. The remaining fifty percent (50%) of the equity shares in Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. are held by few shareholders, (as recorded in the shareholders' register of CBD Land Sdn. Bhd. from 10 May 2010 to 31 December 2021, and Ascention Sdn. Bhd. from 29 December 2011 to 31 December 2021). Since 10 May 2010 and 29 December 2011, which were the dates of acquisitions of Ascention Sdn. Bhd. and CBD Land Sdn. Bhd., there is no history of the other few shareholders collaborating to exercise their votes collectively or to outvote the Group.

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

	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Mustiara Sdn. Bhd.	Total
2021				
NCI percentage of ownership interest and voting interest	50%	50%	30%	
Carrying amount of NCI (RM)	54,724	396,697	(3,123,449)	(2,672,028)
(Loss)/Profit allocated to NCI (RM)	(5,001)	1,422	(870,205)	(873,784)
2020				
NCI percentage of ownership interest and voting interest	50%	50%	30%	
Carrying amount of NCI (RM)	59,725	395,275	(2,253,244)	(1,798,244)
Profit/(Loss) allocated to NCI (RM)	3,308	3,947	(1,343,571)	(1,336,316)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Mustiara Sdn. Bhd.
2021			
Assets and liabilities			
Non-current asset	0	0	138,298,910
Current assets	111,147	795,593	2,317,592
Non-current liabilities	0	0	(72,640,000)
Current liabilities	(1,700)	(2,199)	(22,388,000)
Net assets	109,447	793,394	45,588,502
Less: Redeemable preference shares held by the Company	0	0	(56,000,000)
	<u>109,447</u>	<u>793,394</u>	<u>(10,411,498)</u>
Results			
Revenue	0	0	0
(Loss)/Profit for the financial year	(10,002)	2,844	(2,900,683)
Total comprehensive (loss)/income	<u>(10,002)</u>	<u>2,844</u>	<u>(2,900,683)</u>
Cash flows (used in)/from operating activities	(7,787)	3,213	8,367,605
Cash flows used in investing activities	0	0	(34,326)
Cash flows used in financing activities	0	0	(8,339,499)
Net (decrease)/increase in cash and cash equivalents	<u>(7,787)</u>	<u>3,213</u>	<u>(6,220)</u>
2020			
Assets and liabilities			
Non-current asset	0	0	138,251,931
Current assets	121,149	792,382	2,289,104
Non-current liabilities	0	0	(85,600,000)
Current liabilities	(1,700)	(1,832)	(6,451,850)
Net assets	119,449	790,550	48,489,185
Less: Redeemable preference shares held by the Company	0	0	(56,000,000)
	<u>119,449</u>	<u>790,550</u>	<u>(7,510,815)</u>
Results			
Revenue	0	0	0
Profit/(Loss) for the financial year/period	6,616	7,894	(4,478,571)
Total comprehensive income/(loss)	<u>6,616</u>	<u>7,894</u>	<u>(4,478,571)</u>
Cash flows from operating activities	4,987	8,021	4,521,615
Cash flows used in investing activities	0	0	(45,969)
Cash flows used in financing activities	(1,899,000)	0	(4,520,395)
Net (decrease)/increase in cash and cash equivalents	<u>(1,894,013)</u>	<u>8,021</u>	<u>(44,749)</u>
Dividend paid to NCI	<u>(750,000)</u>	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (f) On 10 November 2021, TKS Land Sdn Bhd, a wholly owned subsidiary of Tambun Indah Land Berhad had resolved by way of a special resolution together with the remaining shareholders of Ascension Sdn Bhd, at an Extraordinary General Meeting held on the even date, that Ascension Sdn Bhd be wound up voluntarily pursuant to Section 439 (1) (b) of the Companies Act 2016.
- (g) In previous financial year, a subsidiary of the Company, TKS Land Sdn. Bhd., completed a capital reduction exercise pursuant to Section 117(1) of the Companies Act 2016 in Malaysia to reduce the issued and paid up ordinary shares in the share capital of the Company via the cancellation of the issued and paid up share capital of RM3,800,002.
- (h) Acquisition of RPS

In previous financial year, the Company acquired RPS amounting to RM56,000,000 in respect of Mustiara Sdn. Bhd..

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021	2020	2021	2020
	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	(490,668)	(490,056)	0	0
Less: Impairment losses	0	0	(464,873)	(464,873)
	<u>340,411</u>	<u>341,023</u>	<u>366,206</u>	<u>366,206</u>

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2021	2020	
Ikhtiar Bitara Sdn. Bhd. #	Malaysia	45%	45%	Property development

Associate not audited by BDO PLT, Malaysia

The financial statements of the above associate has a financial year end of 31 October. In applying the equity method of accounting, the audited financial statements of Ikhtiar Bitara Sdn. Bhd. for the financial year ended 31 October 2021 have been used and appropriate adjustments have been made for the effects of transactions between 31 October 2021 to 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

(c) Significant influence

Significant influence is presumed to exist when the Group hold twenty percent (20%) or more of the voting rights of another entity, unless it can be clearly demonstrated otherwise. The Group has board representation and holds a 45% (2020: 45%) equity interest in Ikthiar Bitara Sdn. Bhd. for which the Group has determined that it has significant influence.

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

	2021 RM	2020 RM
Assets and liabilities		
Current assets	839,163	839,679
Current liabilities	(2,644)	(1,800)
Net assets	<u>836,519</u>	<u>837,879</u>
Results		
Revenue	0	0
(Loss)/Profit for the financial year	(1,360)	2,014
Total comprehensive (loss)/income	<u>(1,360)</u>	<u>2,014</u>
Cash flows from operating activities	328	2,578
Cash flows from investing activity	0	0
Cash flows from financing activity	0	0
Net increase in cash and cash equivalents	<u>328</u>	<u>2,578</u>

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

	2021 RM	2020 RM
As at 31 December		
Share of net assets of the Group	(390,042)	(389,430)
Goodwill	730,453	730,453
Carrying amount in the statement of financial position	<u>340,411</u>	<u>341,023</u>
Share of results of the Group for the financial year ended 31 December		
Share of (loss)/profit of the Group	(612)	906
Share of other comprehensive income of the Group	0	0
Share of total comprehensive (loss)/income of the Group	<u>(612)</u>	<u>906</u>
Other information		
Dividend received	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

10. INVESTMENT IN A JOINT VENTURE

	Group	
	2021	2020
	RM	RM
Unquoted equity shares, at cost	1	1
Redeemable preference shares	21,500,000	22,500,000
Share of post acquisition reserves, net of dividend received	5,846,870	5,565,039
	<u>27,346,871</u>	<u>28,065,040</u>

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2021	2020	
TNC Capital Sdn. Bhd.	Malaysia	50%	50%	Building and leasing of properties

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

- (c) Classification of joint arrangement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

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

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

	2021 RM	2020 RM
Assets and liabilities		
Non-current assets	53,304,073	53,304,075
Current assets	2,131,141	3,556,005
Current liabilities	(741,472)	(730,000)
Net assets	<u>54,693,742</u>	<u>56,130,080</u>
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in a joint venture	<u>27,346,871</u>	<u>28,065,040</u>
Results		
Revenue	1,105,052	781,234
Other income	30,050	22,137
Expenses including taxation	(571,440)	(304,173)
Profit for the financial year	<u>563,662</u>	<u>499,198</u>
Share of profit by the Group for the financial year	<u>281,831</u>	<u>249,599</u>

- (f) Redemption of RPS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

11. DEFERRED TAX

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

	Group	
	2021	2020
	RM	RM
Balance as at 1 January	(8,274,770)	(12,242,244)
Recognised in profit or loss (Note 26):		
- property development costs	3,521,580	3,869,174
- investment properties	190,800	430,400
Underprovision in prior years	(177,100)	(332,100)
Balance as at 31 December	<u>(4,739,490)</u>	<u>(8,274,770)</u>
Presented after appropriate offsetting:		
Deferred tax assets, net	(5,787,490)	(8,905,300)
Deferred tax liabilities, net	<u>1,048,000</u>	<u>630,530</u>
	<u>(4,739,490)</u>	<u>(8,274,770)</u>

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

	2021	2020
	RM	RM
Deferred tax liabilities of the Group		
Balance as at 1 January		
- property development costs	630,530	517,656
Recognised in profit or loss (Note 26):		
- property development costs	391,270	334,074
Over/(Under)provision in prior year	26,200	(221,200)
Balance as at 31 December	<u>1,048,000</u>	<u>630,530</u>
- property development costs	<u>1,048,000</u>	<u>630,530</u>
Deferred tax assets of the Group		
Balance as at 1 January		
- property development costs	(8,905,300)	(12,759,900)
Recognised in profit or loss (Note 26):		
- property development costs	3,130,310	3,535,100
- investment properties	190,800	430,400
Underprovision in prior year		
- property development costs	(193,500)	(121,900)
(Under)/Overprovision in prior year		
- investment properties	(9,800)	11,000
Balance as at 31 December	<u>(5,787,490)</u>	<u>(8,905,300)</u>
- property development costs	<u>(5,787,490)</u>	<u>(8,905,300)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

11. DEFERRED TAX (CONT'D)

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

	Group	
	2021	2020
	RM	RM
Property, plant and equipment	47,000	47,000
Unused tax losses		
- Expired by 31 December 2028	881,749	964,277
- Expired by 31 December 2029	106,985	106,985
- Expired by 31 December 2030	152,844	152,844
- Expired by 31 December 2031	293,592	0
Other deductible temporary differences	9,675,031	6,583,580
	<u>11,157,201</u>	<u>7,854,686</u>

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

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the local tax authority.

With effective from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

12. INVENTORIES

		Group	
		2021	2020
	NOTE	RM	RM
Non-current			
Land held for property development	(a)	<u>281,399,771</u>	<u>283,297,847</u>
Current			
Property development costs	(b)	104,819,050	136,494,968
Completed properties held for sale, at cost	(c)	<u>9,713,789</u>	<u>18,094,382</u>
		<u>114,532,839</u>	<u>154,589,350</u>
		<u>395,932,610</u>	<u>437,887,197</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

12. INVENTORIES (CONT'D)

(a) Land held for property development

	Group	
	2021	2020
	RM	RM
Balance as at 1 January		
- Freehold land, at cost	251,171,409	251,638,212
- Development costs	32,126,438	32,506,352
	<u>283,297,847</u>	<u>284,144,564</u>
Add: Cost incurred during the financial year		
- Freehold land, at cost	0	0
- Development costs	290,012	325,182
	<u>290,012</u>	<u>325,182</u>
Less: Transfer to Investment Properties (Note 7)		
- Development costs	<u>(5,336)</u>	<u>0</u>
Less: Transfers to property development costs (Note 12(b))		
- Freehold land, at cost	0	(466,803)
- Development costs	(2,182,752)	(705,096)
	<u>(2,182,752)</u>	<u>(1,171,899)</u>
Balance as at 31 December		
- Freehold land, at cost	251,171,409	251,171,409
- Development costs	30,228,362	32,126,438
	<u>281,399,771</u>	<u>283,297,847</u>

- (i) Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

- (ii) Land held for property development with carrying amount of RM267,636,466 (2020: RM272,297,155) have been charged to banks for credit facilities granted to subsidiaries (Note 20 and Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

12. INVENTORIES (CONT'D)

(b) Property development costs

Group	Freehold land, at cost RM	Development costs RM	Total RM
Cumulative property development costs			
Balance as at 1 January 2021	106,106,489	176,464,545	282,571,034
Incurred during the financial year	0	113,982,097	113,982,097
Transfer from land held for property development (Note 12(a))	0	2,182,752	2,182,752
Cost elimination due to completion projects	0	(1,587,450)	(1,587,450)
Balance as at 31 December 2021	106,106,489	291,041,944	397,148,433

Cumulative costs recognised in the statement of profit or loss and other comprehensive income

Balance as at 1 January 2021	(9,711,386)	(136,364,680)	(146,076,066)
Recognised during the financial year (Note 24)	(23,929,337)	(123,911,430)	(147,840,767)
Cost elimination due to completion projects	0	1,587,450	1,587,450
Balance as at 31 December 2021	(33,640,723)	(258,688,660)	(292,329,383)
Property development costs as at 31 December 2021	72,465,766	32,353,284	104,819,050

Cumulative property development costs

Balance as at 1 January 2020	105,639,686	97,318,276	202,957,962
Incurred during the financial year	0	78,441,173	78,441,173
Transfer from land held for property development (Note 12(a))	466,803	705,096	1,171,899
Balance as at 31 December 2020	106,106,489	176,464,545	282,571,034

Cumulative costs recognised in the statement of profit or loss and other comprehensive income

Balance as at 1 January 2020	(1,751,509)	(77,172,973)	(78,924,482)
Recognised during the financial year (Note 24)	(7,959,877)	(59,191,707)	(67,151,584)
Balance as at 31 December 2020	(9,711,386)	(136,364,680)	(146,076,066)
Property development costs as at 31 December 2020	96,395,103	40,099,865	136,494,968

Property development costs with carrying amount of RM36,339,350 (2020: RM81,210,437) have been charged to banks for credit facilities granted to subsidiaries (Note 21).

- (c) Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<u>Non-current</u>				
Other receivable				
Amounts due from subsidiaries	0	0	12,320,000	1,958,700
<u>Current</u>				
Trade receivables				
Third parties	18,542,948	26,454,937	0	0
Retention sums	8,181,300	2,805,328	0	0
	26,724,248	29,260,265	0	0
Less: Impairment losses	(89,745)	(147,045)	0	0
Total trade receivables	26,634,503	29,113,220	0	0
Other receivables				
Third parties	252,773	199,399	1,450	0
Amounts due from subsidiaries	0	0	8,825,000	14,348,000
Deposits	622,483	434,437	4,500	4,500
Total other receivables	875,256	633,836	8,830,950	14,352,500
Total current trade and other receivables (excluding prepayments)	27,509,759	29,747,056	8,830,950	14,352,500
Prepayments				
Prepayments	14,059	16,758	13,299	13,299
Total current trade and other receivables	27,523,818	29,763,814	8,844,249	14,365,799
Total trade and other receivables	27,523,818	29,763,814	21,164,249	16,324,499

All trade and other receivables are denominated in RM.

- Total trade and other receivables (exclude prepayments) are classified as financial assets measured at amortised cost.
- The normal trade credit terms granted by the Group are generally on 21 working days term (2020: 21 working days) and 30 days term (2020: 30 days). They are recognised at their original billing amounts, which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current conditions and forecast of future economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (unemployment rate in Malaysia) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Lifetime expected loss provision for trade receivables as at 31 December 2021 and 31 December 2020 are as follows:

	Current	1 to 30 days past due	31 to 60 days past due	More than 60 days past due	Total RM
2021					
Gross carrying amount	16,648,223	6,182,156	3,819,149	74,720	26,724,248
Impairment	40,981	191	29,063	19,510	89,745
Total	16,607,242	6,181,965	3,790,086	55,210	26,634,503
2020					
Gross carrying amount	24,523,594	3,040,001	1,055,720	640,950	29,260,265
Impairment	22,696	17,402	48,561	58,386	147,045
Total	24,500,898	3,022,599	1,007,159	582,564	29,113,220

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (d) Movements in the impairment allowance for trade receivables are as follows:

	Group	
	2021 RM	2020 RM
At 1 January	147,045	103,118
Reversal of impairment losses	(57,300)	0
Charge for the financial year	0	43,927
At 31 December	89,745	147,045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Group	
	2021	2020
	RM	RM
Within one (1) year	4,461,750	853,350
Within two (2) years	3,719,550	1,951,978
	<u>8,181,300</u>	<u>2,805,328</u>

- (f) Impairment for amounts due from subsidiaries and other receivables are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on payment trends and operational performance of other receivables and subsidiaries.

The probability of non-payment by other receivables and amounts due from subsidiaries is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables and amounts due from subsidiaries. The Group has identified the unemployment rate in Malaysia as the key macroeconomic factors of the forward-looking information.

Non-current amounts due from subsidiaries represent unsecured advances, which bear interest at rate at 3.36% (2020: 3.39% to 4.76%) per annum. The advances together with the interest receivable thereon were not payable within the next twelve months.

Current amounts due from subsidiaries are non-trade in nature, unsecured, payable within next twelve month in cash and cash equivalents and bear interest at 3.36% (2020: 3.39% to 4.76%) per annum.

No expected credit loss is recognised arising from amounts due from subsidiaries and other receivables as it is negligible.

- (g) Credit risk concentration profile

The Group and the Company do not have any significant exposure to any individual customer or counterparty and do not have any major concentration of credit risk related to any financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) The following table sets out the carrying amounts, the interest rates as at the end of the reporting period and the remaining maturities of the amounts due from subsidiaries of the Company that are exposed to interest rate risk:

Company	Interest rate per annum (%)	Within one (1) year RM	More than one (1) year RM	Total RM
31 December 2021				
Floating rate	3.36%	8,825,000	12,320,000	21,145,000
31 December 2020				
Floating rate	3.39% - 4.76%	14,348,000	1,958,700	16,306,700

- (i) Sensitivity analysis for fixed rate trade and other receivables as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rate.

A change of 50 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Company to be higher/(lower) by RM80,351 (2020: RM61,965).

14. CONTRACT ASSETS

	Group	
	2021 RM	2020 RM
Property development contracts		
Aggregate pre-contract costs incurred to date	332,072,062	239,991,806
Add: Attributable profits	198,734,067	158,837,022
	530,806,129	398,828,828
Less: Progress billings	(411,629,709)	(342,213,401)
	119,176,420	56,615,427

- (a) Property development contracts

Property development contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer.

Contract assets have increased by RM62,560,993 as a result of the latest progress of property development projects have yet to meet the next milestone billings as prescribed in the sale and purchase agreement's progressive payment schedule.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

14. CONTRACT ASSETS (CONT'D)

- (b) Contract assets from property development contracts

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	GROUP				Total
	2021 RM	2022 RM	2023 RM	2024 RM	RM
31 December 2021	0	119,567,690	10,186,354	1,386,222	131,140,266
31 December 2020	78,382,661	13,669,420	819,556	0	92,871,637

- (c) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 13(c) to the financial statements.

No expected credit loss is recognised arising from contract assets as it is negligible.

15. SHORT TERM FUNDS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets at fair value through profit or loss				
Fixed income trust funds in Malaysia (Note 16)	27,913,408	40,307,159	13,009,995	20,181,302

All short term funds are denominated in RM.

- (a) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (b) Short term funds of the Group and of the Company are investments in money market fund on highly liquid investments, which are readily convertible to a known amounts of cash and be subject to an insignificant risk of changes in value.
- (c) Short term funds of the Group and the Company are stated at Level 2 fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

16. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	99,393,469	46,010,140	12,962,943	5,962,762
Deposits with licensed banks	14,277,492	11,257,782	6,556	6,457
	<u>113,670,961</u>	<u>57,267,922</u>	<u>12,969,499</u>	<u>5,969,219</u>

All cash and bank balances are denominated in RM.

- (a) Included in the cash and bank balances of the Group is an amount of RM67,925,150 (2020: RM29,522,002) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015.
- (b) The interest rate of deposits with both licensed banks of the Group and of the Company are 1.25% to 1.90% (2020: 1.50% to 1.90%) and 1.50% to 1.70% (2020: 1.70%) per annum respectively.
- (c) Included in the deposits with licensed banks is an amount of RM2,762,365 (2020: RM2,721,114) pledged as securities for bank guarantees granted to the Group.
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Short term funds placed with a financial institution (Note 15)	27,913,408	40,307,159	13,009,995	20,181,302
Cash and bank balances	99,393,469	46,010,140	12,962,943	5,962,762
Deposits with licensed banks	14,277,492	11,257,782	6,556	6,457
	<u>141,584,369</u>	<u>97,575,081</u>	<u>25,979,494</u>	<u>26,150,521</u>
Less:				
Deposits pledged with licensed banks	<u>(2,762,365)</u>	<u>(2,721,114)</u>	<u>0</u>	<u>0</u>
	<u>138,822,004</u>	<u>94,853,967</u>	<u>25,979,494</u>	<u>26,150,521</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

16. CASH AND BANK BALANCES (CONT'D)

(e) At the end of the reporting period, the interest rate profile of the cash and cash equivalents was:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Fixed rate				
Cash and bank balances	15,287,491	2,930,889	5,550,318	584,207
Deposits with licensed banks	14,277,492	11,257,782	6,556	6,457
	<u>29,564,983</u>	<u>14,188,671</u>	<u>5,556,874</u>	<u>590,664</u>
Floating rates				
Short term funds (Note 15)	27,913,408	40,307,159	13,009,995	20,181,302
Cash and bank balances	84,105,978	43,079,251	7,412,625	5,378,555
	<u>112,019,386</u>	<u>83,386,410</u>	<u>20,422,620</u>	<u>25,559,857</u>

Sensitivity analysis for fixed rate cash and cash equivalents at the end of the reporting period is not presented as fixed rate instrument is not affected by change in interest rates.

A change of 50 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group and the Company to be higher/(lower) by RM459,170 (2020: RM365,237) and RM93,218 (2020: RM121,345) respectively.

(f) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

17. SHARE CAPITAL

	2021		2020	
	Number	RM	Number	RM
	of shares		of shares	
Group				
Issued and fully paid with no par value				
Balance as at 1 January	434,492,017	288,189,478	433,455,617	287,636,669
Issued for cash pursuant to ESOS	1,548,600	906,552	1,036,400	552,809
Balance as at 31 December	<u>436,040,617</u>	<u>289,096,030</u>	<u>434,492,017</u>	<u>288,189,478</u>
Company				
Issued and fully paid with no par value				
Balance as at 1 January	434,492,017	287,721,899	433,455,617	287,169,090
Issued for cash pursuant to ESOS	1,548,600	906,552	1,036,400	552,809
Balance as at 31 December	<u>436,040,617</u>	<u>288,628,451</u>	<u>434,492,017</u>	<u>287,721,899</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

17. SHARE CAPITAL (CONT'D)

- (a) During the financial year, the issued and paid-up share capital of the Company was increased from 434,492,017 to 436,040,617 by way of issuance of 1,548,600 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price (RM)	0.47	0.59	0.60	0.62
No. of shares issued	1,031,100	40,000	366,000	25,000
Exercise price (RM)			0.69	0.71
No. of shares issued			45,000	41,500

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) In the previous financial year, the issued and paid-up share capital of the Company was increased from 433,455,617 to 434,492,017 by way of issuance of 1,036,400 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price (RM)	0.47	0.60
No. of shares issued	977,400	59,000

- (c) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

18. RESERVES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-distributable:				
Share options reserve	1,117,758	1,215,784	1,117,758	1,215,784
Distributable:				
Retained earnings	415,493,306	364,325,968	88,834,114	89,817,367
	<u>416,611,064</u>	<u>365,541,752</u>	<u>89,951,872</u>	<u>91,033,151</u>

The share options reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options. Share options reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

19. BORROWINGS

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<u>Current liabilities</u>				
Secured				
Revolving credits (Note 20)	5,000,000	0	5,000,000	0
Term loans (Note 21)	16,302,127	13,114,041	0	0
	<u>21,302,127</u>	<u>13,114,041</u>	<u>5,000,000</u>	<u>0</u>
<u>Non-current liability</u>				
Secured				
Term loans (Note 21)	87,088,000	103,345,430	0	0
	<u>87,088,000</u>	<u>103,345,430</u>	<u>0</u>	<u>0</u>
<u>Total borrowings</u>				
Revolving credits (Note 20)	5,000,000	0	5,000,000	0
Term loans (Note 21)	103,390,127	116,459,471	0	0
	<u>108,390,127</u>	<u>116,459,471</u>	<u>5,000,000</u>	<u>0</u>

All borrowings are denominated in RM.

- Borrowings are classified as financial liabilities measured at amortised cost.
- Fair value of the borrowings of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- The interest rate per annum of borrowings that were effective as at the end of reporting period were as follows:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Revolving credits	3.27 - 3.47	N/A	3.27 - 3.47	N/A
Term loans	<u>3.14 - 3.20</u>	<u>3.13 - 4.25</u>	<u>N/A</u>	<u>N/A</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

19. BORROWINGS (CONT'D)

(d) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Floating rate				
Revolving credits	5,000,000	0	5,000,000	0
Term loans	103,390,127	116,459,471	0	0
	<u>108,390,127</u>	<u>116,459,471</u>	<u>5,000,000</u>	<u>0</u>

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 December 2021. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the profit after tax of the Group and of the Company would decrease or increase by RM556,143 (2020: RM602,515) and RM956 (2020: RM Nil) respectively, as a result of higher or lower interest expense on these borrowings.

(e) The maturity of the revolving credits is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Not later than one (1) year	<u>5,000,000</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>

(f) The maturity of the term loans is as follows:

	Group	
	2021	2020
	RM	RM
Not later than one (1) year	16,302,127	13,114,041
Later than one (1) year and not later than two (2) years	15,016,000	16,257,430
Later than two (2) years and not later than three (3) years	15,132,000	15,016,000
Later than three (3) years and not later than four (4) years	15,132,000	15,132,000
Later than four (4) years and not later than five (5) years	15,132,000	15,132,000
Later than five (5) years	26,676,000	41,808,000
	<u>103,390,127</u>	<u>116,459,471</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

19. BORROWINGS (CONT'D)

- (g) The maturity profile of borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
As at 31 December 2021				
Borrowings	24,324,727	67,666,208	27,488,877	119,479,812
As at 31 December 2020				
Borrowings	16,633,268	70,676,884	43,715,568	131,025,720
Company				
As at 31 December 2021				
Borrowings	5,013,886	0	0	5,013,886
As at 31 December 2020				
Borrowings	0	0	0	0

20. REVOLVING CREDITS

The revolving credits are secured by:

- Legal charge over the Group's property, plant and equipment, investment properties and development land as disclosed in Note 5, Note 7 and Note 12(a) to the financial statements; and
- Corporate guarantee by certain subsidiaries.

21. TERM LOANS

The term loans are secured by:

- Legal charge over the Group's investment properties and development land as disclosed in Note 7, Note 12(a) and Note 12(b) to the financial statements; and
- Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade payables				
Third parties	11,724,467	9,602,318	0	0
Other payables				
Third parties	1,083,585	235,155	0	0
Accruals	15,977,257	9,830,848	28,600	97,450
Deposits received	4,026,541	2,303,290	0	0
	21,087,383	12,369,293	28,600	97,450
Total trade and other payables	32,811,850	21,971,611	28,600	97,450

All trade and other payables are denominated in RM.

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2020: 30 days). Included in trade payables of the Group is retention sum on contracts amounting to RM11,724,467 (2020: RM9,523,081).
- (c) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

23. REVENUE

		Group		Company	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Revenue from contracts with customers:					
Property development	(a)	238,333,710	106,534,395	0	0
Sale of completed properties	(b)	14,299,688	21,171,610	0	0
Operation of car park	(d)	118,647	132,969	0	0
Property management fees	(d)	180,500	204,000	0	0
		252,932,545	128,042,974	0	0
Other revenue:					
Rental income from investment properties	(c)	2,946,183	4,117,438	0	0
Dividend income	(e)	0	0	9,553,600	6,053,600
		255,878,728	132,160,412	9,553,600	6,053,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

23. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers of the Group is derived from Malaysia and disaggregated in the table below by timing of revenue recognition.

	Property development RM	Sale of completed properties RM	Operation of car park RM	Property management fees RM	Total RM
31 December 2021					
Timing of revenue recognition					
Transferred over time	238,333,710	0	0	0	238,333,710
Transferred at a point in time	0	14,299,688	118,647	180,500	14,598,835
Revenue from external customers	<u>238,333,710</u>	<u>14,299,688</u>	<u>118,647</u>	<u>180,500</u>	<u>252,932,545</u>

31 December 2020

Timing of revenue recognition

Transferred over time	106,534,395	0	0	0	106,534,395
Transferred at a point in time	0	21,171,610	132,969	204,000	21,508,579
Revenue from external customers	<u>106,534,395</u>	<u>21,171,610</u>	<u>132,969</u>	<u>204,000</u>	<u>128,042,974</u>

(a) Revenue from property development

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the cost incurred relative to the total expected cost for satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

23. REVENUE (CONT'D)

(a) Revenue from property development (Cont'd)

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

There is no significant financing component in the revenue arising from property development as the contracts are made on the normal credit terms not exceeding twelve months.

(b) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Company will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

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

(d) Operation of car park income and property management fees are recognised at a point in time when the services have been rendered to the customer.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms not exceeding twelve months.

(e) Dividend income is recognised when the right to receive payment is established.

24. COST OF SALES

	Group	
	2021	2020
	RM	RM
Property development (Note 12)	147,840,767	67,151,584
Others	8,660,100	11,160,939
	<u>156,500,867</u>	<u>78,312,523</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

25. DIRECTORS' REMUNERATION

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
Directors' fee	120,000	120,000	120,000	120,000
Salaries and other emoluments	2,511,640	2,511,640	0	0
Bonus	1,220,500	836,400	0	0
Defined contribution plan	559,455	501,840	0	0
Total Executive Directors' remuneration	4,411,595	3,969,880	120,000	120,000
(exclude benefits-in-kind)				
Estimated money value of benefits-in-kind	76,531	68,306	0	0
Total Executive Directors' remuneration	4,488,126	4,038,186	120,000	120,000
(including benefits-in-kind)				
Directors of the Company				
Non-executive Directors				
Directors' fee	210,000	210,000	210,000	210,000
Other emoluments	13,500	11,500	13,500	11,500
Total Non-Executive Directors' remuneration	223,500	221,500	223,500	221,500
Total Directors' remuneration				
- fee	330,000	330,000	330,000	330,000
- other emoluments	4,305,095	3,861,380	13,500	11,500
	4,635,095	4,191,380	343,500	341,500
Directors of the subsidiaries				
Executive Directors				
Directors' fee	18,000	18,000	0	0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

25. DIRECTORS' REMUNERATION (CONT'D)

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

	2021 Unit	2020 Unit
Directors of the Company		
Executive Director		
As at 1 January	1,500,000	1,000,000
Granted during the financial year	0	500,000
As at 31 December	<u>1,500,000</u>	<u>1,500,000</u>
Non-executive Director		
As at 1 January	1,100,000	300,000
Granted during the financial year	0	800,000
Exercised	(200,000)	0
As at 31 December	<u>900,000</u>	<u>1,100,000</u>

The number of Directors of the Group whose total remuneration during the financial year which fell within the following bands is analysed as below:

	Number of Directors	
	2021	2020
Executive Directors		
RM650,001 - RM700,000	0	1
RM700,001 - RM750,000	1	0
RM950,001 - RM1,000,000	0	1
RM1,100,001 - RM1,150,000	1	0
RM2,350,001 - RM2,400,000	0	1
RM2,650,001 - RM2,700,000	<u>1</u>	<u>0</u>
Non-executive Directors		
RM1 - RM50,000	1	1
RM50,001 - RM100,000	<u>3</u>	<u>3</u>
Directors of the Subsidiaries		
Executive Director		
RM1 - RM50,000	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

26. TAX EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current tax expense based on profit for the financial year	17,206,300	5,869,400	122,900	327,600
Real property gain tax	5,500	0	0	0
(Over)/Underprovision of tax in prior years	(155,764)	241,017	3,139	7,043
	<u>17,056,036</u>	<u>6,110,417</u>	<u>126,039</u>	<u>334,643</u>
Deferred tax (Note 11):				
- relating to origination and reversal of temporary differences	3,712,380	4,299,574	0	0
- underprovision in prior years	(177,100)	(332,100)	0	0
	<u>20,591,316</u>	<u>10,077,891</u>	<u>126,039</u>	<u>334,643</u>

The Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profits for the fiscal year.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit before tax	<u>81,347,155</u>	<u>34,336,628</u>	<u>9,605,071</u>	<u>7,428,633</u>
Tax at the applicable tax rate of 24% (2020: 24%)	19,523,300	8,240,800	2,305,200	1,782,900
Tax effects in respect of:				
Non-taxable income	(172,700)	(243,100)	(2,294,200)	(1,556,400)
Non-allowable expenses	1,296,480	1,394,074	111,900	101,100
Special tax deduction	(521,000)	0	0	0
Different tax rate for the first RM600,000 (2020: RM600,000) of chargeable income	0	(1,900)	0	0
Deferred tax assets not recognised during the financial year	792,600	779,100	0	0
Real property gain tax	5,500	0	0	0
(Over)/Underprovision of tax in prior years	(155,764)	241,017	3,139	7,043
Underprovision of deferred tax in prior years	(177,100)	(332,100)	0	0
Tax expense for the financial year	<u>20,591,316</u>	<u>10,077,891</u>	<u>126,039</u>	<u>334,643</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

27. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	2020
	RM	RM
Profit attributable to equity holders of the parent	61,629,623	25,595,053
	Group	
	2021	2020
	Unit	Unit
Weighted average number of ordinary shares in issue	434,492,017	433,455,617
Effects of exercise of ESOS	323,840	228,961
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	434,815,857	433,684,578
Basic earnings per ordinary share (sen)	14.17	5.90

(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	
	2021	2020
	RM	RM
Profit attributable to equity holders of the parent	61,629,623	25,595,053
	Group	
	2021	2020
	Unit	Unit
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share	434,815,857	433,684,578
Effects of dilution:		
- ESOS	614,303	159,123
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	435,430,160	433,843,701
Diluted earnings per ordinary share (sen)	14.15	5.90

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

28. DIVIDENDS

	Group/Company			
	2021		2020	
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
Dividends paid/declared:				
In respect of financial year ended 31 December 2019:				
Final single tier dividend	0	0	2.9	12,596,527
In respect of financial year ended 31 December 2020:				
Final single tier dividend	2.4	10,464,255	0	0
	<u>2.4</u>	<u>10,464,255</u>	<u>2.9</u>	<u>12,596,527</u>

A single tier first and final dividend in respect of the financial year ended 31 December 2021 of 5.9 sen per ordinary share amounting to RM25,726,396 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 2022.

29. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Wages, salaries and bonuses	9,941,668	9,199,016	0	0
Directors' fee	138,000	138,000	120,000	120,000
Contributions to defined contribution plan	1,328,949	1,223,232	0	0
Social security contributions	63,384	61,107	0	0
Share options granted under ESOS	6,665	295,711	0	0
Other benefits	537,176	562,565	0	0
	<u>12,015,842</u>	<u>11,479,631</u>	<u>120,000</u>	<u>120,000</u>

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM4,429,595 and RM120,000 (2020: RM3,987,880 and RM120,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS')

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

The details of the options over ordinary shares of the Company are as follows: (Cont'd)

	Number of options over ordinary shares					Exercisable as at 31.12.2021
	Outstanding as at 1.1.2021	Movements during the financial year			Outstanding as at 31.12.2021	
		Granted	Exercised	Lapsed		
2021						
15 November 2013	414,000	0	0	0	414,000	414,000
28 May 2014	163,000	0	0	0	163,000	163,000
17 December 2014	1,046,000	0	0	0	1,046,000	1,046,000
15 June 2015	258,000	0	0	0	258,000	258,000
1 December 2015	482,000	0	0	(6,000)	476,000	476,000
21 June 2016	70,000	0	0	0	70,000	70,000
16 December 2016	59,000	0	0	0	59,000	59,000
3 July 2017	125,000	0	0	0	125,000	125,000
18 December 2017	19,000	0	0	0	19,000	19,000
8 June 2018	107,000	0	0	0	107,000	107,000
26 February 2019	684,300	0	(41,500)	(1,500)	641,300	641,300
3 September 2019	581,000	0	(45,000)	0	536,000	536,000
26 February 2020	1,057,500	0	(366,000)	(3,000)	688,500	688,500
27 August 2020	2,625,600	0	(1,031,100)	0	1,594,500	1,564,500
25 February 2021	0	40,000	(40,000)	0	0	0
26 August 2021	0	45,000	(25,000)	0	20,000	20,000
	7,691,400	85,000	(1,548,600)	(10,500)	6,217,300	6,187,300

Weighted average
exercise prices (RM)

0.84	0.61	0.52	0.99	0.92	0.92
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Weighted average
remaining contractual
life (months)

17	5
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	Number of options over ordinary shares					Exercisable as at 31.12.2020
	Outstanding as at 1.1.2020	Movements during the financial year			Outstanding as at 31.12.2020	
		Granted	Exercised	Lapsed		
2020						
15 November 2013	434,000	0	0	(20,000)	414,000	414,000
28 May 2014	163,000	0	0	0	163,000	163,000
17 December 2014	1,066,000	0	0	(20,000)	1,046,000	1,046,000
15 June 2015	258,000	0	0	0	258,000	258,000
1 December 2015	502,000	0	0	(20,000)	482,000	482,000
21 June 2016	70,000	0	0	0	70,000	70,000
16 December 2016	59,000	0	0	0	59,000	59,000
3 July 2017	125,000	0	0	0	125,000	125,000
18 December 2017	19,000	0	0	0	19,000	19,000
8 June 2018	107,000	0	0	0	107,000	107,000
26 February 2019	689,300	0	0	(5,000)	684,300	684,300
3 September 2019	581,000	0	0	0	581,000	581,000
26 February 2020	0	1,136,500	(59,000)	(20,000)	1,057,500	1,057,500
27 August 2020	0	3,603,000	(977,400)	0	2,625,600	2,530,600
	4,073,300	4,739,500	(1,036,400)	(85,000)	7,691,400	7,596,400

Weighted average
exercise prices (RM)

1.15	0.50	0.48	1.12	0.84	0.85
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Weighted average
remaining contractual
life (months)

29	17
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

The details of the options over ordinary shares of the Company are as follows: (Cont'd)

	Exercise price RM	Exercise period
2021		
15 November 2013	1.27	15.11.2013 - 4.6.2022
28 May 2014	1.75	28.5.2014 - 4.6.2022
17 December 2014	1.45	17.12.2014 - 4.6.2022
15 June 2015	1.51	15.6.2015 - 4.6.2022
1 December 2015	1.25	1.12.2015 - 4.6.2022
21 June 2016	1.25	21.6.2016 - 4.6.2022
16 December 2016	1.24	16.12.2016 - 4.6.2022
3 July 2017	1.30	3.7.2017 - 4.6.2022
18 December 2017	0.92	18.12.2017 - 4.6.2022
8 June 2018	0.69	8.6.2018 - 4.6.2022
26 February 2019	0.71	26.2.2019 - 4.6.2022
3 September 2019	0.69	3.9.2019 - 4.6.2022
26 February 2020	0.60	26.2.2020 - 4.6.2022
27 August 2020	0.47	27.8.2020 - 4.6.2022
25 February 2021	0.59	25.2.2021 - 4.6.2022
26 August 2021	0.62	26.8.2021 - 4.6.2022

Share options exercised during the financial year resulted in the issuance of 1,548,600 (2020: 1,036,400) ordinary shares at an average price of RM0.52 (2020: RM0.48) each. The related weighted average ordinary share price at the date of exercise was RM0.74 (2020: RM0.61).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

The fair values of share options granted during the financial year was estimated by using the Binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	Grant dates	
	25 February 2021	26 August 2021
Fair values of share options (RM):	0.08	0.08
Weighted average share price (RM)	0.65	0.68
Weighted average exercise price (RM)	0.59	0.62
Expected volatility (%)	26.07	26.07
Expected life (years)	1.25	0.75
Risk free rate (%)	1.70	1.50
Expected dividend yield (%)	6.37	5.75

	Grant dates	
	26 February 2020	27 August 2020
Fair values of share options (RM):	0.09	0.05
Weighted average share price (RM)	0.66	0.52
Weighted average exercise price (RM)	0.60	0.47
Expected volatility (%)	26.51	25.80
Expected life (years)	2.25	1.75
Risk free rate (%)	3.00	2.15
Expected dividend yield (%)	7.38	9.46

31. CONTINGENT LIABILITIES

	Group/Company	
	2021	2020
	RM	RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries - unsecured	152,645,000	173,476,000

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

31. CONTINGENT LIABILITIES (CONT'D)

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits would be required or the amount is not capable of reliable measurement.

The Directors are of the view that the chances of the financial institutes to call upon the corporate guarantee are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

32. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries, associate and joint venture. Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;
- (ii) Associate and joint venture as disclosed in Note 9 and Note 10 to the financial statements;
- (iii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly;
- (iv) Companies in which certain Directors have substantial financial interests; and
- (v) Immediate family member of Directors of the Company and its subsidiaries.

The related parties and their relationships with the Group are as follows:

Name of related party	Relationship
Palmsfield Sdn. Bhd.	Company in which a Director of the Company has substantial financial interests.
Siram Permai Sdn. Bhd.	Company in which a Director of the Company has substantial financial interests.
Herbview Venture Sdn. Bhd.	Company in which the Director is family member of the Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Rental received from a Company in which the Director is family member of the Directors of the Company	3,378	3,378	0	0
Lease payments made to companies of which a Director has interest	106,800	106,800	0	0
Dividend received from:				
- subsidiaries	0	0	9,553,600	6,053,600
Interest charged to subsidiaries	0	0	624,999	1,500,087

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Short term employee benefits	4,827,886	4,378,986	343,500	341,500
Contributions to defined contribution plan	654,927	588,888	0	0
	5,482,813	4,967,874	343,500	341,500

Included in the compensation of key management personnel are Directors' remuneration of the Group and of the Company as disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group has a target gearing ratio at 50% determined as the proportion of net debt to equity. The Group includes within net debt, borrowings and lease liabilities less short term funds and cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Borrowings (Note 19)	108,390,127	116,459,471	5,000,000	0
Lease liabilities (Note 6)	298,070	407,539	0	0
Less:				
Short term funds (Note 15)	(27,913,408)	(40,307,159)	(13,009,995)	(20,181,302)
Cash and bank balances (Note 16)	(113,670,961)	(57,267,922)	(12,969,499)	(5,969,219)
(Net cash)/Net debt	(32,896,172)	19,291,929	(20,979,494)	(26,150,521)
Total capital	705,707,094	653,731,230	378,580,323	378,755,050
(Net cash)/Net debt	(32,896,172)	19,291,929	(20,979,494)	(26,150,521)
Equity	672,810,922	673,023,159	357,600,829	352,604,529
Capital gearing ratio	*	2.87%	*	*

* Capital gearing ratio is not presented as the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity more than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The exposure of the Group to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The objective of the Group is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, majority of the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis, which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

The credit risk concentration profile has been disclosed in Note 13 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet their financial obligations when they fall due. The exposure of the Group and of the Company to liquidity risk arises principally from their various payables, borrowings and lease liabilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing their liquidity risk management strategy, the Group and the Company measure and forecast their cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group and of the Company.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 6, Note 19 and Note 22 to the financial statements.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group relates to interest-earning deposits and amounts due from subsidiaries and interest-bearing borrowings from financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk (Cont'd)

As at the end of the reporting period, the Group and the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 6, Note 13, Note 16 and Note 19 to the financial statements respectively.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) The World Health Organisation declared the novel coronavirus ("COVID-19") a global pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has entered into the various phases of the MCO, followed by the announcement of the National Recovery Plan ("NRP") in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases. Subsequently, in March 2022, the Government of Malaysia announced that Malaysia will enter the "Transition to Endemic" phase of COVID-19 and reopen its borders from 1 April 2022.

Consequently, effective from 1 April 2022, the restrictions on business operating hours and the capacity limit imposed on the number of employees allowed in the workplace based on the employees' vaccination status are removed.

The implementation of the MCO/NRP and the COVID-19 pandemic have not resulted in any material impact to the Group's business and operations. The Group was able to operate during the MCO/NRP period upon obtained approval from Ministry of International Trade and Industry ("MITI"). It had also not negatively impacted the liquidity position of the Group. In addition, the Group had not observed any material impairments of the assets or a significant change in the fair value of assets due to the COVID-19 pandemic.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows to meet its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group do not anticipate significant supply disruptions and would continue monitoring its fund and operational needs.

- (b) On 28 January 2020, the Company had entered into a Memorandum of Understanding ("MOU") with Show Chwan Medical Care Corporation ("Show Chwan") to collaborate efforts for the proposed establishment of a private specialist hospital at Pearl City (Bandar Tasek Mutiara), Simpang Ampat, Seberang Perai Selatan, Penang, a township under the development of the Company.

On 1 July 2020, the Company and Show Chwan had mutually agreed to extend the duration of MOU three times, each by a further duration of six months, to 27 January 2022 due to unforeseen circumstances caused by the Covid-19 pandemic.

On 26 January 2022, the Company decided not to extend the MOU and hence the MOU is considered lapsed after 27 January 2022.

- (c) Subsequent to financial year end, Tambun Indah Development Sdn. Bhd. ("TID"), a wholly-owned subsidiary of the Company, has entered into Sale and Purchase Agreement to acquire 2 parcels of land for a total cash consideration of RM19,958,000.

The sale and purchase has yet be completed as at the date of the financial statements were authorised for issue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

35.1 New MFRSs adopted during the current financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendments to MFRS 16 Leases)	1 April 2021 (early adopt)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

35.2 Effects of adoption of the Agenda Decision

In the previous financial years, the Group capitalised borrowing costs on those inventories which are available for its intended sale and still subject to transfer of control over time. In March 2019, IFRIC concluded that any inventory which are available for its intended sale does not fall under the definition of qualifying assets in accordance with IAS 23 Borrowing Costs paragraph 5. Upon adoption of the Agenda Decision, the entity shall cease to capitalise its borrowing costs once a project is ready for sales.

Accordingly, comparative figures of the Group for the financial year ended 31 December 2020 in these financial statements, including their opening statements of financial position as at 1 January 2020, have been restated retrospectively. The impact on the financial position and financial performance of the Group are set out as follows:

(a) Reconciliation of statements of financial position

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
1 January 2020			
ASSETS			
Non-Current Assets			
Property, plant and equipment	3,346,780	0	3,346,780
Right-of-use assets	622,728	0	622,728
Investment properties	125,574,051	0	125,574,051
Investment in an associate company	340,117	0	340,117
Investment in a joint venture	27,815,441	0	27,815,441
Deferred tax assets	12,759,900	0	12,759,900
Inventories	284,144,564	0	284,144,564
	<u>454,603,581</u>	<u>0</u>	<u>454,603,581</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

35.2 Effects of adoption of the Agenda Decision (Cont'd)

(a) Reconciliation of statements of financial position (Cont'd)

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
1 January 2020			
Current assets			
Inventories	154,287,227	158,369	154,445,596
Trade and other receivables	35,820,318	0	35,820,318
Contract assets	24,522,331	0	24,522,331
Current tax assets	2,536,907	0	2,536,907
Short term funds	62,057,956	0	62,057,956
Cash and bank balances	96,075,316	0	96,075,316
	<u>375,300,055</u>	<u>158,369</u>	<u>375,458,424</u>
TOTAL ASSETS	<u>829,903,636</u>	<u>158,369</u>	<u>830,062,005</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	287,636,669	0	287,636,669
Reserves	352,132,810	172,736	352,305,546
	<u>639,769,479</u>	<u>172,736</u>	<u>639,942,215</u>
Non-controlling interests	487,572	0	487,572
TOTAL EQUITY	<u>640,257,051</u>	<u>172,736</u>	<u>640,429,787</u>
LIABILITIES			
Non-current liabilities			
Borrowings	118,474,116	0	118,474,116
Lease liabilities	407,539	0	407,539
Deferred tax liabilities	532,023	(14,367)	517,656
	<u>119,413,678</u>	<u>(14,367)</u>	<u>119,399,311</u>
Current liabilities			
Trade and other payables	27,837,563	0	27,837,563
Borrowings	41,499,119	0	41,499,119
Lease liabilities	110,899	0	110,899
Current tax liabilities	785,326	0	785,326
	<u>70,232,907</u>	<u>0</u>	<u>70,232,907</u>
TOTAL LIABILITIES	<u>189,646,585</u>	<u>(14,367)</u>	<u>189,632,218</u>
TOTAL EQUITY AND LIABILITIES	<u>829,903,636</u>	<u>158,369</u>	<u>830,062,005</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

35.2 Effects of adoption of the Agenda Decision (Cont'd)

(a) Reconciliation of statements of financial position (Cont'd)

Group

31 December 2020	Previously reported RM	Effects of Agenda Decision RM	Restated RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	3,631,595	0	3,631,595
Right-of-use assets	482,421	0	482,421
Investment properties	125,844,911	0	125,844,911
Investment in an associate company	341,023	0	341,023
Investment in a joint venture	28,065,040	0	28,065,040
Deferred tax assets	8,905,300	0	8,905,300
Inventories	283,297,847	0	283,297,847
	<u>450,568,137</u>	<u>0</u>	<u>450,568,137</u>
Current assets			
Inventories	153,992,006	597,344	154,589,350
Trade and other receivables	29,763,814	0	29,763,814
Contract assets	56,615,427	0	56,615,427
Current tax assets	2,369,036	0	2,369,036
Short term funds	40,307,159	0	40,307,159
Cash and bank balances	57,267,922	0	57,267,922
	<u>340,315,364</u>	<u>597,344</u>	<u>340,912,708</u>
TOTAL ASSETS	<u>790,883,501</u>	<u>597,344</u>	<u>791,480,845</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	288,189,478	0	288,189,478
Reserves	364,949,844	591,908	365,541,752
	<u>653,139,322</u>	<u>591,908</u>	<u>653,731,230</u>
Non-controlling interests	(1,798,244)	0	(1,798,244)
TOTAL EQUITY	<u>651,341,078</u>	<u>591,908</u>	<u>651,932,986</u>
LIABILITIES			
Non-current liabilities			
Borrowings	103,345,430	0	103,345,430
Lease liabilities	298,069	0	298,069
Deferred tax liabilities	625,094	5,436	630,530
	<u>104,268,593</u>	<u>5,436</u>	<u>104,274,029</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

35.2 Effects of adoption of the Agenda Decision (Cont'd)

(a) Reconciliation of statements of financial position (Cont'd)

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
31 December 2020			
Current liabilities			
Trade and other payables	21,971,611	0	21,971,611
Borrowings	13,114,041	0	13,114,041
Lease liabilities	109,470	0	109,470
Current tax liabilities	78,708	0	78,708
	<u>35,273,830</u>	<u>0</u>	<u>35,273,830</u>
TOTAL LIABILITIES	<u>139,542,423</u>	<u>5,436</u>	<u>139,547,859</u>
TOTAL EQUITY AND LIABILITIES	<u>790,883,501</u>	<u>597,344</u>	<u>791,480,845</u>

(b) Reconciliation of statements of profit or loss and other comprehensive income

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
31 December 2020			
Revenue	131,869,672	290,740	132,160,412
Cost of sales	(78,486,674)	174,151	(78,312,523)
Gross profit	<u>53,382,998</u>	<u>464,891</u>	<u>53,847,889</u>
Other income			
- Interest income	2,554,668	0	2,554,668
- Other income	407,626	0	407,626
Selling and distribution expenses	(4,840,618)	0	(4,840,618)
Administrative expenses	(13,286,891)	0	(13,286,891)
Impairment loss on trade receivables	(43,927)	0	(43,927)
Finance costs	(4,526,708)	(25,916)	(4,552,624)
Share of profit of an associate	906	0	906
Share of profit of a joint venture	249,599	0	249,599
Profit before tax	<u>33,897,653</u>	<u>438,975</u>	<u>34,336,628</u>
Tax expense	(10,058,088)	(19,803)	(10,077,891)
Profit for the financial year	<u>23,839,565</u>	<u>419,172</u>	<u>24,258,737</u>
Total other comprehensive income, net of tax	0	0	0
Total comprehensive income	<u>23,839,565</u>	<u>419,172</u>	<u>24,258,737</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

35.2 Effects of adoption of the Agenda Decision (Cont'd)

(b) Reconciliation of statements of profit or loss and other comprehensive income (Cont'd)

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
31 December 2020			
Profit for the financial year attributable to:			
Owners of the parent	25,175,881	419,172	25,595,053
Non-controlling interests	(1,336,316)	0	(1,336,316)
	<u>23,839,565</u>	<u>419,172</u>	<u>24,258,737</u>

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

Basic (Sen)	<u>5.81</u>	<u>5.81</u>
Diluted (Sen)	<u>5.80</u>	<u>5.80</u>

(c) Reconciliation of statements of cash flows

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
31 December 2020			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	33,897,653	438,975	34,336,628
Adjustments for:			
Depreciation of property, plant and equipment	425,708	0	425,708
Depreciation of right-of-use assets	140,307	0	140,307
Loss on disposal of property, plant and equipment	2,389	0	2,389
Impairment loss on trade receivables	43,927	0	43,927
Interest income	(2,554,668)	0	(2,554,668)
Interest expense	4,526,708	25,916	4,552,624
Net gain from fair value adjustments on investment properties	(115,000)	0	(115,000)
Property, plant and equipment written off	10,996	0	10,996
Share of profit of a joint venture, net of tax	(249,599)	0	(249,599)
Share of loss of an associate, net of tax	(906)	0	(906)
Share options granted under ESOS	295,711	0	295,711
Operating profit before changes in working capital	<u>36,423,226</u>	<u>464,891</u>	<u>36,888,117</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

35.2 Effects of adoption of the Agenda Decision (Cont'd)

(c) Reconciliation of statements of cash flows (Cont'd)

Group

	Previously reported RM	Effects of Agenda Decision RM	Restated RM
31 December 2020			
Changes in working capital:			
Inventories	1,141,938	(438,975)	702,963
Trade and other receivables	6,012,577	0	6,012,577
Contract assets	(32,093,096)	0	(32,093,096)
Trade and other payables	(1,531,396)	0	(1,531,396)
Cash generated from operations	9,953,249	25,916	9,979,165
Interest received	2,554,668	0	2,554,668
Tax paid	(7,452,762)	0	(7,452,762)
Tax refunded	803,598	0	803,598
Net cash from operating activities	5,858,753	25,916	5,884,669
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of capital reduction on non-controlling interest of subsidiary company	(199,500)	0	(199,500)
Proceeds from disposal of property, plant and equipment	1,051	0	1,051
Purchase of investment properties	(155,860)	0	(155,860)
Purchase of property, plant and equipment	(724,959)	0	(724,959)
Net changes in deposits pledged with licensed banks	(55,436)	0	(55,436)
Net cash used in investing activities	(1,134,704)	0	(1,134,704)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(16,931,083)	0	(16,931,083)
Dividends paid to non-controlling interests of subsidiaries	(750,000)	0	(750,000)
Interest paid	(4,504,863)	(25,916)	(4,530,779)
Proceeds from the issuance of shares pursuant to ESOS	494,778	0	494,778
Repayments of bank borrowings	(43,513,764)	0	(43,513,764)
Repayments of lease liabilities	(132,744)	0	(132,744)
Net cash used in financing activities	(65,337,676)	(25,916)	(65,363,592)
Net decrease in cash and cash equivalents	(60,613,627)	0	(60,613,627)
Cash and cash equivalents at beginning of the financial year	155,467,594	0	155,467,594
Cash and cash equivalents at end of the financial year	94,853,967	0	94,853,967

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

35.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting (“AGM”) of Tambun Indah Land Berhad (“**Tambun Indah**” or “**the Company**”) will be held at Pearl City Sales Gallery, Lot 8936, Jalan Tasek Mutiara 2, Bandar Tasek Mutiara, 14120 Simpang Ampat, Penang on Thursday, 16 June 2022 at 10.30 a.m. for the following purposes:-

A G E N D A

As Ordinary Business

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of Directors and Auditors thereon. | Please refer Note 9 |
| 2. | To re-elect Mr. Teh Kiak Seng, a Director who retires by rotation in accordance with Article 102 of the Company's Constitution and who, being eligible, offers himself for re-election. | Resolution 1 |
| 3. | To re-elect Dato' Seri Mokhtar Bin Mohd Jait, a Director who retires by rotation in accordance with Article 102 of the Company's Constitution and who, being eligible, offers himself for re-election. | Resolution 2 |
| 4. | To approve the payment of Directors' fees of not exceeding RM500,000.00 for the financial year ending 31 December 2022. | Resolution 3 |
| 5. | To approve the payment of Directors' benefits of not exceeding RM100,000.00 payable to non-executive directors for financial year ending 31 December 2023. | Resolution 4
Please refer Note 10 |
| 6. | To approve the payment of a single tier first & final dividend of 5.9 sen per ordinary share for the financial year ended 31 December 2021. | Resolution 5 |
| 7. | To re-appoint Messrs. BDO PLT as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

As Special Business

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

- | | | |
|----|---|---|
| 8. | AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 7
Please refer Note 11 |
| | <p>“THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.</p> <p>THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.</p> <p>AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”</p> | |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. **PROPOSED RENEWAL OF GENERAL MANDATE FOR THE DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO THE DIVIDEND REINVESTMENT SCHEME**

Resolution 8
Please refer Note
12

"THAT, pursuant to the Dividend Reinvestment Scheme ("DRS") as approved by the shareholders at the Extraordinary General Meeting held on 19 June 2013, the Directors of the Company be hereby authorised to allot and issue such number of new shares in the Company upon the election of shareholders of the Company to reinvest the dividend pursuant to the DRS until conclusion of the next AGM upon such terms and conditions and to such shareholders as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the new Tambun Indah shares shall be fixed by the Directors at not more than 10% discount to 5-Market Day volume weighted average market price of the Company's shares immediately prior to the price fixing date at the material time.

THAT the new Tambun Indah shares, shall upon allotment and issue, rank *pari passu* in all respects with the existing shares, save and except that the new Tambun Indah shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid, the entitlement date of which is prior to the allotment of the new Tambun Indah shares issued pursuant to the DRS.

THAT the Board be hereby authorised to do all such acts and things as are necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the authorities or as the Board in its absolute discretion deem fit and in the best interest of the Company.

AND THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Securities for the listing and quotation of the new Tambun Indah shares to be issued pursuant to the DRS."

10. **PROPOSED CONTINUATION OF MR. LAI FOOK HOY IN OFFICE AS INDEPENDENT DIRECTOR OF THE COMPANY**

Resolution 9
Please refer Note
13

"THAT authority be and is hereby given to Mr. Lai Fook Hoy who had served as an Independent Director of the Company for a cumulative term of more than 9 years to continue to act as an Independent Director of the Company and to hold office until the conclusion of the next AGM of the Company."

11. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board,

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

P'NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Company Secretaries

Penang
Date: 29 April 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint a maximum of 2 proxies to attend and vote at the same meeting.
3. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
6. For a proxy to be valid, the Proxy Form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
7. In the case of a corporate member, the proxy form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
8. Only a depositor whose name appears on the Record of Depositors on 9 June 2022 (General Meeting Record of Depositors) shall be eligible to attend the AGM or to appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

9. The Audited Financial Statements will be laid to shareholders at the AGM pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.
10. The Resolution 4, if passed, will enable the Company to pay meeting allowance, accommodation, travelling reimbursements, training and other benefits to non-executive directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of non-executive directors involved in these meetings.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES ON SPECIAL BUSINESS

11. The Resolution 7, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

12. The Resolution 8 is to seek a renewal of general mandate for the Directors to allot and issue new shares upon election of the shareholders of the Company to reinvest the dividend declared by the Company from time to time pursuant to the Dividend Reinvestment Scheme, until the conclusion of the next AGM. A renewal of this mandate will be sought at the next AGM of the Company.
13. The Resolution 9 is to seek shareholders' approval through a two tier voting process and, if passed, will enable Mr. Lai Fook Hoy, an Independent Director of the Company who had served for a cumulative term of more than 9 years to be retained and continued to act as an Independent Director of the Company until the conclusion of the next AGM of the Company. The Nominating Committee had assessed the independence of Mr. Lai Fook Hoy and recommended him to continue in office as he has demonstrated complete independence in character and judgement. The Directors having considered the recommendation of the Nominating Committee proposed that Mr. Lai Fook Hoy be remained as an Independent Director of the Company until the conclusion of the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

- 1) No individuals are standing for election as Directors at the forthcoming 14th Annual General Meeting of the Company.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 2 and 3 of the Notice of the 14th Annual General Meeting of the Company are set out in the Directors' Profile section of the Annual Report 2021.
- 3) The details of the Directors' interests in the securities of the Company as at 31 March 2022 are set out in the Analysis of Shareholdings section of the Annual Report 2021.
- 4) The Resolution 7 tabled under Special Business as per the Notice of the 14th Annual General Meeting of the Company dated 29 April 2022 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 27 September 2021.

The proposed renewal of general mandate for issuance of new shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of notice of meeting, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.

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PROXY FORM

Number of Shares Held	CDS Account No.									
			-			-				



TAMBUN INDAH LAND BERHAD
Registration No. 200801009158 (810446-U)
 Incorporated in Malaysia

*I/We _____ (*I/C No. / Passport No. / Company No. _____)
 (Full Name in Block Letters)

of _____ (Address)
 being a *member/members of the abovenamed Company, hereby appoint

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

* and/or (*delete if not applicable)

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 14th Annual General Meeting (“AGM”) of the Company to be held at Pearl City Sales Gallery, Lot 8936, Jalan Tasek Mutiara 2, Bandar Tasek Mutiara, 14120 Simpang Ampat, Penang on Thursday, 16 June 2022 at 10.30 a.m., and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Mr. Teh Kiak Seng as a director of the Company.		
2.	Re-election of Dato’ Seri Mokhtar Bin Mohd Jait as a director of the Company.		
3.	Payment of Directors’ Fees for the financial year ending 31 December 2022.		
4.	Payment of Directors’ Benefits to non-executive directors.		
5.	Payment of a single tier first & final dividend.		
6.	Re-appointment of Messrs. BDO PLT as auditors of the Company.		
7.	General mandate to allot and issue new shares in the Company.		
8.	Renewal of general mandate to allot and issue new shares pursuant to Dividend Reinvestment Scheme.		
9.	Proposed continuation of Mr. Lai Fook Hoy in office as an Independent Director of the Company.		

Please indicate with an “x” in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed thisday of.....,2022.

.....
 Signature(s)/Common Seal of member(s)

Notes

- A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint a maximum of 2 proxies to attend and vote at the same meeting.
- Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- For a proxy to be valid, the Proxy Form duly completed shall be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
- In the case of a corporate member, the Proxy Form must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
- Only a depositor whose name appears on the Record of Depositors on 09 June 2022 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

*strike out whichever is not desired.

Fold this flag sealing

2nd fold here



The Company Secretary
Tambun Indah Land Berhad
Registration No. 200801009158 (810446-U)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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Tambun Indah Land Berhad

200801009158 (810446-U)

12-01 Penthouse, Wisma Pantai, Jalan Wisma Pantai,
12200 Butterworth, Penang, Malaysia.

Tel : +604 324 0088

Fax : +604 324 0090

www.tambunindah.com

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5191
COMPANY NAME : Tambun Indah Land Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Tambun Indah Land Berhad ("Tambun Indah" or the "Company") plays an important role in overseeing the overall performance objectives and long term success and sustainability of the Group.</p> <p>The Board had established a governance structure in fostering the good corporate governance practices where certain areas of responsibilities are delegated to Board Committees and the Executive Management comprising members of the Board holding executive positions and the Senior Management for greater efficiency, and also serves as a control to mitigate or minimize any abuse of authorities.</p> <p>It is the general policy of the Company that all major decisions be considered by the Board as a whole.</p> <p>The Board Committees operate within a clearly defined terms of reference. The respective terms of reference are set out in the Board Charter which is available at the Company's website (www.tambunindah.com).</p> <p>The Board then keeps abreast of the key issues, recommendations and/or decisions made by each Board Committee through the reporting by the Chairman of each Committee and the tabling the minutes of the respective Board Committees of the applicable period for notation by the Board.</p> <p>The Board Committees as at 31 December 2021 were as follows:</p> <ol style="list-style-type: none">1. Audit Committee ("AC");2. Nominating Committee ("NC");3. Remuneration Committee ("RC");4. Risk Management Committee ("RMC"); and5. ESOS Committee.

	<p>The roles of independent directors in the main Board Committees namely AC, NC and RC are fundamental to good corporate governance. The independent directors are free from any undue influence of substantial shareholders or any interested parties which can materially interfere with the exercise of their independent judgements.</p> <p>The Managing Director (“MD”) is responsible for the overall management of business and operations of the Group. He is supported by the Senior Management and the Management Committee or Working Group. The Management Committee or Working Group consists of management from various departments to facilitate smooth and effective operations.</p> <p>The Executive Directors and Senior Management (“Executive Management”) shall formulate the strategies and plans of the Group annually for approval by the Board. The strategic planning process begins at the Senior Management level after assessment and review of the business environment as well as the progress of the previous year’s activities. The Senior Management will take into consideration the feedback from employees, customers and other stakeholders with whom the Group conducts its business during the financial year to ensure the best outcome for the ensuing year, and in the best interest of the Group and its stakeholders.</p> <p>During the process, the Executive Management will hold meetings led by the Executive Deputy Chairman (“EDC”) to discuss pertinent issues and concerns in order to deliver the best outcomes. The Executive Management constantly and actively engage with one another throughout the financial year.</p> <p>During the financial year ended 31 December 2021 (“FY2021”), the EDC had tabled the Business Plan and Budget for the review and approval of the Board. The Board had reviewed and approved the plan as presented.</p> <p>The Board also received reports by the EDC on the progress of the approved strategies, plans and budgets whilst the MD provided updates to the Board, on various operational issues or factors that affected the Group’s businesses.</p> <p>As the pandemic entered a second year, the Board continued to spend time monitoring the impact of the on-going COVID-19 pandemic and reviewing the Group’s sustainability plan, risk management and other mitigating measures to stay resilient as well as maintaining the confidence of the shareholders and stakeholders of the Company.</p> <p>To mitigate corporate liability risk, the Company had launched the implementation of Anti-Bribery Management System (“ABMS”) to prevent, detect and respond effectively to bribery and corruption. During the FY2021, the Anti-Bribery and Corruption (“ABC”) team</p>
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	<p>provided updates to the Board in respect of the ABMS implementation on quarterly basis. The AC through the Internal Auditors (“IA”) also reviewed the implementation of the ABMS by the Group in accordance with subsection 5 of Section 17A of the Malaysian Anti-Corruption & Commission Act 2009 (“MACC Act”) and with reference to Corporate Integrity System Malaysia (“CISM”) Framework.</p> <p>During the FY2021, the NC reviewed and assessed the Board and Senior Management in ensuring that there was effective and orderly succession planning in the Group. The Board was satisfied that the current organisational structure including its work force aligned with the needs of the Group.</p> <p>During the FY2021, the Company had maintained a sound investor relations programme through continuous engagements with shareholders and other stakeholders vide announcements to Bursa Securities, informative website, analyst presentations and corporate briefings.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Board, Mr. Lai Fook Hoy performs his duties as an independent director.</p> <p>The Chairman assumes a leadership role in the Board so that the Board can perform its responsibility effectively. His role includes the following:</p> <ul style="list-style-type: none">(a) to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties;(b) to set the Board agenda and to ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation;(c) in consultation with the Secretary, Board members and Senior Management, to ensure Board members receive complete and accurate information at least 7 days in advance of the board meeting;(d) to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;(e) to encourage active participation and allow dissenting views to be freely expressed;(f) to manage the interface between the Board and Senior Management;(g) to ensure appropriate steps are taken by the Executive Directors and Senior Management to facilitate an effective communication between the Board and the stakeholders; and(h) to lead the Board in the adoption and implementation of good governance practices.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business. In this respect, the position of the Chairman of the Board and the MD (CEO) are held by different individuals.</p> <p>The Board has established a clear distinction and separation of roles between the Chairman of the Board and the MD in the Board Charter.</p> <p>As at 31 December 2021, the Chairman of the Board was Mr Lai Fook Hoy, and the MD was Mr. Teh Deng Wei.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board was the Chairman of Remuneration Committee, a member of Audit Committee and a member of Nominating Committee until 01 January 2022 when he retired from the positions.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries are members of professional bodies and qualified to act as Company Secretaries.</p> <p>The brief profile of the Company Secretaries are as follows:</p> <p>Mr. Lee Peng Loon, is an associate member of the Malaysian Association of Company Secretaries (MACS). He started his career with the Malaysian Inland Revenue Board (IRB) as a senior officer for several years before joining one of the “Big Four” international accounting firms in its taxation division. He was later transferred to head its secretarial division as the Executive Director, a position he served for 10 years. With more than 35 years of immense tax, accounting and secretarial experiences, he had assisted and supported countless companies in diverse industries to ensure achievements of regulatory compliance.</p> <p>Ms. P’ng Chiew Keem, Riko, is an associate member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA). She started her career with one of the “Big Four” international accounting firms in Malaysia. She then furthered her studies in Business Management Education in the Asian Institute of Management (AIM), a pioneer business school in Asia, founded in 1968 by the Harvard Business School together with a consortium of prominent business leaders and academic institutions. She has more than 20 years of experience in handling corporate, secretarial, and compliance matters to a large portfolio of clients, indirect tax consulting, accounting and corporate advisory.</p> <p>The primary responsibilities of the Company Secretaries are as follows:</p> <ul style="list-style-type: none">(a) To properly maintain the secretarial records, preparation of resolutions and other secretarial functions of the Company;(b) To issue notice and attend the meetings of the Board, Board Committees and shareholders and to record the minutes of such meetings;(c) To assist in corporate governance practices, by proposing relevant agenda items to be included as recurring meeting agenda;(d) To facilitate the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the

	<p>results of the assessments for the Board and/or Board Committee's deliberation;</p> <p>(e) To update the Board on the changes, which are relevant to the Company, of the listing requirements upon receiving the circulars from Bursa Securities; and</p> <p>(f) To advise on corporate disclosures and compliances.</p> <p>During the FY2021, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes and other areas of laws, governance and tax.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Board meetings are scheduled in advance before the beginning of a new financial year to enable members of the Board to plan ahead and fit the year's meetings into their schedules.</p> <p>The Board meets at least 4 times a year, once in every quarter with additional meetings to be held when the need arises to consider urgent proposals or matters that required expeditious decision or deliberation of the Board.</p> <p>The meeting materials which are complete with accurate documents for deliberation together with the minutes of the previous Board and Board Committees ("Board Papers") are circulated at least 7 days in advance of each meeting to allow sufficient time for the directors to peruse the agendas tabled so that they can participate effectively in the meeting. The Board papers encompass all matters in the agendas being considered so that informed decisions can be made by the Board.</p> <p>The meetings of the Board and Board Committees are held separately and the proceedings thereat are properly documented in the minutes of the respective meetings.</p> <p>The Company Secretary will circulate the draft minutes to all directors for review and comment before confirmation by the chairman as a correct record. Such a process is to ensure the minutes of meetings accurately reflect the deliberations and decisions of the Board or the Board Committees, including any dissenting views and matters where directors abstained from voting or deliberation.</p> <p>The Board also approves certain matters of the Company via circular resolutions to be signed by a majority of directors.</p> <p>All the directors have unrestricted access to the services of the Company Secretaries and may inspect the minutes, resolutions and other statutory documents during office hours at the registered office of the Company.</p> <p>During the FY2021, there were 6 meetings held and all the Board Papers were circulated to the Board in timely manner.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter of the Company contains the following:</p> <ul style="list-style-type: none"> (a) Role of the Board (inclusive matters reserved for the Board) (b) Role of Individual Director (c) Role of Chairman (d) Role of Executive Deputy Chairman (e) Role of Managing Director (f) Role of Independent Non-Executive Directors (g) Role of Board Committees & Terms of References (h) Size and Composition of the Board (i) Nomination & Appointment of Directors (j) Re-election of Directors (k) Tenure of Independent Directors (l) Board Diversity (m) Time Commitment & Acceptance of New Directorship (n) Succession Planning (o) Conflict of Interest (p) Board Performance Evaluation (q) Directors' Training (r) Dealing in Securities (s) Board Meeting (t) General Meeting (u) Remuneration Policies & Procedures (v) Access to Information & Independent Advice (w) Financial Reporting (x) Company Secretaries (y) Shareholders' Communications (z) Corporate Sustainability Framework <p>The Board reviews the Board Charter annually or as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulatory authorities, and that it remains consistent with the policies and procedures of the Board.</p> <p>The last review of the Board Charter was on 14 April 2022.</p>

	A full copy of the Board Charter is available at the Company's website (www.tambunindah.com).	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Business Conducts and Ethics ("Code") of the Company is prepared based on principles of integrity, sincerity and accountability in order to enhance the standards of corporate governance and behaviour.</p> <p>The Code contains the following:</p> <ul style="list-style-type: none">(a) Responsibilities and Compliance of the Code(b) Working with Local Communities(c) Fair Dealings(d) Dealings with Government Officials(e) Work Environment & Employment(f) Compliance with Laws & Regulations(g) Environment, Occupational Safety & Health(h) Conflict of Interests(i) Anti-Bribery and Corruption Practices(j) Gifts and Entertainment(k) Travel(l) Political Contributions(m) Donations and Sponsorships(n) Outside Employment(o) Protecting Group Assets(p) Proprietary and Confidential Information(q) Political Activities(r) Whistleblowing(s) Review <p>In FY2020, the Board had revised the Code to align with the implementation of ABMS to prevent, detect and respond effectively to bribery and corruption. The Anti-Bribery and Corruption Policy ("ABC Policy") was developed in cohesion with the ABMS.</p> <p>The ABC Policy provides guidance on the Company's protocols to be observed by the directors, employees and business associates</p>

	<p>comprised of vendors, contractors, sub-contractors, consultants, agents, representatives, outsourced personnel, distributors, advisers and other intermediaries who perform works or provide services for or on behalf of the Company and/or the Group. The ABC Policy is to be read together with the Code, Whistle-Blowing Policy, Employee Handbook (for employees) and the MACC Act.</p> <p>All the directors and employees of the Company and/or the Group are required to sign the mandatory annual declaration form whilst business associates are required to complete the “Third Party Declaration Form” to the Company after they had read and understood the Code and ABC Policy of the Company.</p> <p>The Code and the ABC Policy are subject to annual review to ensure their relevance. The last review of the Code was on 14 April 2022.</p> <p>As at 31 December 2021, all the employees of the Group had attended the refresher training course in relation to the understanding of the MACC Act and their obligations towards the measures undertaken by the Company in combating bribes and corruptions.</p> <p>A copy of the Code and ABC Policy are available at the Company’s website (www.tambunindah.com).</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle-Blowing Policy ("Policy") of the Company sets out a formal communication channel for the employees and stakeholders to communicate matters of concern in good faith and without fear of reprisal. In FY2020, the Board had revised the Policy to align with the implementation of ABMS.</p> <p>The Policy is subject to annual review to ensure its relevance. The last review of the Policy was on 14 April 2022.</p> <p>There were no whistle-blowing cases reported in FY2021.</p> <p>A copy of the Whistle-Blowing Policy is available at the Company's website (www.tambunindah.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognizes sustainability governance and practices are fundamental to support the long term success and value creation of the Group. As such, the Company's sustainability goal is upheld by a framework in which all the strategies are adopted with the consideration of the following key commitments:-</p> <p>Economic</p> <ul style="list-style-type: none">(i) To contribute positively towards economic growth and development through sustainable business operations;(ii) To advocate ethical and sound practices by upholding high standards of governance while ensuring compliance with internal policies and external rules and regulations; and(iii) To maintain and practice transparent and impartial interactions with all stakeholders. <p>Environmental</p> <ul style="list-style-type: none">(i) To ascertain that the Board's decisions and actions take into consideration key values towards environmental preservation and conservation; and(ii) To minimise environmental impacts from the Group's developments and operations through sustainable practices and responsible consumption of resources and materials. <p>Social</p> <ul style="list-style-type: none">(i) To ensure that health and safety values are prioritised in the Group's operations by continuously seeking ways to promote and improve measures within our business environment;(ii) To provide the employees with a platform for career and personal development within a fair and forward-looking working environment while constantly ensuring their wellbeing; and(iii) To contribute to the welfare of the community in which the Group operates in and to continuously provide support and aids to the

	<p>less-fortunate, underprivileged and needy in meeting their social needs.</p> <p>The Board regards continuous engagements with stakeholders; the Board including the Senior Management are able to understand the stakeholders' expectations, interests and concerns as all these are important for implementation of the Company's sustainability strategies and plans including managing risks and considering improvements for the operations.</p> <p>A Sustainability Working Group has been set up to integrate sustainability initiatives and considerations in the day-to-day operations of the Company and amongst others to ensure an effective implementation of sustainability directions of the Group. The Sustainability Working Group comprising the Managing Director and key management team across the business divisions shall meet at least twice a year to review issues relating to sustainability matters.</p> <p>During the FY2021, the Board approved the terms of reference of the Sustainability Working Group and the Company's sustainability framework for inclusion in the Board Charter.</p> <p>The Board had also appointed an independent consultant, BDO Governance Advisory Sdn Bhd to assist in materiality assessment of the Group's economic, environmental and social ("EES") factors including the Sustainability reporting.</p> <p>Given that sustainability governance is a journey, it has been a culture for the Board to actively participate, discuss and deliberate on sustainability matters. During the FY2021, the Board had discussed on topics related to workplace health and safety, digitalisation, environmental conservation and preservation initiatives, sustainable procurement practices and so forth.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Company has made good progress to achieve a level of sustainability for the targets set in FY2021. Further details are set out in the Company’s Sustainability Report section of the Annual Report for the financial year ended 31 December 2021 (“AR 2021”).	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of sustainability governance and the needs to have sufficient understanding and knowledge of sustainability matters that are relevant to the Company and its business, including climate related risks and opportunities.</p> <p>During the FY2021, the directors had evaluated their own training needs and had attended seminars and workshops to stay abreast of relevant development in this area.</p> <p>The Board, through the NC, evaluates the effectiveness of the Board's composition and of its mix of skills required to strengthen the Board's leadership and oversight of sustainability issues.</p> <p>Based on recent assessment, the NC was satisfied that the Board has the credentials in discharging its duties based on the following justifications:</p> <ul style="list-style-type: none">(i) All the directors have good industry knowledge to meet the needs of the Company(ii) All the directors have good understanding and knowledge of the external trends, industry issues as well as the risks and opportunities critical to the performance of the Group(iii) All the directors have good understanding of information technology, regulatory and operating environment(iv) Individual directors have the core competencies and experiences that they could contribute to the objectives of the Company(v) Individual directors have educational qualifications
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company is committed in pursuing a strategy of long-term sustainable growth and value creation for its stakeholders. From operational perspective, FY2021 had been a year full of challenges. Notwithstanding that, the Company has delivered a commendable performance in respect of FY2021 as it stayed focus on its sustainability priorities and business continuity measures to stay resilient.</p> <p>Senior Management had worked closely with Board on ESG factors in formulating sustainability strategies, priorities and targets whilst the Board performed its role in overseeing the sustainability matters and this include reviewing the progress of sustainability initiatives and the proactive actions proposed by the Senior Management in addressing the gap.</p> <p>The current performance review for Board and senior management has taken into account their performance in addressing the Group's sustainability risks.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board had established the Sustainability Working Group to manage the sustainability governance and practices of the Group.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is mindful that an effective board should comprise an appropriate mix of skills, knowledge, and experience as well as independent elements to fulfil its obligations and to continually improve performance of the Company.</p> <p>In accordance with the Company's Constitution, 1/3 of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the directors shall retire from office at least once every 3 years but shall be eligible for re-election.</p> <p>The NC had assessed Mr. Teh Kiak Seng and Dato' Seri Mokhtar Bin Mohd Jait, the directors due for retirement by rotation at the forthcoming Annual General Meeting ("AGM") based on the following criteria and was satisfied therewith:</p> <ul style="list-style-type: none">(i) The individual director's contributions based on their respective self-assessment results/outcome;(ii) The individual director's contribution to the Board through their respective skills, experience and strength in qualities; and(iii) Their capacity to bring independent judgement and ability to act in the best interests of the Company as a whole. <p>The Board supported the recommendation of the NC that Mr. Teh Kiak Seng and Dato' Seri Mokhtar Bin Mohd Jait be proposed for re-election at the forthcoming AGM.</p> <p>The tenure of Dato' Seri Mokhtar Bin Mohd Jait as an independent non-executive director of the Company is less than 9 years as he was appointed to the Board on 01 July 2019.</p> <p>Mr. Teh Kiak Seng and Dato' Seri Mokhtar Bin Mohd Jait had abstained from deliberating and voting on the above.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 December 2021, the Board comprised of 3 independent directors, 1 non-independent non-executive director and 3 executive directors.</p> <p>The independent directors' representation on Board was equivalent to 43%.</p> <p>The number of independent directors of Tambun Indah complied with the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") where at least 2 directors or 1/3 of the Board members, whichever is higher are independent directors.</p> <p>As an alternate practice, the Board operates in the manner that its directors exercise independent judgement and with the interests of the shareholders always in the forefront when important decisions are made by the Board.</p> <p>The independent assessments and opinions of the independent directors are important in ensuring the effectiveness of corporate governance practices of the Company. No individual director can dominate the decision-making of the Board despite the Board has representatives of the substantial shareholders.</p> <p>Additionally, the Board is helmed by an independent non-executive Chairman and the main Board Committees namely the AC, NC and RC comprised of entirely independent directors are further indicators of independence.</p> <p>Each independent director of the Company is aware of his responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2021, one of the independent directors of Tambun Indah, Mr. Lai Fook Hoy had served more than a cumulative term limit of 9 years.</p> <p>The NC had assessed and was satisfied that Mr. Lai Fook Hoy had demonstrated his objectivity and independence in expressing his opinions in the decision making of the Board. Hence, his length of service on the Board did not interfere with the exercise of his independence in decision making.</p> <p>The Board concurred with the NC and had recommended Mr. Lai Fook Hoy to be retained and continued to act as an independent director of the Company until the conclusion of the next AGM of the Company, for shareholders' approval through a two tier voting process at the forthcoming AGM.</p> <p>Mr. Lai Fook Hoy had abstained from deliberating and voting on the above.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible to assess the suitability of a new candidate before his appointment as a director of the Company. In the evaluation, the NC takes into consideration among others the candidate's skills, experience, independency, character, integrity, competency and time commitment of the candidate to effectively discharge his role as a director.</p> <p>Following the assessment, the NC will submit its recommendation to the Board for approval. The Company Secretary is then responsible to ensure relevant procedures relating to the appointment of the new directors are properly executed.</p> <p>Upon appointment, the new director will be given a copy of the Board Charter, and provided with an induction programme to familiarize the new director with the business activities, corporate governance practices, and other policies of the Group. The programme also allows the new director to get acquainted with the management.</p> <p>In FY2021, none of the members of the Board were active politicians or actively linked directly with the heads of state, heads of government and ministers.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	The NC identifies and searches for candidates through various contacts and recommendations from independent sources including proposal from the directors, management and major shareholders. The selection process for appointment of new director is set out in Practice 5.5. The Board did not appoint any new director during the financial year.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board’s justifications are set out in Practice 5.3 as well as in the Notice of the 14th AGM under the explanatory notes.</p> <p>The profile of Mr. Lai Fook Hoy including his age, gender, tenure of service, directorships in other companies, working experience, shareholdings and any conflict of interest are set out in the AR2021.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2021, the NC of Tambun Indah was chaired by Dato' Seri Mokhtar Bin Mohd Jait, an Independent Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had established a policy of at least 30% female director on the Board.</p> <p>As at 31 December 2021, the Board comprised of 3 female directors, equivalent to 43% women representation on Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	Details are set out in the AR2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Board through the NC, performs a formal and objective annual assessment to determine the effectiveness of the Board as a whole, evaluates the Board Committees and the contribution of individual directors through the use of questionnaires.</p> <p>The Company Secretary will collate the results of the questionnaires into a report. The report is prepared based on the collective comments and feedback from all the directors and relevant Board Committees.</p> <p>The Company Secretary then presents the report to the NC for evaluation, and that is subsequently tabled to the Board for deliberation.</p> <p>During the FY2021, the NC had assessed the effectiveness of the Board as a whole and its Committees. The NC, after considering among others the following factors, had recommended that the composition of the Board and Board Committees to remain unchanged:</p> <ul style="list-style-type: none">• Mix of skills and knowledge;• Diversity;• Capabilities and objectivities;• Boardroom activities; and• Performance of the Board Committees. <p>The NC had also assessed the directors based on the self-assessments' questionnaires completed by the individual directors and considered among others the character, integrity, personality, independence and contribution of each director and was satisfied therewith. The NC had recommended that the directors are to remain unchanged.</p>
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Policy that is objective, fair and transparent to ensure a competitive remuneration is in place to motivate, reward and retain directors and senior management to manage the Group's business successfully. None of the executive directors or senior management participates in deciding their own remunerations.</p> <p>The Board through the RC reviews the remuneration package of the executive directors and senior management. The remuneration package is reflective of the individual performance, function, workload, responsibilities, leadership, team spirit and length of service. The Board will also take into consideration on the Company's performance in managing material sustainability risks and opportunities.</p> <p>The RC also reviews and recommends to the Board the remuneration to be paid to non-executive directors based on their level of responsibilities and commitment required. The directors' fees and benefits determined by the Board are subject to annual shareholders' approval.</p> <p>The Remuneration Policy is set out in the Board Charter which is available at the Company's website (www.tambunindah.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a RC with defined terms of reference. The RC is responsible for reviewing the remunerations of executive directors, senior management and non-executive directors according to the Remuneration Policy. The RC then tables its recommendation to the Board.</p> <p>As at 31 December 2021, the RC comprised entirely independent directors.</p> <p>During FY2021, the RC had carried out the following duties:</p> <ul style="list-style-type: none">(i) Reviewed and confirmed the minutes of the RC meeting;(ii) Reviewed and recommended to the Board, the incentives and/or bonus of the executive directors and senior management for FY2021;(iii) Reviewed and recommended to the Board, the remuneration packages of the executive directors and senior management for FY2021;(iv) Reviewed and recommended to the Board, the fees payable to directors of the Company for FY2022 for shareholders' approval at the AGM; and(v) Reviewed and recommended to the Board, the benefits and estimated quantum payable to non-executive directors for shareholders' approval at the AGM.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The remunerations paid to the directors on named basis in FY2021 are set out below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lai Fook Hoy	Independent Director	60	4	-	-	-	-	64	60	4	-	-	-	-	64
2	Teh Kiak Seng	Executive Director	40	-	-	-	-	-	40	40	-	600	300	38	136	1,114
3	Teh Deng Wei	Executive Director	40	-	-	-	-	-	40	40	-	1,500	750	27	338	2655
4	Teh Theng Theng	Executive Director	40	-	-	-	-	-	40	40	-	409	171	11	88	719
5	Tsai Chia Ling	Non-Executive Non-Independent Director	40	3	-	-	-	-	43	40	3	-	-	-	-	43
6	Lam Voon Kean	Independent Director	58	4	-	-	-	-	62	58	4	-	-	-	-	62
7	Mokhtar Bin Mohd Jait	Independent Director	52	4	-	-	-	-	56	52	4	-	-	-	-	56
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the opinion that it is not in the best interest of the Group to disclose the level of remuneration paid to senior management on a named basis given the competitive environment for personnel with the requisite knowledge and experience in the industry.	
		As alternate practice, the Board discloses the aggregate remuneration paid to senior management.	
		For FY2021, the aggregate sum of remunerations paid to the senior management team was approximately RM0.83 million.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	N/A	N/A	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>As at 31 December 2021, the AC was chaired by Ms. Lam Voon Kean and she was not the Chairman of the Board.</p> <p>Ms. Lam Voon Kean is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.</p> <p>The composition of the AC is set out in the AC Report of the Annual Report.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>Tambun Indah’s Terms of Reference of the AC requires a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC.</p> <p>In FY2021, none of the members of the Board was a former key audit partner of the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC had assessed the suitability, objectivity and independence of the Company's external auditors, BDO PLT who performed the audits of the Company for FY2021.</p> <p>After having considered the following factors, the AC had recommended BDO PLT to the Board for re-appointment subject to shareholders' approval at the AGM of the Company:</p> <p>Suitability Assessment</p> <ul style="list-style-type: none">• The adequacy of resources, skills, knowledge and experience to perform their duties in accordance with approved professional auditing standards and applicable regulatory and legal requirements;• The adequacy of the audit scope and plan which covers fraud if identified and the key financial and operational risks of the Group;• Timely report on deficiencies noted in the risk management and internal controls;• Timely updates on new developments pertaining to financial reporting standards, corporate governance and other regulated changes;• Ability to meet the deadlines set by the Group; and• Adequate succession plan to meet the audit partner rotation requirement in ensuing objectivity in their audit opinion. <p>Objectivity Assessment</p> <ul style="list-style-type: none">• The nature and extent of the non-audit services rendered and the appropriateness of the level of their fees. <p>Independence Assessment</p> <ul style="list-style-type: none">• The engagement partner has not served for a continuous period of more than 7 years with the Company; and• BDO PLT has given written assurance to the AC confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	As at 31 December 2021, the AC comprised entirely independent directors.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC had assessed the term of office and performance of the AC and its members for FY2021 in accordance with Paragraph 15.20 of the Main LR of Bursa Securities by way of a set of comprehensive questionnaires.</p> <p>The questionnaires covered amongst others the understanding of the role and terms of reference, financial literacy, integrity, independency, time commitment and so forth.</p> <p>The NC was satisfied that the AC and its members had discharged their duties according to their terms of reference and had recommended to the Board that the existing composition to remain status quo.</p> <p>During the FY2021, members of the AC had attended various trainings and development programmes as set out under "Board Development" in the Corporate Governance Overview Statement section of AR2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopts a Risk Management Handbook which encapsulates the risk management policies and strategies of the Group. The handbook was revised based on the foundation of Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management ("COSO ERM") 2017 framework, among others in view of the practices of the Group's environment and operation.</p> <p>The Board through the RMC reviewed the adequacy of the Group's risk management framework in FY2021 to ensure risk management and internal controls are in place.</p> <p>During the FY2021, the RMC had reported to the Board periodically on the Group's risk profile including actions undertaken by the management to manage or mitigate the risks identified.</p> <p>The Statement on Risk Management and Internal Control as set out in the Annual Report provides an overview of the state of risk management and internal controls within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>Risk management is regarded as an important aspect of the Group’s operation. The Group has an on-going process for identifying, evaluating and managing principal risks.</p> <p>An overview of risk management and the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control section of AR2021.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	The Internal Auditors will review the systems of internal control of the Group based on the audit plan approved by the AC. The Internal Auditors will then report their findings, their suggestions for improvement and the management responses to the AC on a quarterly basis. The progress of the implementation of recommended actions is being monitored through follow up reviews by the Internal Auditors each quarter. The AC will then report to the Board on the progress and findings of the internal audit function.	
		The AC had reviewed and assessed the adequacy of the scope and coverage of the internal audit function for FY2021 as well as the performance, competency, resources and independence of Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”), the outsourced internal auditors and was satisfied therewith. The AC had re-appointed Sterling for another term.	
		Further details of the internal audit function are set out in the AC Report section of AR2021.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company outsourced its internal audit function to an independent internal audit service provider, Sterling which reports directly to the AC.</p> <p>Sterling had confirmed that they are independent and free from any relationship or conflict of interest with the Group.</p> <p>Brief profile of the internal auditors are as follows:</p> <p>Ms. So Hsien Ying, a Certified Internal Control Professional (US), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), permanent member of The Internal Control Institute (US), Member of Malaysian Alliance of Corporate Directors and Associate Member of The Institute of Internal Auditors Malaysia (IIAM) with 29 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>Ms. Yap Sau Peng, a member of Malaysian Institute of Accountant, Certified Member of The Institute Internal Auditors Malaysia, Certified Practicing Accountant (CPA) (Australia) and Master in Business Administration (Australia) with 21 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>Cheng Chean, a member of Malaysian Institute of Accountant and a Certified Member of Institute of Internal Auditors Malaysia (CMIIA). He is also a Fellow Chartered Certified Accountant (FCCA). Mr. Cheng has 17 years of hand on experience in the fields of External Audit, Internal Audit and Internal Control Review.</p> <p>The number of resources of Sterling deployed for each internal audit review ranges from 2 to 5 audit personnel per visit.</p> <p>Sterling is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM") and used the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated</p>

	Framework as a basis for evaluating the effectiveness of the Group's internal control systems.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of an effective communication channel between the Board, shareholders and other stakeholders and shall provide timely information of the Group's latest financial, corporate developments as well as the Group's businesses and products to enhance value and build the investors' confidence with the Group. The stakeholder engagement is as detailed in Sustainability Statement.</p> <p>During FY2021, the Board had communicated to shareholders and stakeholders through the following channel:</p> <ul style="list-style-type: none">• The issuance of the Company's Annual Report for FY2020 ("AR2020") on 30 April 2021;• The Addendum to AR2020 on 27 August 2021• The AGM of the Company which was held virtually on 27 September 2021;• Announcements released to Bursa Securities namely the quarterly financial results, annual reports, changes in composition of the Board, changes in shareholdings and other announcements in accordance with the Main LR of Bursa Securities and these announcements were also available at the Company's website (www.tambunindah.com);• The Company's website for shareholders and the general public to access for the latest and updated information such as corporate information, corporate slides of the latest quarterly financial results, events of the Group, Board Charter & policies, the Group's projects and other information.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted Practice 13.1 to issue the notice of AGM to shareholders at least 28 days prior to the meeting.</p> <p>The additional time given will allow shareholders to make necessary arrangements to attend and participate in person or through proxies or corporate representatives, and also to consider the proposed resolutions before exercising their voting rights at the meeting.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted Practice 13.2 that all its members including key senior management to attend the general meeting of the Company and respond to shareholders’ enquiries, if any.</p> <p>All the directors and key senior management attended the 13th AGM of the Company to engage directly with shareholders of the Company. The Company Secretary and the External Auditors were also in attendance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had conducted its first fully virtual 13th AGM on 27 September 2021 in accordance with the Companies Act 2016 and the Securities Commission Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 01 June 2021.</p> <p>The entire AGM proceedings were conducted through live streaming and online participation and voting using Remote Participation and Voting ("RPV") facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online at https://tiih.online.</p> <p>With the RPV facilities, shareholders were able to cast their votes virtually at the TIIH Online platform as if in a physical meeting without appointing proxy to vote for them.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>AGM is a vital forum for interactions with shareholders of the Company. At the fully virtual 13th AGM, sufficient opportunity was provided to shareholders to pose questions during the AGM.</p> <p>Before the proposed resolutions were put to the vote by poll, Chairman invited shareholders to raise questions relating to the proposed resolutions which the Board and Senior Management were present to respond to any questions from the shareholders. The Company's External Auditors were also present to address issues relating to the audits and the auditors' reports.</p> <p>In enhancing a more meaningful engagement between the Board and shareholders, the MD presented the Group's performance and future plans to shareholders at the start of the meeting which allowed shareholders to share their feedback and post questions during the meeting using the RPV facilities provided.</p> <p>Other than live questions or remarks posted during the AGM, shareholders also submitted their questions electronically before the AGM vide the online platform provided by Tricor.</p> <p>The responses to all the questions including those live questions that the Board was not able to address during the allocated time were made available on the Company's website after the AGM.</p>
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board supports active shareholders' participation at the Company's fully virtual 13th AGM. Save as explained in Practice 13.4, the RPV facilities provided by Tricor had also allowed shareholders to post questions before and during the 13th AGM via typed text in the query box.</p> <p>In the Administrative Notes circulated together with the Notice of the 13th AGM, shareholders were informed that they may submit questions at any time from the day of notice of the AGM was issued and up to the time when the Chairman declared the closure of the Q&A session.</p> <p>During the Q&A session, the questions posted by shareholders were live broadcast on screen and in each of the questions posted, the MD read the question and answer sequentially to enable shareholders to follow through.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>				
Application	:	Applied		
Explanation on application of the practice	:	<p>Minutes of the 13th AGM have been made available to shareholders no later than 30 business days after the AGM.</p> <p>A copy of the said minutes could be downloaded from the Company's website (www.tambunindah.com).</p>		
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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