

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

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

The recommended practices not adopted in FY2022 were as follows:

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

The recommended practices not applicable in FY2022 were as follows:

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I BOARD RESPONSIBILITIES

The Board

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

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

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

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

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

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

Roles of Chairman and Managing Director are Separate and Clearly Defined

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

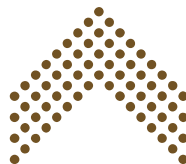
I BOARD RESPONSIBILITIES (CONT'D)

GOVERNANCE STRUCTURE at a glance

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



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



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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I BOARD RESPONSIBILITIES (CONT'D)

Leadership Roles and Responsibilities

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

Role of Company Secretaries

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I BOARD RESPONSIBILITIES (CONT'D)

Role of Board Committees

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

1) Audit Committee

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

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

2) Nominating Committee

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

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

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

The members' attendance for FY2022 was as follows:

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

3) Remuneration Committee

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I BOARD RESPONSIBILITIES (CONT'D)

Role of Board Committees (Cont'd)

3) Remuneration Committee (Cont'd)

The members' attendance for FY2022 was as follows:

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

4) Risk Management Committee

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

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

The members' attendance for FY2022 was as follows:

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

Board Meetings

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I BOARD RESPONSIBILITIES (CONT'D)

Board Meetings (Cont'd)

The Directors' attendance for FY2022 was as follows:

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

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

Board Succession

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

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

Board Policies

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I BOARD RESPONSIBILITIES (CONT'D)

Access to Information or Advice

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

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

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

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

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

II BOARD COMPOSITION

Board Independence

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II BOARD COMPOSITION (CONT'D)

Board Independence (Cont'd)

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

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

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

Conflict of Interest

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

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

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

Board Experience

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

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

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

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

Gender Diversity

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II BOARD COMPOSITION (CONT'D)

Age Diversity

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

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

Tenure of Independent Directors

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

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

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

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

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

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

Re-elections and Appointments

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II BOARD COMPOSITION (CONT'D)

Re-elections and Appointments (Cont'd)

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

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

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

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

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

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

Annual Assessments

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II BOARD COMPOSITION (CONT'D)

Board Commitments

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

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

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

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

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

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

Board Development

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II BOARD COMPOSITION (CONT'D)

Board Development (Cont'd)

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III REMUNERATION

Remuneration Policies

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

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

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

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

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

Remuneration of Directors

The remuneration of the Directors for FY2022 was as follows:

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

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

Remuneration of Senior Management

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III REMUNERATION (CONT'D)

Remuneration of Senior Management (Cont'd)

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

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

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

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

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

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

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

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

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

External Auditors

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I AUDIT COMMITTEE (CONT'D)

Assessment of External Auditors

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

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

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

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

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

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

Internal Audit Function

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

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

The Internal Auditors report directly to the Audit Committee.

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

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

I COMMUNICATION WITH STAKEHOLDERS

Financial Reporting

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

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

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

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

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

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

Stakeholders Communications

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Stakeholders Communications (Cont'd)

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

SHAREHOLDERS ENGAGEMENT

Electronic Communication and Online 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. 	Sufficient and Timely Information <ul style="list-style-type: none"> The AGM notice and Annual Report (including audited financial statements) are given to shareholders at least 28 days before the date for holding the AGM which exceeds the statutory requirement of 21 days. For each resolution to be proposed for approval by shareholders under special business, there are explanatory notes setting the rationale for shareholders to make an informed decision when exercising their voting rights.
Accountability to Shareholders and Corporate Reporting <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. 	Dynamic engagement with Shareholders <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 <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. 	Dividend Policy <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.
Voting <ul style="list-style-type: none"> All the resolutions set out in the notice of meeting of members are put to vote by poll. The poll will be conducted by the Company's Share Registrar and scrutinised by an independent scrutineer. Procedures for conducting the poll are explained to members during the meeting prior to the taking of the poll. Poll results are announced and posted on the Bursa Securities' and the Company's websites on the same day after the meeting. 	

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

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

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

Annual General Meeting

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

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

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

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

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