

Annual Report

2023



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Lai Fook Hoy**  
Non-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

**Kaoy Lay Min**  
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

**Kaoy Lay Min**  
Member /  
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  
Email : corporatenet21@gmail.com

### BUSINESS ADDRESS

12-01 Penthouse Wisma Pantai  
Jalan Wisma Pantai  
Kampung Gajah  
12200 Butterworth  
Penang  
Tel: 604-324 0088  
Fax: 604-324 0090  
Website: www.tambunindah.com

### AUDITORS

BDO PLT  
(201906000013 (LLP0018825-LCA) & AF 0206)  
Chartered Accountants  
51-21-F Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Penang  
Tel : 604-222 0288  
Fax : 604-222 0299

### 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 : 603-2783 9299  
Fax : 603-2783 9222  
Email : is.enquiry@my.tricorglobal.com

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
(Bursa Securities)

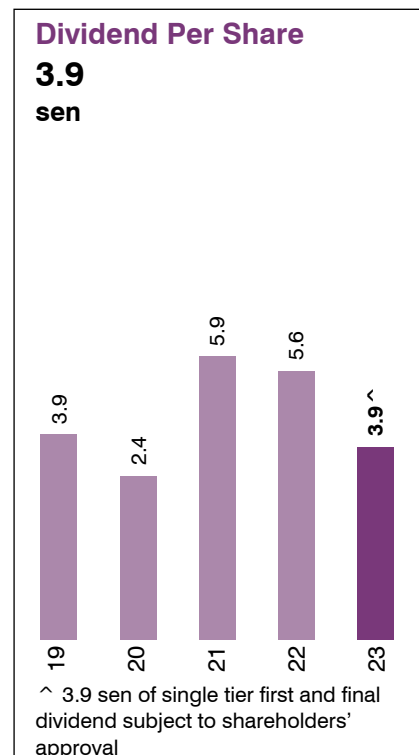
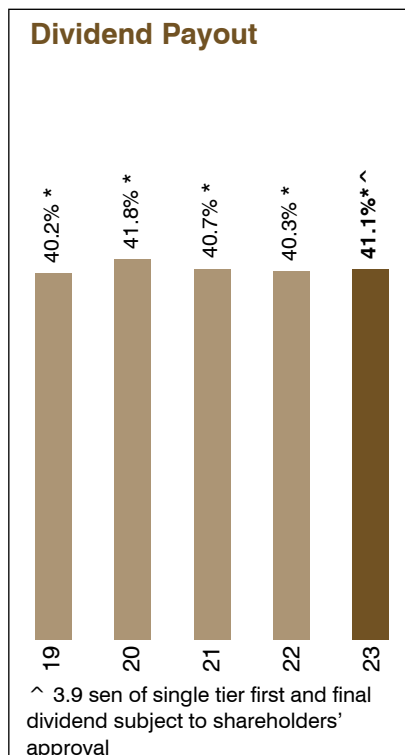
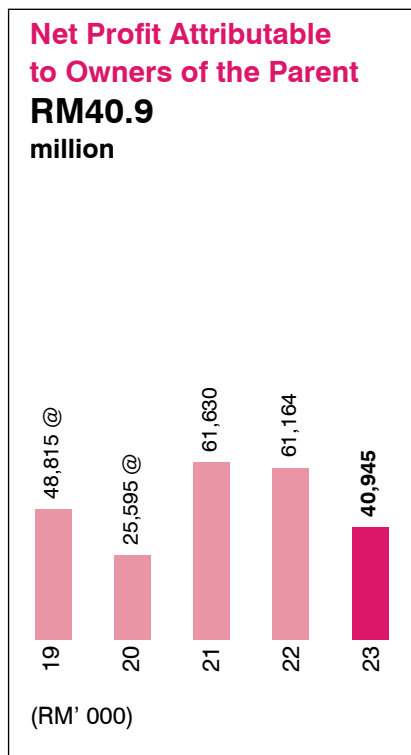
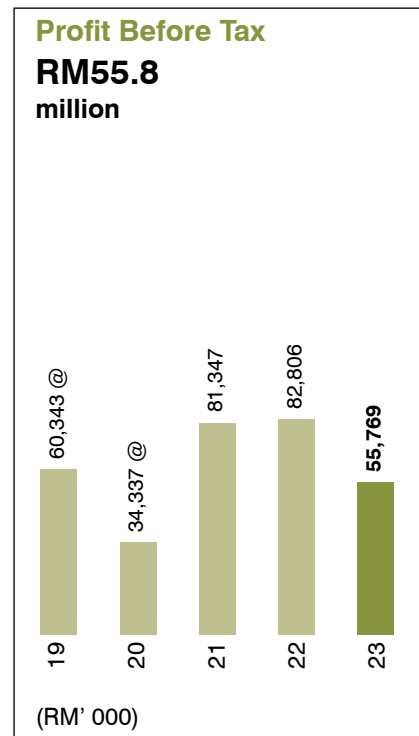
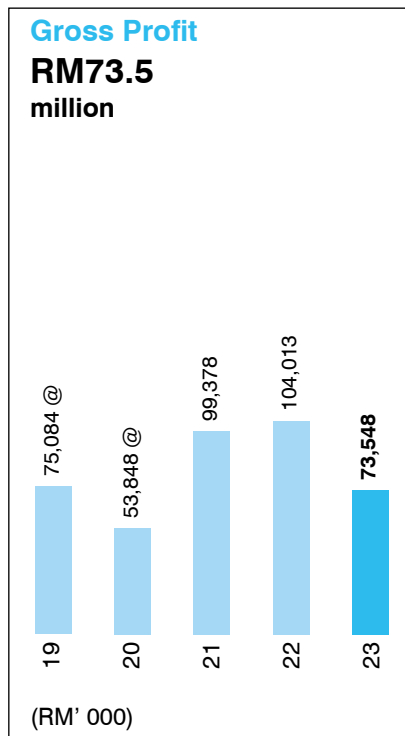
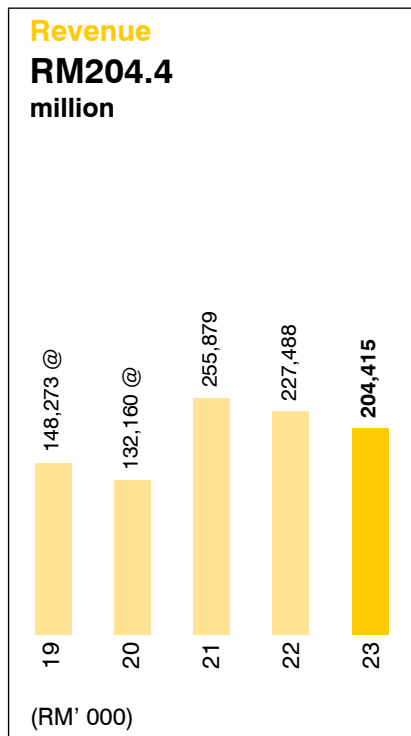
# CORPORATE STRUCTURE



Tambun Indah Land Berhad

100%	❖	Cenderaman Development Sdn. Bhd.	Property Development
100%	❖	Denmas Sdn. Bhd.	Project & Construction Management
100%	❖	Denmas Development Sdn. Bhd.	Property Development
100%	❖	Epiland Properties Sdn. Bhd.	Property Management
100%	❖	Hong Hong Development Sdn. Bhd.	Property Development
100%	❖	Intanasia Development Sdn. Bhd.	Property Development
100%	❖	Jasnia Sdn. Bhd.	Property Development
100%	❖	Juru Heights Sdn. Bhd.	Property Development
100%	❖	Langstone Sdn. Bhd.	Investment Holding & Operation of Car Park
100%	❖	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%	❖	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

# FINANCIAL HIGHLIGHTS



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

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

## FINANCIAL HIGHLIGHTS (CONT'D)

### Summarised Group Statement of Profit or Loss and Other Comprehensive Income

	Financial Year Ended 31 December				
	Audited <sup>1</sup>	Audited <sup>1</sup>	Audited	Audited	Audited
	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	148,273	132,160	255,879	227,488	<b>204,415</b>
Gross Profit	75,084	53,848	99,378	104,013	<b>73,548</b>
Profit Before Tax	60,343	34,337	81,347	82,806	<b>55,769</b>
Net Profit Attributable to Owners of the Parent	48,815	25,595	61,630	61,164	<b>40,945</b>

### Summarised Group Financial Position

	Financial Year Ended 31 December				
	Audited <sup>1</sup>	Audited <sup>1</sup>	Audited	Audited	Audited
	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Total non-current assets	454,604	450,568	442,314	471,859	<b>455,407</b>
Total current assets	375,458	340,913	405,542	413,047	<b>428,099</b>
Total assets	830,062	791,481	847,856	884,906	<b>883,506</b>
Share capital	287,637	288,189	289,096	291,302	<b>291,302</b>
Other reserves	998	1,216	1,118	-	-
Retained earnings	351,307	364,326	415,493	451,619	<b>462,028</b>
Shareholders' equity	639,942	653,731	705,707	742,921	<b>753,330</b>
Non-controlling interests	488	(1,798)	(2,672)	(3,718)	<b>404</b>
Total non-current liabilities	119,399	104,274	88,339	78,385	<b>63,123</b>
Total current liabilities	70,233	35,274	56,482	67,318	<b>66,649</b>
	830,062	791,481	847,856	884,906	<b>883,506</b>
Net assets per share (RM)	1.48	1.50	1.62	1.69	<b>1.71</b>

### Financial Analysis

	2019 <sup>1</sup>	2020 <sup>1</sup>	2021	2022	2023
Gross Profit Margin	50.64%	40.74%	38.84%	45.72%	<b>35.98%</b>
Profit Before Tax Margin	40.70%	25.98%	31.79%	36.40%	<b>27.28%</b>
Net Profit Margin	32.92%	19.37%	24.09%	26.89%	<b>20.03%</b>
Short term funds and cash and bank balances (RM'000)	158,133	97,575	141,584	186,378	<b>163,197</b>
Total borrowings (RM'000)	159,973	116,459	108,390	102,661	<b>86,370</b>
Lease liabilities (RM'000)	518	408	298	203	<b>573</b>
Net Gearing	0.37%	2.95%	Net cash	Net cash	<b>Net cash</b>

Note :

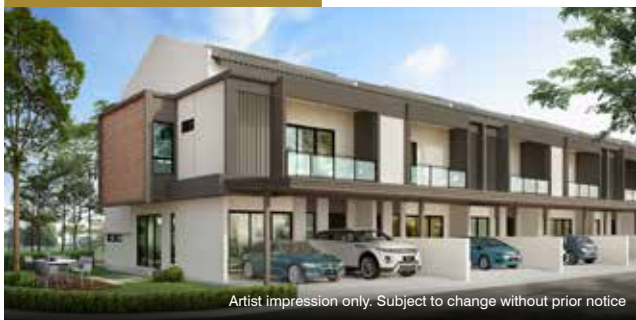
<sup>1</sup> The figures have been restated following the adoption IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 Borrowing Costs

# 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 2023 ("FY2023").

Botanic Villa



Dahlia Garden



## FINANCIAL OVERVIEW

In FY2023, Malaysia emerged as a country with resilience and showed good signs of economic recovery post pandemic. The opening of economic sectors had brought a positive impact on property industry. Nevertheless, the continued recovery in the property sector is not free from various challenges, including the ongoing increase in cost of raw materials used in construction and higher interest rates. During the review period, Bank Negara Malaysia had raised the Overnight Policy Rate ("OPR") to 3.0% in May 2023 in response to rising inflationary pressures. Buying trends were conservative due to inflation and higher borrowing costs.

Despite the challenges faced, the Group achieved satisfactory new property sales of RM246 million, compared to RM173 million in the previous financial year. However, a lower revenue of RM204 million was recognised, compared to RM227 million in previous financial year, mainly due to a proportion of the new property sales being from newly launched projects which contributed lower recognised revenue. An analysis of the Group's financial performance is further detailed in the "Management Discussion and Analysis" section of this Annual Report.

## SUSTAINABILITY AND CORPORATE GOVERNANCE

Moving forward, prioritising sustainability remains crucial as an integral part of the Group's business strategy. Tambun Indah is committed to executing projects that enhance community well-being, promote environmental sustainability, and create lasting value for stakeholders.

## DIVIDEND

The Group maintains a policy to distribute dividend between 40% to 60% of the Group's net profit, excluding any valuation gain or loss on investment properties, to shareholders. The Board proposes a first and final dividend of 3.9 sen per ordinary share, which represents 41.1% of the Group's net profit, excluding any valuation gain or loss on investment properties, for approval at the upcoming Annual General Meeting.

## PROPERTY SECTOR OUTLOOK

The property market is likely to be affected by fluctuations in material prices, a high interest rate environment, and the rising cost of living. However, we anticipate the property market to be resilient in the coming years, underpinned by local demand. The decision by Bank Negara Malaysia to maintain the OPR unchanged since May 2023 has renewed confidence in property market.

The Group will continue to exercise prudence in its launches, focusing on the affordable and mid-range segments to meet the local demand. To maintain our competitive edge, we consistently analyse the market, seeking to comprehend the needs of homebuyers and refining our strategies to adapt to market conditions.

## BOARD COMPOSITION

We welcome Ms. Kaoy Lay Min who joined the Board on 2 January 2024 as an Independent Non-Executive Director. She is also a member of the Audit Committee. On the same date, I was redesignated as Non-Independent Non-Executive Chairman of the Group.

## APPRECIATION

I wish to express my sincere appreciation to my fellow Board members for their support and counsel. On behalf of the Board, I convey our heartfelt thanks to the management and staff for their commitment, dedication, and perseverance which contributed to the Group's success. And as a Group, we would like to extend our gratitude to our valued shareholders, customers, and business partners for their continued trust and unwavering support during the year.

Thank you.

**Lai Fook Hoy**  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

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

Tambun Indah Land Berhad and its subsidiaries ("Tambun Indah" or "the Group") portfolio of business segments are property development, property investment and property management. Over the years, Tambun Indah had established itself as a reputable property developer in Mainland Penang. With a track record of a variety of developments such as landed residential homes, high rise residential condominiums, commercial premises, and industrial factories, the Group will continue building contemporary homes that support sustainable communities and neighbourhoods. At present, we remain focused on the growth of our flagship development, Pearl City, which is strategically located at the Southern District of Mainland Penang.

## FINANCIAL PERFORMANCE

### REVENUE

The Group achieved a total revenue of RM204 million in the financial year ended 31 December 2023 ("FY2023"), lower by 10% compared to RM227 million reported in the financial year ended 31 December 2022 ("FY2022").

Business Segment	FY 2023 (RM'000)	FY 2022 (RM'000)	Difference (%)
Property Development and Management	200,829	224,095	-10%
Property Investment	3,586	3,393	6%
<b>TOTAL</b>	<b>204,415</b>	<b>227,488</b>	<b>-10%</b>

The Property Development and Management segment remained the key revenue generator, contributing RM201 million or 98% of the total revenue. In FY2023, the Group launched two (2) new projects and had achieved higher new property sales compared to the previous financial year. Despite higher new property sales, the segment reported lower revenue compared to FY2022 as a significant portion of the revenue originated from the newly launched projects which were still in their early stage of construction.

The property investment segment received revenue from rental of investment properties, and operation of car parks. This segment recorded a marginal increase in revenue in FY2023 as compared to FY2022, with the improved rental rates following the full economic re-opening on 1 April 2022.

### PROFIT BEFORE TAX

The Group's profit before tax ("PBT") decreased from RM83 million in the previous financial year to RM56 million in FY2023.

In FY2023, the Group made a provision for foreseeable loss upon the commencement of an affordable low-cost housing project. However, the Group also recorded cost savings on two (2) projects completed during the financial year. Together the net impact was a lower gross profit of approximately RM10 million.

The decrease in the Group's PBT was mainly due to the lower revenue recognized as well as the one-off net impact as explained above.

The Group recorded higher other income of RM7.3 million in FY2023, an increase of approximately RM4.6 million as compared to RM2.7 million in FY2022. The increase was mainly due to a rise in the interest income of RM2.5 million, and a fair value gain on investment properties of RM2.0 million recognized in FY2023. The better interest income in FY2023 was due to higher placement amount maintained during the financial year and higher interest rates.

Selling and distribution expenses in FY2023 were lower by approximately RM1.3 million due to a cost efficiency exercise in marketing programs during the financial year. The administrative expenses increased by approximately 5% due to the inflationary cost, while finance costs increased by 16% due to the increase in interest rates. The Group constantly practices a prudent approach in managing its costs, particularly in the current inflationary setting.

### ASSETS AND LIABILITIES

The financial position of the Group remained healthy with a total equity attributable to owners of RM753 million compared to RM743 million in FY2022. The balance sheet continued to strengthen further with the total borrowings reduced from RM103 million to RM87 million. As in FY2022, the Group was in a net cash position at the end of FY2023.

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



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONS REVIEW

### PROPERTY DEVELOPMENT

In FY2023, the Group achieved new property sales of 776 units, 56% higher from 496 units in FY2022. The total transaction value of RM246 million was 42% higher against RM173 million in FY2022. The increase in new property sales was due to new project launches with products targeting first-time homebuyers, providing contemporary homes at affordable pricing. The Group's dynamic sales strategy, leveraging more on various social media platforms was also effective in reaching the targeted younger buyers.

#### On-Going Projects:

Project Name	Type of Development	No. of Units	GDV RM' mil
Aster Villa	Gated and Guarded Landed Homes	255	159
Ambay Garden	Terrace and Semi-detached Homes	178	92
Pearl Impiana	Terrace and Semi-detached Homes	148	87
Mutiara Indah	Affordable low-cost Flats and Shops	829	42
Dahlia Garden	Terrace and Semi-detached Homes	209	119
Botanic Villa	Gated and Guarded Landed Homes	510	301

All the on-going projects are within Pearl City township, which is strategically located at the Southern District of Mainland Penang. The average take-up rate of the on-going projects was 62% (FY2022: 84%) and the unbilled sales stood at RM123 million (FY2022: RM77 million) at the end of the financial year.

The Group launched two (2) new projects, namely Dahlia Garden and Botanic Villa in FY2023. Dahlia Garden consists of 185 units of terrace house and 24 units of semi-detached house while Botanic Villa offers 252 units of terrace house, 114 units of semi-detached house and 144 units of townhouse. These two projects contributed a combined gross development value ("GDV") of RM420 million. In addition, the Group also started another block of Mutiara Indah which offers 391 units of affordable low-cost flat and 23 units of shoplot.

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



Positioned strategically in the Southern District of Mainland Penang, the Pearl City township enjoys ease of access via its link to the North-South Highway, Penang Bridge, and Electrified Double Track Railway. In addition to its proximity to major industrial parks like Batu Kawan Industrial Park, Bukit Minyak Industrial Estate, Bukit Tengah Industrial Estate, Penang Science Park and Prai Industrial Estate, Pearl City is surrounded by a range of amenities, including a sports centre, mall, schools and dining establishments. This makes Pearl City an ideal option for home seekers looking for both convenience and a balanced, healthy lifestyle, with work and leisure facilities nearby.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONS REVIEW (CONT'D)

### PROPERTY DEVELOPMENT (CONT'D)

#### Pearl City, Penang



Artist impression only. Subject to change without prior notice

#### **Botanic Villa**

Botanic Villa is the latest addition to the Group's portfolio. Being a freehold gated and guarded project, it features a mix of 252 units of double-storey terrace house, 114 units of double-storey semi-detached house and 144 units of townhouse. It caters for residents who are looking for a perfect blend of comfort and style amidst a conducive garden living in a secured environment.



#### **Dahlia Garden**

Dahlia Garden, a newly launched project, offers a total of 209 units of double-storey semi-detached and terrace house. It caters for young families who are looking for landed homes at an affordable price range.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONS REVIEW (CONT'D)

### PROPERTY DEVELOPMENT (CONT'D)

#### Pearl City, Penang (Cont'd)



Artist impression only. Subject to change without prior notice

#### **Pearl Impiana**

Pearl Impiana, a low density freehold project comprising of 102 units of double-storey terrace home and 46 units double-storey semi-detached house, will be suitable for home seekers looking for modern layouts, affordability, and convenient access to nearby facilities and amenities.



Artist impression only. Subject to change without prior notice

#### **Ambay Garden**

Ambay Garden offers 128 units double-storey terrace house and 50 units double-storey semi-detached house. It has received good response from buyers due to its affordable price range.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONS REVIEW (CONT'D)

### PROPERTY DEVELOPMENT (CONT'D)

#### Pearl City, Penang (Cont'd)



#### **Aster Villa**

Aster Villa offers a well-balanced mix comprising 254 units of double-storey semi-detached and terrace home, and also 1 unit of bungalow. It is complete with recreational facilities that promise a contemporary and healthy lifestyle.

### PROPERTY INVESTMENT

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

#### **XCL International School Penang ("XCL")**



XCL provides students with academic and lifelong learning skills for their future readiness. In addition to emphasising academic achievement, XCL prioritises holistic character development by integrating elements such as growth mindset, resilience, interpersonal skills, leadership, self-motivation, and stewardship into all student activities. The campus is equipped with first-rate facilities like two football fields, a fully equipped multi-purpose hall, a primary sports hall, two swimming pools, specialist classrooms including science labs, a dance studio, a black box theatre, and various shared learning spaces – indoors and outdoors. XCL also provides students the opportunity to choose and pursue numerous after school activities (extracurricular), ranging from chess to fencing.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONS REVIEW (CONT'D)

### PROPERTY INVESTMENT (CONT'D)

#### Pearl City Mall



Artist impression only. Subject to change without prior notice

Pearl City Mall represents the first stage of our integrated development at Pearl City Business Park and is strategically located at the heart of Pearl City. It offers the convenience of one-stop shopping for daily necessities to the residents of Pearl City, as well as the growing population of Southern District of Mainland Penang. The mall is leased to C Mart Premium Hypermarket ("C Mart"), as the anchor tenant. Other tenants include Mr DIY, Watsons, 7-Eleven, Eco-Plus, OldTown, and Burger King.

#### Jesselball Sports Centre (Pearl City)



Residents in the area seeking a healthier and more active lifestyle can enjoy the amenities at Jesselball Sports Centre, which offers a range of sports facilities including badminton courts, futsal courts, and a fully equipped gymnasium.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONAL AND FINANCIAL RISKS

The property sector within the Group is subject to various risks, including changing market trends, changes in government policies, the interest rate environment and rising material and construction costs, which may inadvertently affect housing affordability and the property development industry's cost structure. Additionally, the Group faces competition from both new and existing property players launching their development projects in Mainland Penang.

Over the years, the Group has consistently prioritised effective risk management. We acknowledge our exposure to risks that could significantly affect our performance and financial standing. To address this, the Group has implemented a risk management framework that integrates into our business operations. This framework facilitates ongoing assessments, identification, evaluation, and monitoring of both current and emerging risks. The risk management framework of the Group is detailed in the Statement on Risk Management and Internal Control section of this Annual Report.

The Group is mindful of the stringent policies on end-financing loans and a high interest rate environment that may result in shifts in market trends within the property market. In the effort to meet the market demand, the Group consistently monitors the market to comprehend and address the requirements of homebuyers. The Group remains prudent in its launches, concentrating on market-aligned products within a reasonable price range to maintain competitiveness.

Changes in policies implemented by governing bodies and authorities may affect the Group's business, operational costs and the property market outlook. Hence, the Group keeps abreast with new policies and guidelines issued by the relevant authorities to mitigate the risks.

External factors such as rising material and construction costs will further weigh on the property sector. In response to these challenges, the Group adheres to a prudent approach on managing the costs by diligently negotiating with contractors during the tendering stage to secure favorable pricing. Backed by an experienced management team and technical consultants, the Group closely monitors its operating costs and explores methods to mitigate the impact of rising material costs. The Group also maintains excellent working relationships with its local suppliers and contractors to enhance the sustainability of its supply chain.

While cognizant of competition from other property developers in the northern region of Malaysia, the Group remains dedicated to ensuring timely delivery and maintaining distinguishable quality in its products. To maintain competitiveness, the Group consistently strives for innovation in its products and to enhance its marketing strategy. A digital-driven marketing strategy, including the utilization of social media platforms and virtual showroom tours, complements our traditional marketing endeavors such as roadshows and exhibitions, ensuring the ongoing sustainability of our sales operations.

## GROWTH STRATEGIES

The Group continues its time-tested strategy in bringing innovative development concepts, ensuring a wide spectrum of designs to cater for the different needs as well as offering quality properties at affordable prices. Amidst rising costs, the Group will continue to focus on ensuring cost effectiveness to mitigate the impact.

Going into FY2024, the Group expects a challenging market condition amidst rising construction costs affecting the industry. Given that the Group focuses on affordably priced housing and the fact that a significant portion of our buyers are first-time home buyers, we anticipate a resilient demand.

In FY2024, the Group will focus on its on-going projects, especially the two (2) newly launched projects; Dahlia Garden and Botanic Villa that have a combined total of 719 units, with a GDV of RM420 million. The Group has also planned to launch towards end 2024, a freehold landed project in Bukit Mertajam, offering 74 units of double storey terrace house, which brings a total GDV of approximately RM52 million.

Based on its current landbank, the Group's existing and pipeline projects will bring a GDV of approximately RM3.7 billion over the next ten years or more depending on prevailing market conditions. With the support of robust balance sheet, it provides the Group flexibility for potential land banking and business expansion to ensure the sustainability and continuity in the long run.

## DIVIDEND

The Board will propose a single tier first and final dividend of 3.9 sen per share, representing a dividend payout of approximately RM17.1 million, for shareholders' approval at the forthcoming Annual General Meeting.

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

## CONCLUSION

While being mindful of current market challenges, the Group remains dedicated to delivering products punctually with exceptional quality. We are steadfast in pursuing growth opportunities to generate value for our stakeholders.

# SUSTAINABILITY STATEMENT

TAMBUN INDAH LAND BERHAD (“TAMBUN INDAH” OR “THE GROUP”) IS PLEASED TO PRESENT ITS SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023.

## ABOUT THIS STATEMENT

FY2023 has been a significant year for sustainability, notably for the growing focus on environmental, social and governance (“ESG”) issues by relevant business stakeholders, both domestic and international. At Tambun Indah Land Berhad (“Tambun Indah” or “the Group”), we are ever mindful on the importance of ESG performance for value creation within our business and in our communities we work and live in.

Given the scope of value creation encompassing financial and non-financial aspect, Tambun Indah remains steadfast in our approach to embed and bring to life the fundamentals of ESG throughout the organisation and our stakeholders.

Essentially, adopting ESG as our way of life serves to strengthen the resilience of the organisation against external shocks and mitigate the impacts of risk factors that would erode value creation so as to promote growth and business opportunities for the future.

The Group has earned a reputation for its dedication to not just delivering homes on time but also creating developments of distinguishable quality with functional attributes that enhances its long-term value. This is in line with the Group’s focus on supporting the nation’s housing needs while keeping in mind its environmental and social footprint.

This Statement is made in accordance with a resolution of the Board of Directors dated 15 April 2024.

## SCOPE AND BOUNDARY

The Sustainability Statement 2023 (“Statement”) provides a detailed narrative of the ESG performance for Tambun Indah for financial year ended 31 December 2023 (“FY2023”).

Similar to the previous reporting approach, the scope and boundary of this Statement includes all the Group’s key subsidiaries. This disclosure excluded all outsourced business activities, associates and joint venture partnerships as the Group did not have sole administrative control over them.

Tambun Indah exercises a “local-where-we-operate” practice.

## REFERENCED REPORTING FRAMEWORKS

This Statement is developed in accordance with best practice sustainability reporting frameworks as listed below (in full or partial adoption):

- The Main Market listing requirements of the Bursa Malaysia Securities Berhad Sustainability Reporting Guide 2022 (3rd Edition)
- The 2021 Global Reporting Initiative (GRI) Standards
- The United Nations Sustainable Development Goals (UN SDGs)
- The Greenhouse Gas Protocol (GHG Protocol)
- The International Federations of Accounts for ISAE 3000 for our assurance process
- FTSE4Good Bursa Malaysia Index

## STATEMENT QUALITY AND DATA ASSURANCE

The internationally established and widely used Global Reporting Initiative (“GRI”) principle of materiality has been applied in the selection of topics and disclosures for inclusion in this Statement.

All data contained within this statement has been sourced internally and verified accordingly by the Sustainability Working Group (“SWG”) and assured by the Group’s outsourced Internal Auditors in accordance with the International Standard on Assurance Engagement (ISAE) 3000 and the Principles to Sustainability Reporting COSO ICIF-2013.

Based on the data verification processes and procedures conducted, the Internal Auditors conclude that Tambun Indah has established appropriate systems for the collection, computation, aggregation and analysis of relevant data and information that provide a reasonable degree of confidence that such data and information disclosed are materially accurate and complete. Overall, the data and information reported in this Statement is fairly presented.

# SUSTAINABILITY STATEMENT (CONT'D)

## RESTATEMENT OF INFORMATION

Information or financial figures for previous years may be amended. Such restatements are due to various reasons such as improvements in data collection, more comprehensive calculations or the adoption of recommended best practices.

## FORWARD-LOOKING STATEMENTS

This statement contains forward-looking statements such as targets, prospects, plans, and reasonable performance expectations. These statements are made based on presently available data and information and current operating environment conditions and may change due to unpredictable circumstances. We recommend not placing undue reliance on such forward-looking statements as our business is subject to risks and uncertainties beyond our control. Actual outcomes may differ from what is indicated.

## MEMBERSHIP OF ASSOCIATIONS

Tambun Indah's property development segment is a member of Real Estate and Housing Developers' Association ("REHDA"), a non-government organisation working to address the needs of the housing and property industry.

Additionally, our site staff are members of the Construction Industry Development Board ("CIDB"), a body set up to build the capacity and capability of the construction industry through improving quality and productivity by emphasising professionalism.

## STATEMENT AVAILABILITY AND FEEDBACK

This Statement is available at our corporate website. As part of our effort toward continuous improvement, Tambun Indah welcomes all opinions and feedback to ensure our ESG approach remain meaningful and relevant.

Please reach out to us at [tambunindah@investor.net.my](mailto:tambunindah@investor.net.my) for any questions or comments.

## GOVERNANCE

Tambun Indah is committed to operating within the principles of good corporate governance. This is crucial for us in order to deliver on our sustainability pledges and strategies.

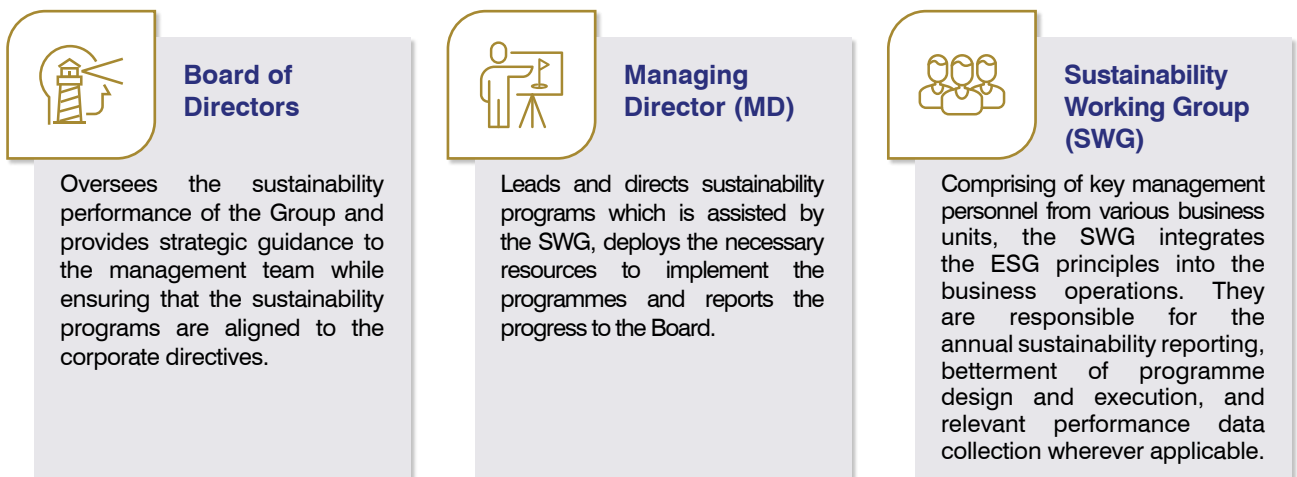
In support of this, Tambun Indah has an effective sustainability governance structure that defines roles and responsibilities and provides the necessary controls and oversight to drive the Group's sustainability agenda.

As a public listed company, we conduct our business fairly, ethically and in full compliance with all the applicable laws and regulations. The repercussions of poor corporate governance may lead to fines and penalties for non-compliance and operational inefficiencies.

## OVERSIGHT AND GOVERNANCE OF ESG TOPICS

At Tambun Indah, sustainability is driven on a top-down approach, starting from the Board of Directors and Senior Management. This effectively means that the ESG agenda and sustainability strategies have the oversight of the Group's highest decision-making body.

ESG-related topics are raised at the Board and Senior Management's level for deliberation and decision-making. Policies and decisions are then cascaded throughout all levels of the Group by the Sustainability Working Group, who is responsible for the execution of action plans to effectively embed the ESG culture across the length and breadth of the organisation.





# SUSTAINABILITY STATEMENT (CONT'D)

## EMBEDDING ESG CONSIDERATIONS INTO GROUP RISK MANAGEMENT

There is growing importance on risks associated with material ESG topics such as environmental management, labour and human rights and anti-corruption. The Board and Senior Management are cognisant of how material ESG topics can impact value creation.

The Board oversees the sustainability direction of the Group, reviews and approves policies and frameworks, with the support of a Risk Management Working Group (“RMWG”) to monitor the sustainability and ESG risks. The Risk Management Working Group is headed by the Managing Director and consists of key management personnel from Sales and Marketing, Contract Management, Project Planning and Development, Finance and Accounts, Property Investment and Management, Corporate Affairs, and Human Resource and Administration. They would report to the Board any material changes in the Risk Profile.

In addition, Tambun Indah uses the COSO ERM 2017 Framework to manage the Group’s risk management system and reporting transparency. This has enabled ESG to be firmly embedded into the Group’s risk matrix which is closely monitored and assessed.

Tambun Indah has in place a Business Continuity Plan to prepare for major ESG catastrophic events through scenario planning. Other strategic measures to manage and mitigate potential and actual risks continue to be adopted, one of which is the development of Tambun Indah’s ESG framework supported by tangible goals, key performance indicators (“KPIs”) and targets to assess progress achieved. The linkage between ESG risks and business impacts will be further strengthened in FY2024 and subsequent years.

## BOARD AND SENIOR MANAGEMENT REMUNERATION

Outlined in Tambun Indah’s Board Charter and Terms of Reference is a remuneration policy for Directors and Senior Management. This is managed by the Remuneration Committee, responsible to assess and make recommendations on the appropriate level of remuneration according to the capability and expertise required by the company.

Tambun Indah’s Executive Directors and Senior Management have a fixed remuneration with variable pay in the form of bonuses and incentives. Director’s fees and benefits payable to Non-Executive Directors will be approved by shareholders during annual general meeting (AGM).

To reinforce the importance of ESG, Tambun Indah has instituted ESG performance as part of the annual assessment for both the Board and Senior Management.

## BOARD DIVERSITY AND INDEPENDENCE

It has been recognised that inclusivity and diversity work to strengthen corporate governance, enabling a wider range of perspectives, independent deliberation and hence, stronger decision-making capability.

At Tambun Indah, competencies of its Board are wide, ranging from finance and accounting to regulatory as well as entrepreneurship, having a formidable wealth of experience in property industry.

As at 31 December 2023, Tambun Indah’s Board of Directors comprise three Independent Non-Executive Directors or 42.9% of a total of seven Board members. The definition of an Independent Non-Executive Director is provided in the Board Charter and complies with the definition of the market regulator.

Tambun Indah has a 42.9% women representation on the Board as at FY2023, as committed within Company’s Directors’ Fit and Proper Policy. This is in support of the recommended target of 30% set by Malaysian Code on Corporate Governance (“MCCG”) 2021 and by industry regulators. To reinforce Tambun Indah’s commitment to diversity at the highest level, on 2 January 2024 another female Board member joined the organisation, resulting in a commendable 50% female representation on the Board.

To ensure strong due diligence and transparency, Tambun Indah’s Nominating Committee is responsible to assess and recommend the re-election of directors and new appointment of directors to the Board.

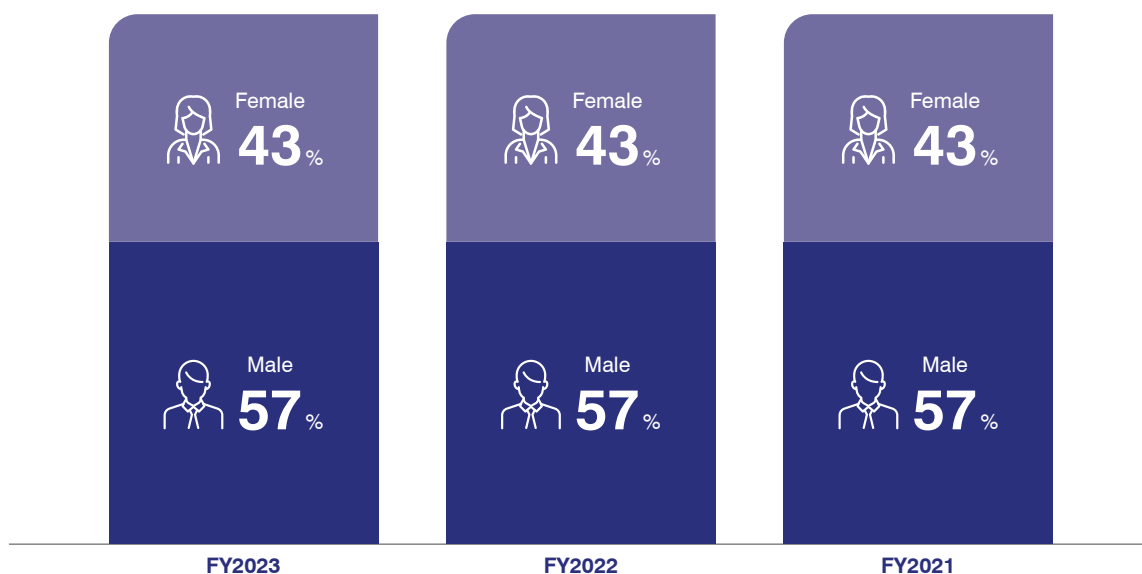
The Chairman of the Board at Tambun Indah is the Non-Executive Director, a clear separation from the Managing Director; there is no Chief Executive Officer (CEO) at this juncture.

# SUSTAINABILITY STATEMENT (CONT'D)

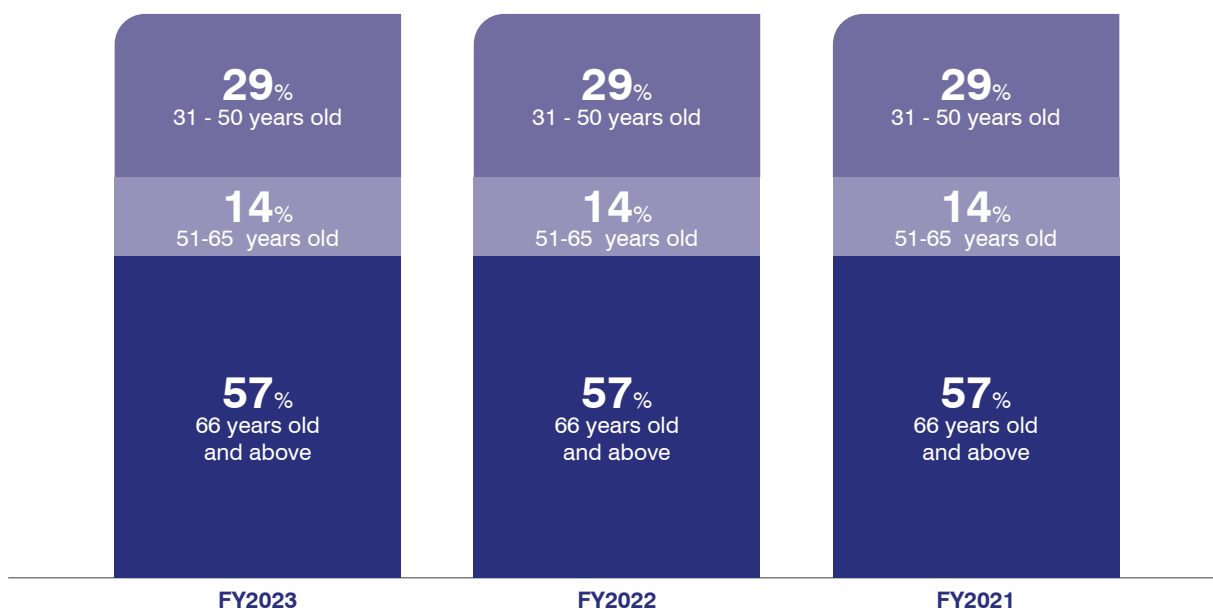
## BOARD DIVERSITY AND INDEPENDENCE (CONT'D)

The Board, the highest governance body in the organisation, delegates responsibility for managing impacts in accordance with its Board Charter and Limits of Authority, reports of which are tabled at the Board's meetings.

Board of Directors (by Gender)



Board of Directors (by Age)



# SUSTAINABILITY STATEMENT (CONT'D)

## COMPLIANCE WITH LOCAL LEGISLATION AND REGULATORY REQUIREMENTS

Tambun Indah continues to ensure a strong level of compliance to regulatory requirements. Good governance of operations is achieved by ensuring adherence to local legislation by all subsidiary companies and across all facets of operations.

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

Tambun Indah complies with the requirements by various related ministries and bodies, amongst them are the Ministry of Housing and Local Government (“KPKT”) and local authorities.

KPI target set for FY2023 is for zero non-compliance cases concerning ESG issues.

Policies for Good Corporate Governance:		
Board Charter and Terms of Reference	Code of Business Conduct and Ethics	Anti-Bribery and Corruption Policy
Directors' Fit and Proper Policy	Whistleblowing Policy	Conflict of Interest Policy

## GROUP CODE OF CONDUCT

The Board, Management and employees (internal stakeholders) are bound by Tambun Indah’s Code of Business Conduct and Ethics (“Code”). The Code sets out expected norms, values and behaviours for all internal stakeholders towards achieving a high level of corporate integrity and desired levels of ethics. The Code provides clarity on conflicts of interest, rules of engagement of Directors, employees and representatives of the Group on corrupt or unethical practices.

The Group has also in place the Board Charter, outlining the high standards of corporate governance, ethical and business conduct in the performance and exercise of their responsibilities as Directors of the Company. This policy is available at: <https://tambunindah.investor.net.my/corporate-governance>.

In FY2023, there were no fines or settlements with regard to the Code.

## ZERO-TOLERANCE APPROACH TO BRIBERY AND CORRUPTION

Tambun Indah subscribes to a zero-tolerance approach to bribery, corruption and unethical business practices. The no-compromise stance is clearly manifested in Tambun Indah’s Anti-Bribery and Corruption (“ABC”) Policy, which can be viewed at: <https://tambunindah.investor.net.my/corporate-governance>.

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

The Board of Directors maintains oversight of the ABC Policy and reviews this regularly in tandem with regulatory changes or changes within the operating landscape.

The ABC Policy stipulates what is deemed as corrupt behaviour and strictly prohibits the giving or receiving of bribes, favours or other forms of gratification with the intention of securing business contracts, or other forms of incentives or rewards with or from Tambun Indah, the Board, Management and employees.

Employee or supplier found guilty to have engaged in behaviour contravening the ABC Policy will face disciplinary action not limited to termination of employment/contract, legal remedies and where warranted, will be reported to the relevant legal authorities for punitive action. These authorities include the Royal Malaysian Police, Malaysian Anti-Corruption Commission and others.

Annually, the Board, Management and employees receive refresher training on anti-corruption. All employees have acknowledged their awareness of and compliance with the ABC policy at their annual appraisal.

# SUSTAINABILITY STATEMENT (CONT'D)

## ZERO-TOLERANCE APPROACH TO BRIBERY AND CORRUPTION (CONT'D)

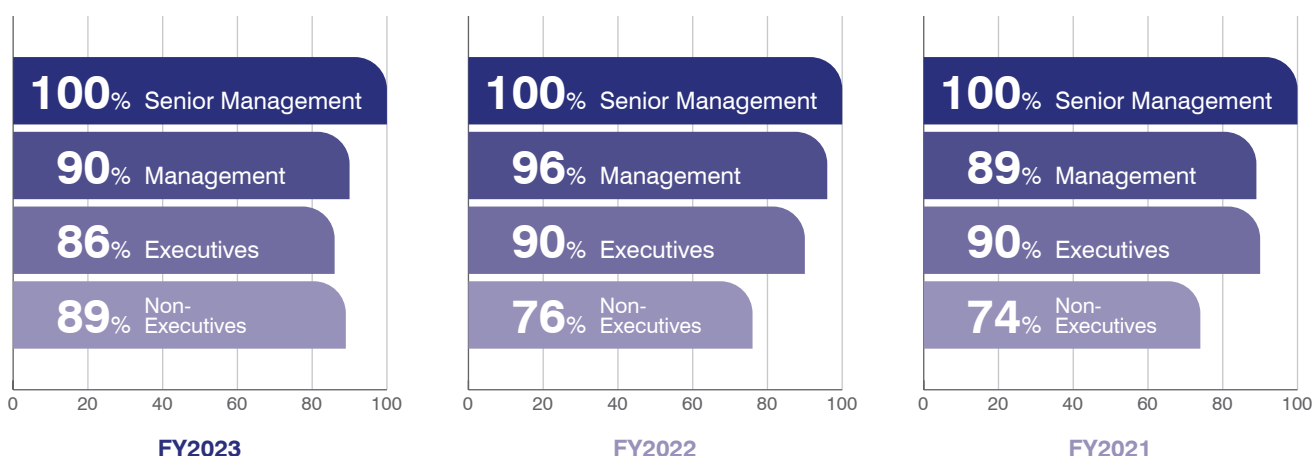
Likewise, the ABC has also been cascaded to suppliers, vendors and business partners to affirm their acknowledgement and commitment to adhere to the Policy and laws, being a prerequisite to tender for contracts.

Various measures have been instituted, such as implementing multi-layers for approvals, opening tenders in the presence of a witness from Finance Department and self-declaration of no conflict of interest. Non-compliance with this stipulation may lead to punitive action such as termination of contract or a report lodged with the relevant authorities for appropriate action.

The Board has established an Anti-Bribery Compliance Team (“ABCT”), comprising of representatives from Sales and Marketing, Contract Management, Project Planning and Development, Finance and Accounts, Property Investment and Management, Corporate Affairs, and Human Resource and Administration. This team will monitor the daily operational matters in relation to anti-bribery and corruption practices. The ABCT meets quarterly and works to ensure the Anti-Bribery Management System (“ABMS”) is consistently adhered and applied within the Group and its business associates. ABCT will subsequently update the Board at the latter’s quarterly meeting of any related incidents reported and when there is any change to the ABC policy.

Data on donations, entertainment, gifts and sponsorship is collected every quarter and reviewed by the ABCT to ensure it is compliant with our internal guidelines.

Tambun Indah’s KPI target set is 100% of employees receiving training on anti-corruption annually. As of 31 December 2023, employees who have received ABC training is listed below:



Note: Changes were made to FY2021 reporting figures due to recounted data.

In FY2023, all employees (including employees who were absent from the ABC training) had undergone an assessment on the ABC policy where they are required to achieve 100% score to successfully complete the module.

Tambun Indah conducts the necessary due diligence on business partners with annual transactions above a predetermined threshold to heighten its vigilance against corruption.

## CONFLICT OF INTEREST POLICY

A conflict of interest is a situation in which an individual’s personal interest clashes with the professional interest owed to the employer, potentially undermining the impartiality of the individual concerned.

In FY2023, a Conflict of Interest Policy for Tambun Indah’s Directors and employees was developed to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is also intended to provide guidance on how to deal with conflict of interest situations as they arise.

# SUSTAINABILITY STATEMENT (CONT'D)

## IDENTIFICATION OF OPERATIONS WITH POSSIBLE HIGHER RISK FOR CORRUPTION

As an additional measure of its commitment to safeguard against corruption within the organisation, in FY2023, Tambun Indah conducted a comprehensive risk assessment on all operational units within the Group. The findings showed that the risk control actions put in place effectively mitigated the high risk of corruption exposure within specific departments.

In FY2023, Tambun Indah had zero reported cases of corruption, aligning with its KPI target of zero reported incidents of corruption. In addition, there has not been any legal proceedings associated with professional integrity, including duty of care.

## WHISTLEBLOWING POLICY

In accordance with the Whistleblower Protection Act 2010, Tambun Indah has implemented its Whistleblowing mechanism which is governed by a designated Whistleblowing Policy.

The Whistleblowing Policy is accessible to both internal and external stakeholders on the Group's website: <https://tambunindah.investor.net.my/corporate-governance>. In FY2023, all employees had undergone an assessment on the Whistleblowing Policy where they are required to achieve 100% score to successfully complete the module.

The availability of the Policy is to encourage employees and other stakeholders to report on matters pertaining to corruption, corporate integrity and unethical behaviour. The whistleblower may opt to report directly to the Non-Executive Chairman or via email to [whistleblow@tambunindah.com](mailto:whistleblow@tambunindah.com) (Non-Executive Chairman and Managing Director).

The whistleblower shall be provided immunity from any form of punitive action, intimidation or reprisal, irrespective if the allegation is substantiated or proven to be unfounded provided that the report was made in good faith. The individual is also granted confidentiality.

Once a whistleblowing report is received, a review will promptly performed to evaluate the said disclosure and its potential severity to determine the course of action. The progress of the investigation is reported to the Board or Audit Committee, and necessary disciplinary action shall be taken.

In FY2023, there were zero cases reported through this Whistleblowing mechanism.

## POLITICAL VIEWS AND CONTRIBUTIONS

Tambun Indah does not favour, promote or support any political party. However, Tambun Indah may participate in charitable or nation-building events organised by the government or its ministries and agencies. The Group may also support corporate social responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

The Group supports the rights of citizens to vote in accordance with their conscience. As provided for in the laws of the country and the Group's commitment to freedom of association, Tambun Indah's employees have the right to participate as individuals in the political process or join any civil society or non-profit organisations ("NGO"), so long that these entities are recognised by law to be legal entities.

The Group has not made any donations to any political parties in FY2023.

# SUSTAINABILITY STATEMENT (CONT'D)

## PRIORITISING DATA PRIVACY

Tambun Indah receives a wide range of data and information, including customer-centric data over the course of its business operations. Such information is treated in accordance with the Personal Data Protection Act 2010 (“PDPA”).

Tambun Indah has established strict data controls and procedures to ensure all data remains safeguarded and is not exploited. Data is collected only for the intended purpose and with the consent of the data owner. Data is only made available to third parties with the permission of the data owner. Data that is not required by the Group is purged from its collection.

Tambun Indah has in place a rigorous Information and Communication Technology (“ICT”) system to enable data to be guarded from breaches or misuse. Refresher briefings are also conducted annually to ensure employees can effectively implement data protection principles in their work.

For FY2023, Tambun Indah had zero incidents of data breach and retains its record for protecting the privacy of stakeholders, particularly its customers.

## APPROACH TO STAKEHOLDER ENGAGEMENT

The Group’s definition of stakeholders is individuals, groups or entities that have the potential to influence or impact Tambun Indah’s operations. Individuals or groups who are or may be potentially impacted by the Group’s presence or business operations are also regarded as stakeholders.

Cognisant of the importance of stakeholders to the wellbeing of the Group, Tambun Indah has maintained its continuous engagement across all the relevant stakeholder segments. This approach has enabled the Group to better understand their expectations and how the Group can better meet their needs.

In FY2023, Tambun Indah has continued to utilise a wide range of platforms and communication channels in order to ensure the Group remains strongly connected and hence remains relevant in driving mutual value creation.

Tambun Indah’s commitment to stakeholder engagement is driven by the Board, in endorsing surveys for materiality matters, delegating stakeholder engagement accordingly to the senior management and management team to ensure strong reach and strong participation of stakeholders.

Engaging with all stakeholders on all issues is neither possible nor desirable. Hence prioritisation aims to create a balance between time, resources and expectations of such stakeholders.

In FY2023, a stakeholder prioritisation exercise was carried out across Tambun Indah’s operations, covering as many differing stakeholders as possible. This exercise involved a wide number of representatives from different departments who have dealings with the identified stakeholder groups to better capture diversity of perspectives.

# SUSTAINABILITY STATEMENT (CONT'D)

## APPROACH TO STAKEHOLDER ENGAGEMENT (CONT'D)

The following is a snapshot of the Group's stakeholder engagement activities for FY2023:

STAKEHOLDER	ENGAGEMENT CHANNEL	FREQUENCY OF ENGAGEMENT	RELEVANT MATERIAL MATTER
<b>BOARD OF DIRECTORS/ EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Formal and Informal Meeting and Discussion</li> <li>Email/ Notices/ Memo</li> <li>Training/ Workshop</li> <li>Staff Engagement Event</li> <li>Performance Appraisal System</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ad hoc</li> <li>Ongoing</li> <li>Ongoing</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Labour Practices and Standards</li> <li>Diversity</li> <li>Community Development</li> </ul>
<b>GOVERNMENT/ REGULATORS</b>	<ul style="list-style-type: none"> <li>Financial reports</li> <li>Company Website</li> <li>Discussion/ Meeting</li> <li>Engagement Forum</li> <li>Official Circulars</li> <li>Front Desk Consultation</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly/ Annually</li> <li>Ongoing</li> <li>Ad hoc</li> <li>Ad hoc</li> <li>Ad hoc</li> <li>Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Labour Practices and Standards</li> <li>Data Privacy and Security</li> <li>Climate Change and Emissions</li> <li>Energy Management</li> <li>Water and Effluents</li> <li>Waste Management</li> </ul>
<b>CONTRACTORS/ SUPPLIERS/ CONSULTANTS</b>	<ul style="list-style-type: none"> <li>Site Meetings/ Client and Consultant Meeting</li> <li>Site Inspection Exercise</li> <li>Emails and Telecommunication</li> <li>Meeting and Discussion</li> <li>Vendor Registration and Evaluation</li> <li>Contract Negotiation/ Tender Discussion</li> </ul>	<ul style="list-style-type: none"> <li>Fortnightly</li> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Ad hoc</li> <li>Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Supply Chain Management</li> <li>Waste Management</li> <li>Construction Materials</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>After-Sales Service</li> <li>Marketing Campaign and Advertisement</li> <li>Social Media</li> <li>Company Website</li> <li>Emails and Telecommunication</li> <li>Customer Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Customer Care Management</li> <li>Corporate Governance</li> <li>Data Privacy and Security</li> </ul>
<b>SHAREHOLDERS/ INVESTORS</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual Report</li> <li>Investors Briefing</li> <li>Press Release</li> <li>Company Website</li> <li>Site Visit Request/ Tele-conference Call</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Annually</li> <li>Quarterly</li> <li>Ad hoc</li> <li>Ongoing</li> <li>Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Corporate Governance</li> <li>Climate Change and Emissions</li> <li>Energy Management</li> <li>Labour Practices and Standards</li> </ul>
<b>LOCAL COMMUNITIES</b>	<ul style="list-style-type: none"> <li>CSR Programmes</li> <li>Social Media</li> <li>Dialogue sessions with Resident Associations and Local Authorities</li> </ul>	<ul style="list-style-type: none"> <li>On-Going</li> <li>On-Going</li> <li>Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Community Development</li> <li>Water and Effluents</li> <li>Climate Change and Emissions</li> <li>Waste Management</li> </ul>
<b>MEDIA/ ANALYSTS</b>	<ul style="list-style-type: none"> <li>CSR Programmes</li> <li>Press Releases</li> <li>Interviews</li> <li>Events</li> <li>Company Website</li> <li>Social Media</li> </ul>	<ul style="list-style-type: none"> <li>All ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Corporate Governance</li> <li>Community Development</li> </ul>

## MATERIALITY MATTERS

Tambun Indah conducts a materiality assessment exercise ("MAE") periodically to identify, understand and prioritise material ESG topics and ensure alignment with the Group's business objectives.

Material ESG topics include those related to direct and indirect economic values performance and are deemed integral to our stakeholders and the sustainability of Tambun Indah's business. Categorised under Economic, Environmental, Social and Governance pillars, these topics further outline how the Group addresses material matters deemed a priority to the operations of the Group.

# SUSTAINABILITY STATEMENT (CONT'D)

## MATERIALITY ASSESSMENT EXERCISE PROCESS

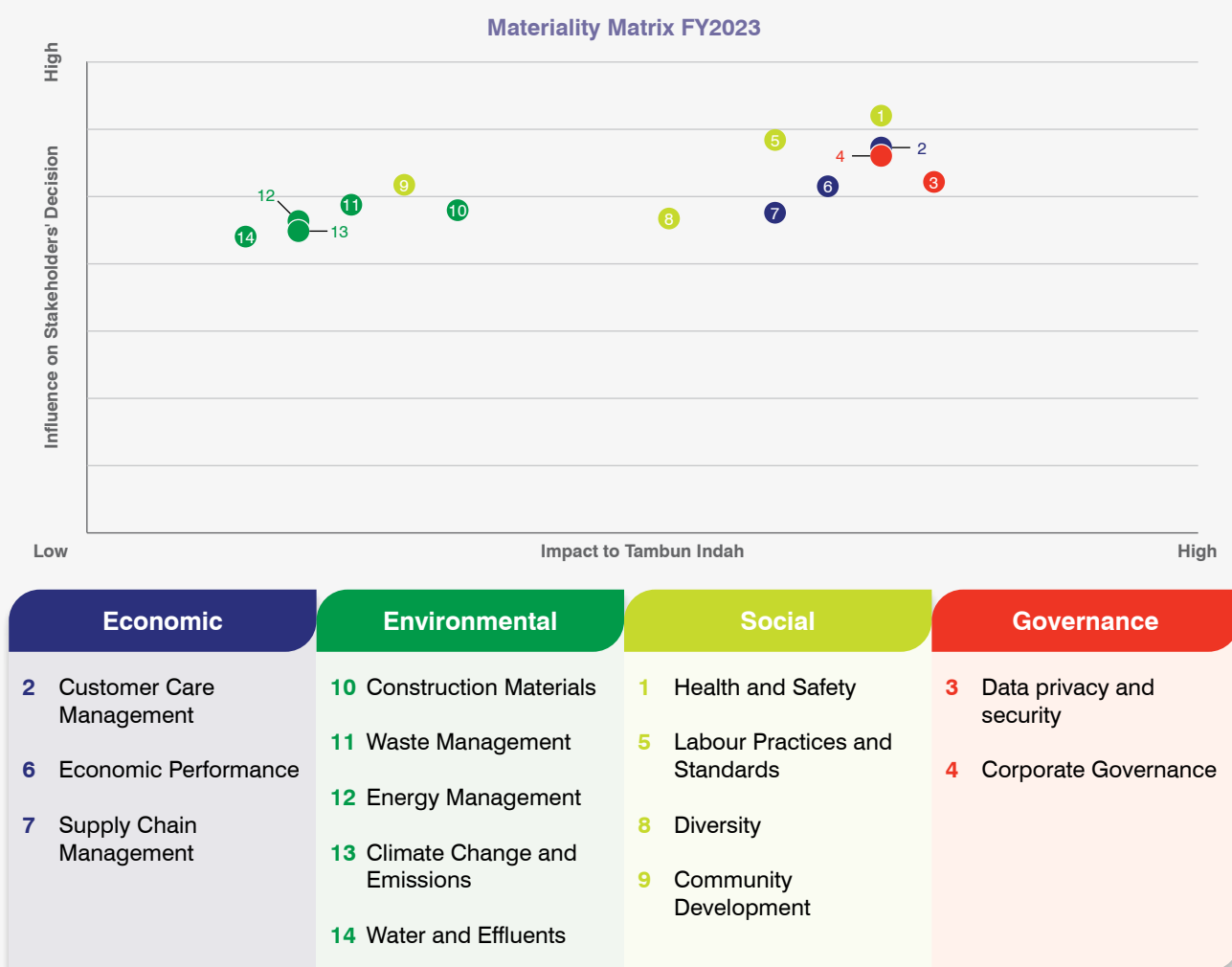
In FY2023, Tambun Indah’s senior management undertook a full-scale assessment of the material matters that guides our sustainability efforts. Our materiality assessment approach for FY2023:

- 1) Review our material matters to ensure the identified matters have potential impact in creating and preserving value for our stakeholders.
- 2) Identify key internal and external stakeholders and assess the level of dependency and influence of each stakeholders’ groups on the Group.
- 3) Prioritise the material matters that are most significant in creating value for the Group.
- 4) A materiality matrix is generated to visualise the prioritised material matters.
- 5) Present the materiality matrix to the Board for endorsement.

For the year under review, material matters remained relevant and hence unchanged. A few topics were renamed, merely to align with Bursa Malaysia’s prescribed common material matters.

In line with Tambun Indah’s comprehensive approach to determining materiality topics, a robust survey was conducted on both internal and external stakeholders. This would primarily determine the influence of each respective topic on stakeholders’ decision.

The outcome of Tambun Indah’s MAE in terms of the significance of ESG impacts to the Group or influence on stakeholder assessments and decisions are methodically mapped out in a materiality matrix, as below:



Tambun Indah’s sustainability practices, policies and procedures, including the MAE is conducted by SWG comprising of representatives from all departments. The progress is monitored by the Managing Director and the finding is reported to the Board on a half-yearly basis.










# SUSTAINABILITY STATEMENT (CONT'D)

## IN SUPPORT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Tambun Indah has adopted the relevant United Nations Sustainability Development Goals (UN SDGs), the shared blueprint for peace and prosperity for people and the planet, now and into the future.

The Group has hence aligned our responsible and sustainable commitment to eight of the UN SDGs, as below:

RESULTS	LINKAGE TO UN SDGS	LINKAGE TO MATERIAL TOPICS
<ul style="list-style-type: none"> <li>Zero reported cases of corruption</li> <li>Enable a safe and conducive work environment</li> </ul>		<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Diversity</li> <li>Labour Practices and Standards</li> </ul>
<ul style="list-style-type: none"> <li>Zero incidents of health and safety non-compliance, zero fatalities</li> <li>Employee engagement activities such as festive celebrations serve to maintain a conducive work environment</li> <li>Reached out to the local community with CSR initiatives to contribute toward their wellbeing</li> </ul>		<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Labour Practices and Standards</li> <li>Community Development</li> </ul>
<ul style="list-style-type: none"> <li>Zero human rights violations during the reporting period, zero incidents of non-compliance with regard to labour matters</li> <li>Diverse workforce ethnicity composition, 100% of employees appraised annually</li> <li>2,121 training hours with an average of 27 hours per employee to support talent development</li> <li>Continuous effort to drive economic performance</li> <li>RM204 million in revenue with RM41 million net profit after tax attributable to owners</li> <li>100% local procurement spend</li> <li>Almost RM14 million was paid out to employees in benefits and bonuses, including payments for statutory retirement savings</li> </ul>		<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Diversity</li> <li>Labour Practices and Standards</li> <li>Corporate Governance</li> <li>Health and Safety</li> </ul>
<ul style="list-style-type: none"> <li>Published Scope One, Two and Three emissions data</li> <li>Continuous exploration on innovation processes to manage waste more efficiently</li> </ul>	  	<ul style="list-style-type: none"> <li>Climate Change and Emissions</li> <li>Waste Management</li> <li>Energy Management</li> <li>Water and Effluents</li> <li>Community Development</li> <li>Construction Materials</li> </ul>
<ul style="list-style-type: none"> <li>Strong female representation on the Board, at 42.9%</li> <li>Continuous focus on managing and enhancing employee welfare</li> </ul>		<ul style="list-style-type: none"> <li>Diversity</li> <li>Health and Safety</li> <li>Labour Practices and Standards</li> </ul>
<ul style="list-style-type: none"> <li>Shaped community landscape and supported diverse societal causes</li> <li>Drove urban regeneration to revive local economies and communities</li> </ul>		<ul style="list-style-type: none"> <li>Community Development</li> <li>Climate Change and Emissions</li> <li>Waste Management</li> <li>Energy Management</li> <li>Water and Effluents</li> <li>Construction Materials</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## OUR ECONOMIC PILLAR

Tambun Indah's direct economic values on financial and business performance such as from property development and the sale of completed properties is essential for business sustainability and is our catalyst to drive the Group's ESG agenda forward. Our revenue and earnings enable us to create economic value for a wide range of stakeholders, amongst which are our shareholders, investors, employees and social enterprises.

Financial indicators of Tambun Indah's operation in FY2023 are available in the Financial Statements section of this Report.

Through financial growth, we are able to create direct and indirect economic values to enable social and infrastructure development. This takes the form of dividends to shareholders, repayments to financiers and taxation to the government, jobs and entrepreneurial opportunities and support to the local supply chain. This also includes the development of community infrastructure such as the XCL International School Penang, Pearl City Mall and the Jesselball Sports Centre (Pearl City) as well as services for a wide range of societal and environmental causes.

Tambun Indah has embraced an integrated values perspective, where value creation is viewed from a dual lens of financial and non-financial values. Further details are available in the Financial Statements of this Report.

## QUALITY, OUR CORNERSTONE FOR CUSTOMER SATISFACTION

Tambun Indah takes pride in delivering quality products and services, having strong credentials as an established real estate company that provides property development and property management services. Tambun Indah's focus on quality has resulted in improved operational efficiency via various avenues such as by optimising waste and resource consumption.

Tambun Indah's Project Team works closely with its Sales and Marketing Team, appointed contractors, architects and engineers to integrate designs that meet customer demand and cost efficiency. The quality of each project is supervised by our Chief Operation Officer and reported to our Managing Director.

Quality and customer satisfaction come under the purview of the Management Team specifically involved in Quality Control, Sales and Marketing, and Property Management and Maintenance. Quality Control is conducted internally using a detailed checklist with regular on-site inspections.

Cognisant of the value of continuous improvement, Tambun Indah strives to ensure customer's feedback is collected, given due consideration and acted upon where needed. Customer feedback is obtained via a number of channels, such as from direct engagement, emails and social media platforms.

Any complaint received is managed by Sales Administration Department and raised at the bi-weekly Operations Meeting for deliberation and acted on accordingly.

In addition, customer satisfaction surveys are conducted at 3 stages i.e. upon sales reservation, delivery of vacant possession and completion of defect rectification work. Specific areas of the survey include quality of workmanship and quality of building materials/ specifications. It is targeted that a minimum 75% average satisfaction rate is achieved for all development projects. This target shall be further reviewed in FY2025.

In FY2023, Tambun Indah initiated a comprehensive customer satisfaction survey across its customer base and returned with a commendable score of 94%. In addition, out of the 23 customer complaints received, all 23 were successfully resolved, giving a benchmark resolution score of 100%.

In FY2023, there had been zero complaints from regulatory bodies.

## SUSTAINABLE LOCAL PROCUREMENT

Embracing its business philosophy of creating positive multiplier effects, Tambun Indah is committed to support local goods and service providers, unless local providers are unable to provide this within the required specifications, quality and timeframe. Local is defined as the community where the Group operates.

By procuring locally, Tambun Indah supports the development of local suppliers by providing local businesses with opportunities, creating employment for locals as well as facilitating technology and knowledge transfer.

In addition, sourcing for goods, resources and services from local suppliers reduces environmental impact as there is typically a shorter transportation cycle and less fuel and electricity consumed.

Moving forward, Tambun Indah aims to screen its local suppliers on their environmental and social impact.

# SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABLE LOCAL PROCUREMENT (CONT'D)

Details of local procurement is as below:

DESCRIPTION	FY2023 (%)	FY2022 (%)	FY2021 (%)
Percentage of Spending on Local Suppliers	100	100	100
Percentage of Local Suppliers	100	100	100
Percentage of Suppliers having endorsed the ABC Policy	100	100	100

## SUPPLY CHAIN MANAGEMENT

Tambun Indah expects contractors and suppliers to comply with stringent standards for quality, workmanship quality and reputation, occupational health and safety track record, financial stability and other requirements. This ultimately contributes to an improvement in quality of local goods and service as contractors and suppliers must attain Tambun Indah's standards in order to bid for contracts.

To further strengthen business governance and oversight, approval from the Chief Operating Officer or the Managing Director is required, depending on the value of the contract tenders.

Contractors and suppliers deemed high risk will be subjected to further scrutiny with a review of their financial statement and other publicly available documents.

Subsequent to a contractor's/supplier's enlistment as Tambun Indah's business partner, we will continue to monitor their performance to ensure compliance with relevant laws and industry standards as well as ensuring competitive business performance.

In addition, in alignment with our commitment to minimise negative environmental impact, the contractors/suppliers must commit to reducing waste generated whilst working on our projects. Tambun Indah is also continuously exploring cost engineering methods as a means to heighten efficiency of its use of materials.

A well-planned schedule for tenders and quotations can help mitigate the growing concerns on resource scarcity and increasing demand reflected in the escalating price of construction materials.

## FREE AND FAIR COMPETITION BASED ON MERIT

In line with governance and transparency in securing goods and services, Tambun Indah invites its registered vendors to bid for tenders, with the most competitive bid securing the contract. This stringent and open process is managed by our Project Department.

## OUR ENVIRONMENTAL PILLAR

### CLIMATE CHANGE AND EMISSIONS

As a conscientious property developer, Tambun Indah recognises the profound impact of climate change on the environment, viewing it not only as an ethical choice but also as a strategic necessity.

Taking proactive steps to address climate change is important for Tambun Indah's development of a more resilient business model. This involves integrating environmentally friendly practices, adopting sustainable building materials, and implementing energy-efficient technologies.

By taking these actions, the Group contributes to mitigate climate change and demonstrates its commitment to environmental responsibility, aligning with the evolving values of its industry.

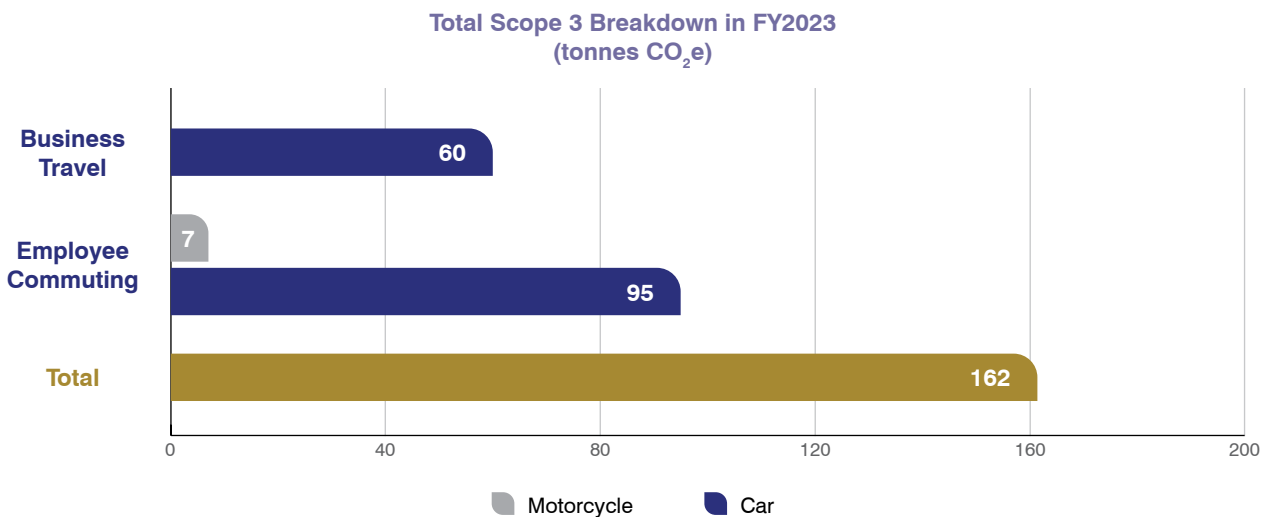
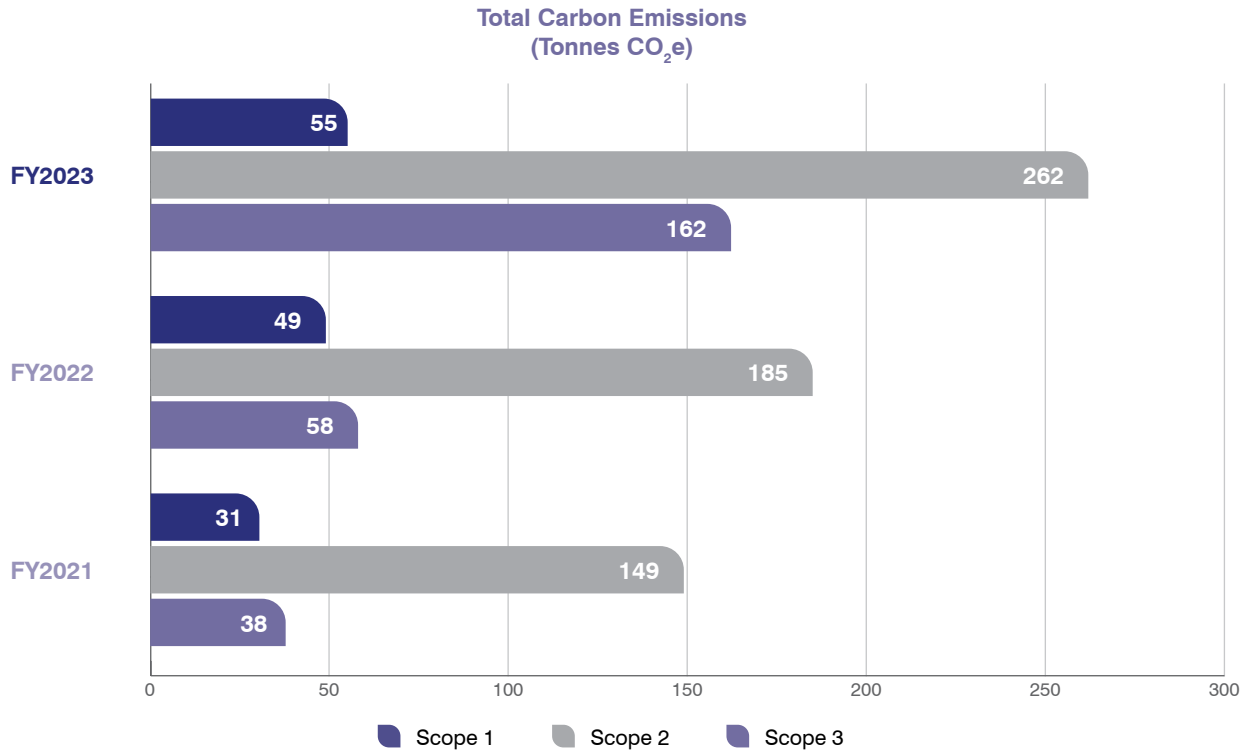
Energy is essential to Tambun Indah's operations, and therefore the Group contributes to emissions which are categorised into Scope 1, Scope 2, and Scope 3:

- Scope 1 covers direct emissions under the Group's control, such as diesel and petrol consumption by the Group's vehicle fleet.
- Scope 2 involves indirect emissions from purchased energy, mainly electricity sourced from the local national grid. Given that a substantial portion of Malaysia's electricity comes from coal and hydrocarbon-fired power plants, the consumption of electricity indirectly contributes to emissions.
- Scope 3 emissions result from activities outside Tambun Indah's ownership but are indirectly influenced by its operations, such as emissions from business travel. In FY2023, to further strengthen ESG progression disclosure, Tambun Indah undertook to secure and disclose employee commuting data.

In alignment to GHG Protocol Accounting Methodology, an overview of the Group's total carbon emissions is presented below. Following the restatement of fuel consumption data in FY2021 and FY2022, the carbon emissions tabulation has been revised to accurately reflect the latest emissions associated with the updated consumption data.

# SUSTAINABILITY STATEMENT (CONT'D)

## CLIMATE CHANGE AND EMISSIONS (CONT'D)



**Note:**

- Scope 1 – Mobile emission from the company-owned vehicles such as truck and passenger car with calculated litres consumption is using IPCC database.
- Scope 2 – The emission factor used for grid electricity is based on the United Nations Framework Convention on Climate Change (“UNFCCC”) Harmonised Grid Factors 2021.
- Scope 3 – The business travel and employee commuting calculation are referring to the United States Environmental Protection Agency (EPA) GHG Emission Factors Hub for mileage claim data. Specific litres consumption data is calculated based on the IPCC database. The applicable Scope 3 categories include:
  - Business travel: Business-related travelling using transportation such as passenger car, commuter rail, and air travel.
  - Employee commuting: Employees who travelled to and from workplace using transportation such as passenger car and motorcycle.

# SUSTAINABILITY STATEMENT (CONT'D)

## CARBON INTENSITY

In FY2023, we commenced tracking the intensity of our carbon emission over our operational area and total revenue. The Group's carbon emission was 0.02 tonnes CO<sub>2</sub>e/m<sup>2</sup> and 1.17 tonnes CO<sub>2</sub>e/RM'million, respectively.

## ENERGY MANAGEMENT

As a responsible organisation, we pledge to actively contribute to environmental stewardship by embracing sustainable and ethical practices across our business operations.

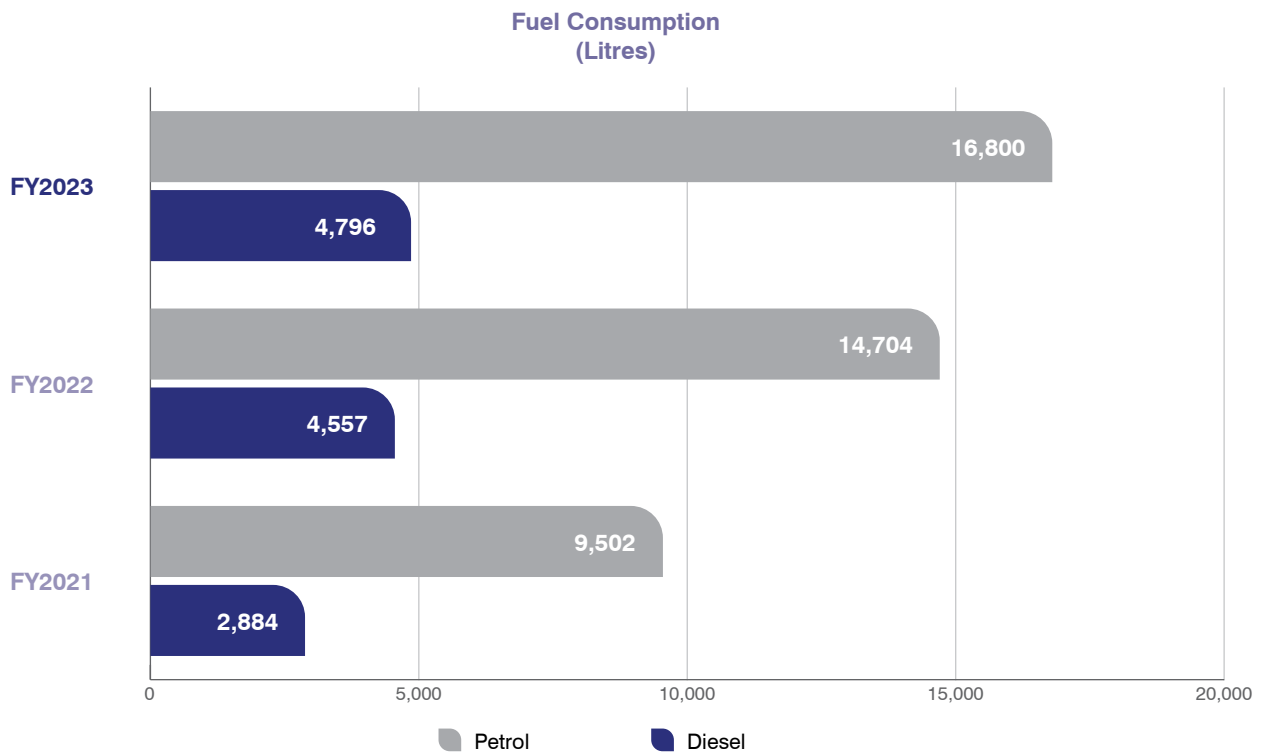
In our endeavour to address our environmental footprint, we have initiated a comprehensive measurement of energy usage within our office spaces, aiming for an initial 1% reduction in electricity intensity. This marks our first step toward greater efficiency, with the potential for more ambitious targets and a structured approach in the future. We also incorporate LED compound lighting and implement alternative looping to reduce power consumption, as well as promote natural lighting through architectural design.

Our initiatives to reduce energy consumption will primarily concentrate on implementing solar compound lighting at the sales gallery. These initiatives underscore our commitment to energy efficiency, sustainability, and the integration of eco-friendly practices in our operations, resulting a more energy efficient operations.

In our pursuit of renewable energy ("RE") initiatives, the Group is strategically planning to incorporate solar panel compound lighting for visitor carparks and exploring the possibility of designating specific parking spaces as EV car park bays. Our future plan is to attain a 100% utilisation of solar energy compound lighting for visitor carparks in all gated and guarded landed projects by FY2024.

## FUEL CONSUMPTION

The Group's vehicles rely on the consumption of diesel and petrol, essential for its day-to-day operations and transportation needs.



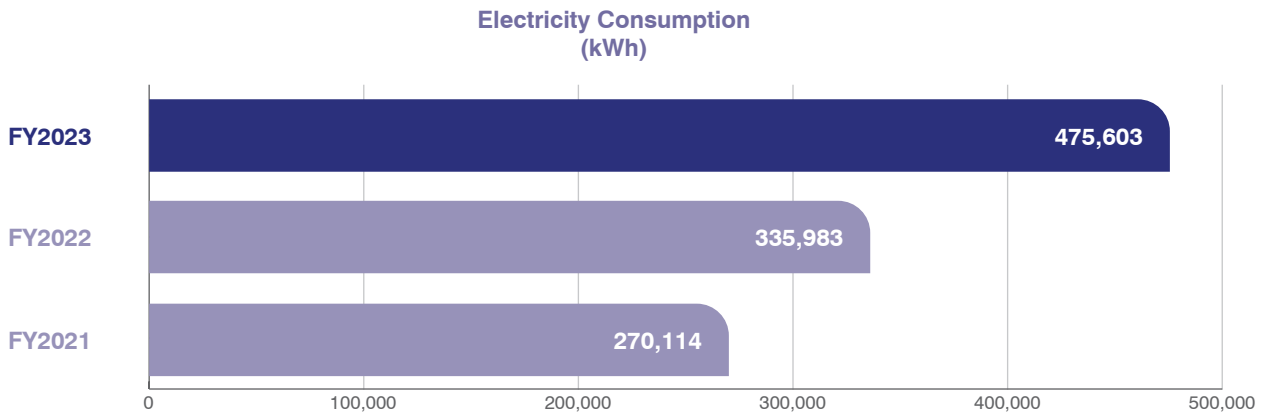
Note:

- The fuel consumption data only accounts for fuel used by company-owned vehicles.
- The figures for FY2021 and FY2022 have been recalculated based on finalised data compilation methodology.

# SUSTAINABILITY STATEMENT (CONT'D)

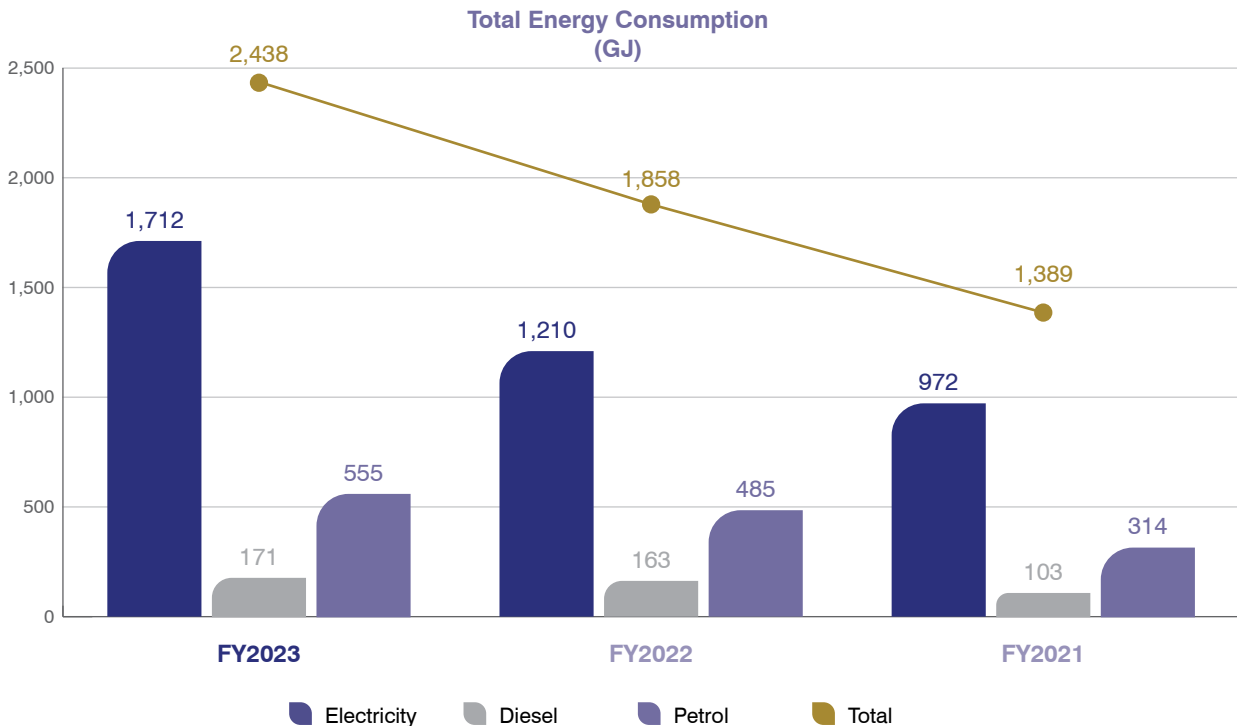
## ELECTRICITY CONSUMPTION

The main energy sources for the Group are derived from the national utilities company, Tenaga Nasional Berhad (TNB). The electricity is used in Tambun Indah's main office and sales gallery for administrative tasks such as lighting and office equipment. In FY2023, there was a surge in electricity consumption of which 162,952 kWh was attributed to the inclusion of data collection for show units.



## TOTAL ENERGY CONSUMPTION

The overall energy consumption, derived from fuel and electricity usage, is presented below:



Note:

- The figures for FY2021 and FY2022 have been recalculated based on finalised data compilation methodology, specifically for fuel data.
- Total energy consumption is calculated based on the conversion of total electricity consumption using 1 kWh = 0.0036 GJ, alongside petrol using 1L = 0.033 GJ and diesel using 1L = 0.036 GJ.

## ENERGY INTENSITY

As part of our initiative to gauge energy usage efficiency, we commenced tracking the energy intensity of our office spaces and show units. In FY2023, our energy intensity by operational area was 0.10 GJ/m<sup>2</sup> and the intensity by total revenue was 5.98 GJ/RM'million.

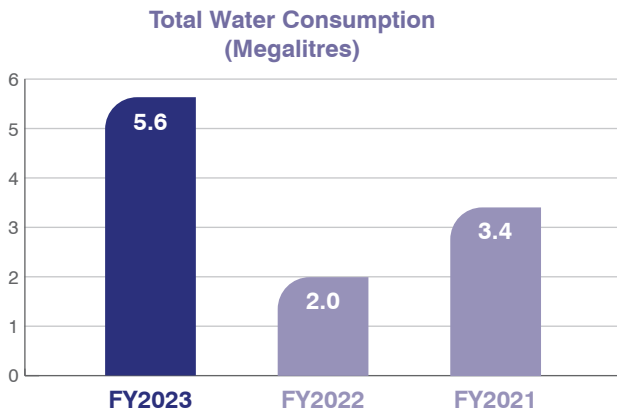
# SUSTAINABILITY STATEMENT (CONT'D)

## WATER MANAGEMENT

Effective water management is vital, considering its implications for the environment, including water availability and wastewater treatment. As a conscientious water consumer, we are committed to actively contributing to environmental stewardship.

At Tambun Indah, water is sourced from the local treated water service provider, Perbadanan Bekalan Air Pulau Pinang ("PBA"). The water consumption data does not account for site operations, as the usage is covered by a third-party contractor.


In FY2023, our overall water consumption over the past three years as presented in the following.



Note: There was a surge in water consumption of which 4.6 megalitres was attributed to the inclusion of data collection for show units.

## WATER REDUCTION INITIATIVES

Several initiatives have been implemented to reduce water usage, including the provision of rainwater harvesting tanks for all semi-detached house, bungalow, and high-rise projects initiated from FY2023 onwards. All projects are supplied with Suruhanjaya Perkhidmatan Air Negara ("SPAN")-approved water-saving fittings to achieve water usage efficiency. In office spaces, rainwater is reused for gardening and cleaning purposes.



In FY2023, the Group harvested a total of 8,944 litres of rainwater.

## WATER INTENSITY

By tracking water intensity, the Group can gauge the efficiency of its water usage and identify areas for improvement particularly for our office water usage. To ensure its effectiveness, our SWG has been tasked to overseeing the year-on-year water efficiency performance. In FY2023, the water intensity by operational area was 0.0005 megalitres/m<sup>2</sup> and the intensity by total revenue was 0.028 megalitres/RM'million.

## EFFLUENT MANAGEMENT

To manage effluents discharged, we ensure that all projects comply with the requirements of Indah Water Konsortium ("IWK") and SPAN. Before release into water bodies, the effluent is treated in a sewerage treatment plant approved by IWK.

In FY2023, the Group reported zero incidents of non-compliance with water quality and regulations.

## WASTE MANAGEMENT

A proper waste management is essential for preventing environmental pollution, protecting public health, as well as promoting resource sustainability. As a property developer, we focus on managing construction waste within our value chain, particularly with contractors.

Presently, contractors are required to include information about the construction waste generated and disposed of at legal sites in the Progress Report submitted during Site Meetings. The Group is responsible for ensuring that all construction waste generated by our contractors is disposed of by licensed and authorised waste collectors.

We are dedicated to ensuring that all construction waste is disposed of in legal dumping areas, where we incorporate the stipulation for construction waste disposal at approved dumping sites in the Letter of Award issued to contractors. Beyond waste reduction efforts, we aim to promote recycling practices by strategically placing recycle bins in every stratified development.

To bolster the traceability of waste generation, we started disclosing the weight of waste disposed from FY2023. Beyond waste data collection, Tambun Indah also engaged with Riiicycle Tech Sdn. Bhd. for e-waste collection by placing an E-Waste Recycle Bin at our office.

In promoting eco-conscious practices, we encourage employees to bring their reusable food containers and utensils to company events, such as birthday and Christmas parties. The Group also provides vegetarian lunch (twice per month) to reduce carbon footprint.




Employees using reusable containers and utensils at company event

# SUSTAINABILITY STATEMENT (CONT'D)


## WASTE MANAGEMENT (CONT'D)

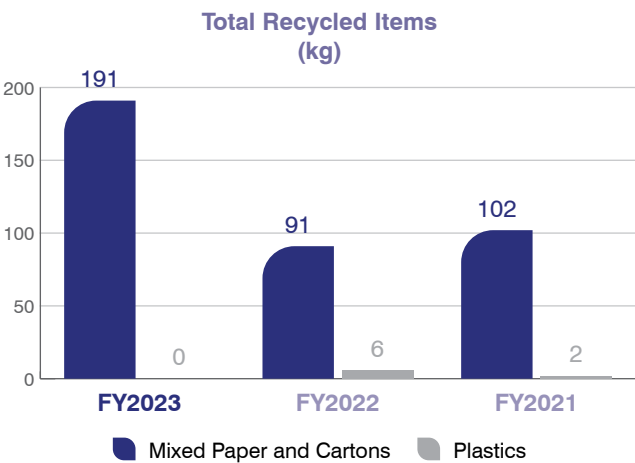
In FY2023, the overview of waste management data compiled in the past three years as illustrated below.



Construction Waste Generated in FY2023  
**163,840kg**

In FY2023, recycled mixed paper and cartons saw a 110% increase over FY2022





Demonstrating our dedication to waste reduction, the Group maintains a commitment to zero non-compliance cases regarding the environment. To date, there have been no reported incidents concerning environmental compliance.

## MATERIALS MANAGEMENT

Materials management plays a crucial role in ensuring the smooth development of projects by overseeing the planning and execution of supply chains. It involves regulating the flow of tender and construction timelines, while also considering variables such as demand, price, availability, quality, and delivery schedules. The effectiveness of materials management directly influences an organisation's reputation for delivering quality products on time and can impact the profit margin of a development project.






In light of this, the Group recognises that the escalating prices of construction materials underscore the challenges posed by resource scarcity and rising demand in the market. While we have not set specific KPIs for materials management, the Group is consistently exploring cost engineering methods to use materials more efficiently. This effort also aligns with the Group's intention to explore Green Real Estate (GreenRE) certification in its projects.

Notably, Tambun Indah employs a sustainable approach by utilising recycled materials in various aspects of the project. For certain projects' areas, we used Singapore Green-labelled cement to promote more eco-friendly features in our development projects. The deck material is specifically crafted from recycled components, while temporary hoardings and interlocking pavers are efficiently reused for show villages.

Additionally, the Group utilises system formwork during construction, further emphasising its commitment to environmentally conscious building practices.

## CONSTRUCTION MATERIALS DATA

In FY2023, the Group started reporting main materials consumed for its newly launched projects.

	Steel Bar and Reinforcing Fabric of Steel (Tonne) <b>3,043</b>
	Reinforced Concrete Pile (Nos) <b>14,513</b>
	Concrete Roof Tiles (Pieces) <b>126,537</b>
	Cement Sand Brick (Nos) <b>5,394,456</b>
	Metal Door Frame (Nos) <b>3,539</b>



# SUSTAINABILITY STATEMENT (CONT'D)

## ENVIRONMENTAL MONITORING AND COMPLIANCE

Ensuring environmental compliance and effective monitoring is of paramount importance to Tambun Indah, as it safeguards both the environment and the public health of the community where the business operates.

The specific requirements for such compliance are explicitly outlined in our Letter of Award, encompassing operating within approved working hours, maintaining cleanliness on construction access, implementing erosion and sediment control measures, and adhering to regulations from various authorities, which includes:

- Majlis Bandaraya Seberang Perai
- Jabatan Alam Sekitar
- Jabatan Pengairan dan Saliran
- Jabatan Kesihatan Pulau Pinang
- Department of Occupational Safety & Health (“DOSH”)
- Construction Industry Development Board (“CIDB”)

Oversight of these requirements falls under the purview of the Project Architect or Professional Engineer, depending on the nature of the work. To demonstrate our commitment, site representatives from the Project Architect and/or Professional Engineer are designated to oversee compliance on-site, with any non-compliance promptly reported and instructions given to the related contractors.

Additionally, contractors are required to report any incidents related to non-compliance during site meetings, and the Project Architect and/or Professional Engineer take necessary action. Notably, due to these effective measures, no incidents were reported in FY2023.

As part of our commitment to regulatory compliance, we have diligently planted trees and shrubs across all relevant development sites.

The specific endeavours carried out during this period are outlined below:

	FY2023	FY2022	FY2021
Number of Trees Planted	Tree: 88	Tree: 421	Tree: 428
	Shrub: 0	Shrub: 8,401	Shrub: 13,292
Number of Tree Tagging Activities	88	196	-

By doing so, the Group not only fulfils its obligations but also significantly contributes to the enhancement of overall biodiversity. These green initiatives serve as a testament to our dedication to a sustainable and harmonious environment.

## BIODIVERSITY CONSERVATION

Biodiversity is pivotal for ecosystem balance and resilience. Beyond its intrinsic value, it is instrumental in promoting the protection, conservation, and sustainable use of diverse ecosystems. Tambun Indah acknowledges that a thriving, interconnected ecosystem is essential for a sustainable future. This is particularly pertinent to Sustainable Development Goal 15: Life on Land, emphasising the importance of managing terrestrial ecosystems sustainably.

Looking forward, the Group plans to collaborate with government and relevant NGOs in pursuing environmental initiatives, such as tree planting. By adhering to sustainable practices, these projects aim to enhance biodiversity and ecosystem health.

Through these initiatives, the Group aspires to be a responsible custodian, contributing to global biodiversity conservation efforts for the benefit of current and future generations.

# SUSTAINABILITY STATEMENT (CONT'D)

## OUR SOCIAL PILLAR

### LABOUR PRACTICES AND STANDARDS

At Tambun Indah, we practise an open-door policy that extends to all levels and categories of employees, encouraging transparent communication. Additionally, we have well-established policies addressing grievances, facilitating whistle-blowing procedures, and ensuring the prevention of sexual harassment.

Additionally, we prioritise upholding human rights, particularly the right to work and labour rights, by empowering employees to exercise their entitlement to fair wages, safe working conditions, and protection from discrimination.

Upholding equal opportunity and non-discrimination	Respecting workers' right to dignity at work	Supporting a harassment-free and violence-free workplace
Ensuring compliance with Minimum Wage Order 2022 and laws governing working hours, overtime pay and fair compensation	Prohibition and prevention of forced labour, debt bondage, human trafficking and all forms of modern slavery	Recognition of children's rights and prohibition and prevention of child labour
Respecting employees' right to Wellness, Mental Health and Work-Life Balance	Minimum notice period for changes in terms of duties, work location or other operational changes	Upholding the right to safe working conditions

The Group actively engages in initiatives and demonstrates commitment to labour standards through various means. This includes participation in workshops and seminars focused on labour standards. Additionally, the company collaborates with experts and consultants who provide guidance on labour standards compliance, employee rights, and best practices. To stay abreast of evolving standards, the company consistently reviews and updates its policies, ensuring that the workforce is consistently treated with fairness and respect.

In FY2023, there were zero cases of human rights violations.

### GRIEVANCE MECHANISM

The Group has implemented a grievance mechanism to provide staff with a formal avenue to report critical concerns, including bullying and harassment. This mechanism is designed to ensure that employees feel safe and supported in bringing forward any concerns related to such behaviours.

The existence of a formal reporting process underscores our commitment to maintaining a respectful and inclusive workplace environment. Through this mechanism, any grievance can be reported to either Human Resources (HR) Department or through the Whistleblowing channel. The incident shall be promptly addressed and investigated, to determine the appropriate actions to be taken. This mechanism work towards fostering a culture that promotes employee well-being and dignity.

To date, there have been no instances of labour standards non-compliance within the Group.

### DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE

At Tambun Indah, we uphold a steadfast commitment to equality and diversity, fostering a workplace that is free from discrimination. Regardless of race, background, religion, gender, socioeconomic status, age, or culture, all employees are treated with unwavering respect.

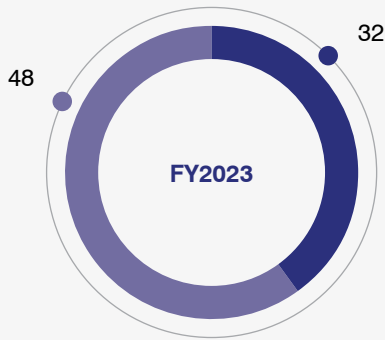
We firmly believe that diversity not only enriches our workforce but also plays a pivotal role in enhancing our recruitment efforts, job opportunities, and overall creativity. By embracing diversity, we tap into a wealth of potential and diverse skillsets, resulting in improved customer engagement. Our dedication to these principles is not only a reflection of our values but also aligns with the United Nations Sustainable Development Goal 5: Gender Equality.

One of our significant objectives is to attain a minimum of 30% representation of female workforce within the Group. This pursuit aligns with our commitment to fostering an equitable workforce. The following provides an overview of the composition of our workforce in this regard.

# SUSTAINABILITY STATEMENT (CONT'D)

## OUR WORKFORCE

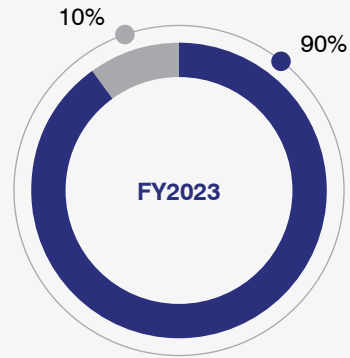
Number of Employees



- Male
- Female

	FY2023	FY2022	FY2021
Male	32	28	30
Female	48	51	50

Type of Employees (%)



- Permanent Employees
- Contract Employees

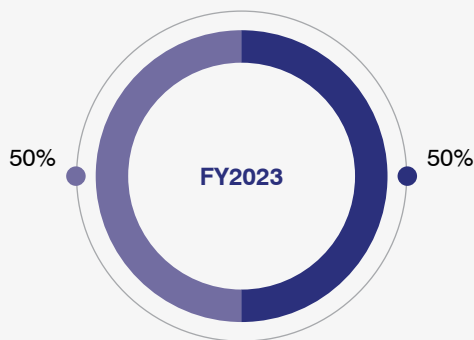
	FY2023	FY2022	FY2021
Permanent Employees	90%	87%	89%
Contract Employees	10%	13%	11%

Note:

A revision has been made for both permanent and contract staff percentages for FY2021 and FY2022 to align with the latest data compilation methodology.

## Senior Management Profile

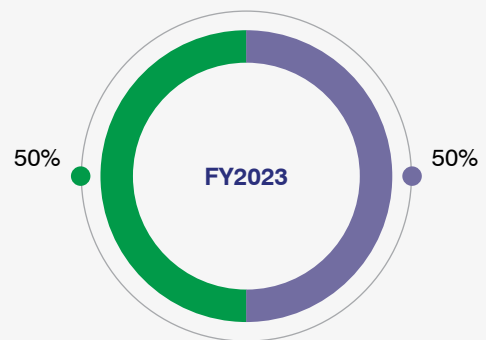
Gender Breakdown (%)



- Male
- Female

	FY2023	FY2022	FY2021
Male	50%	50%	50%
Female	50%	50%	50%

Age Breakdown (%)



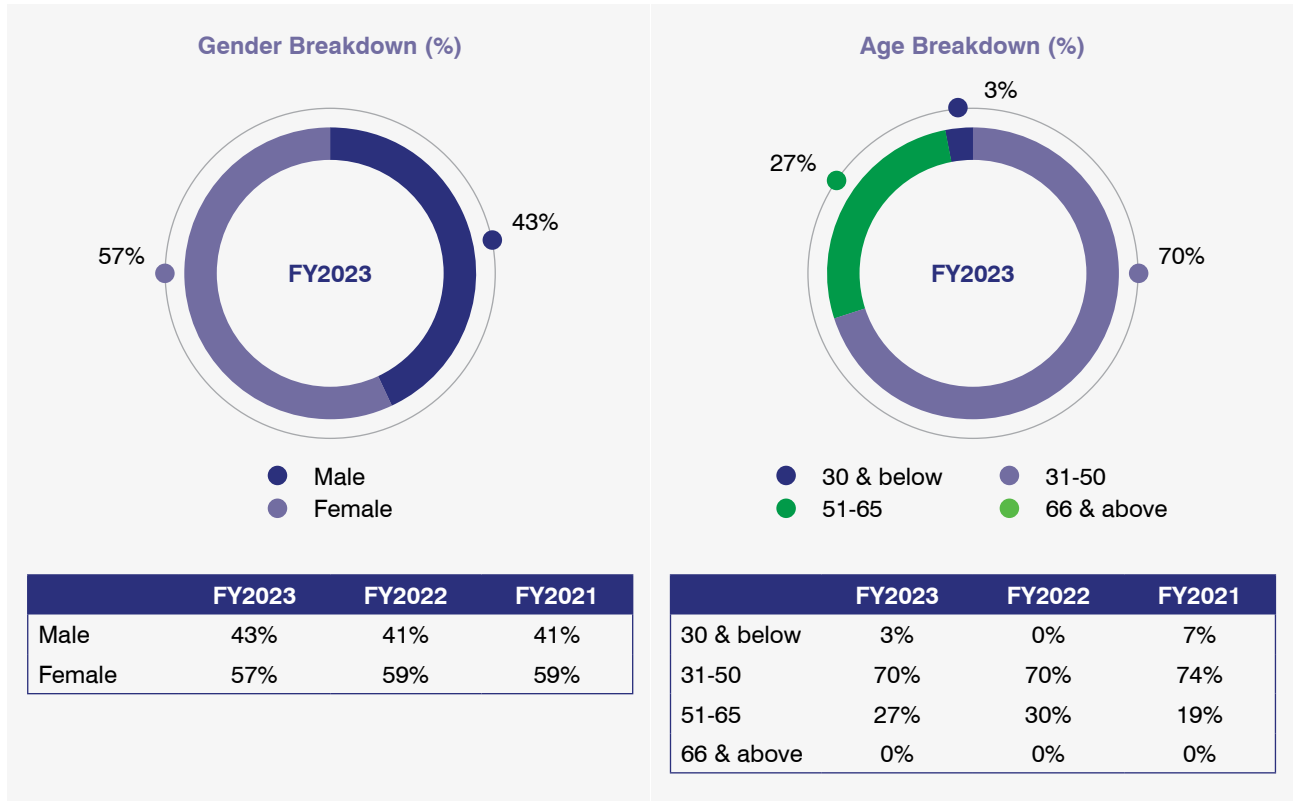
- 30 & below
- 31-50
- 51-65
- 66 & above

	FY2023	FY2022	FY2021
30 & below	0%	0%	0%
31-50	50%	50%	50%
51-65	50%	50%	50%
66 & above	0%	0%	0%

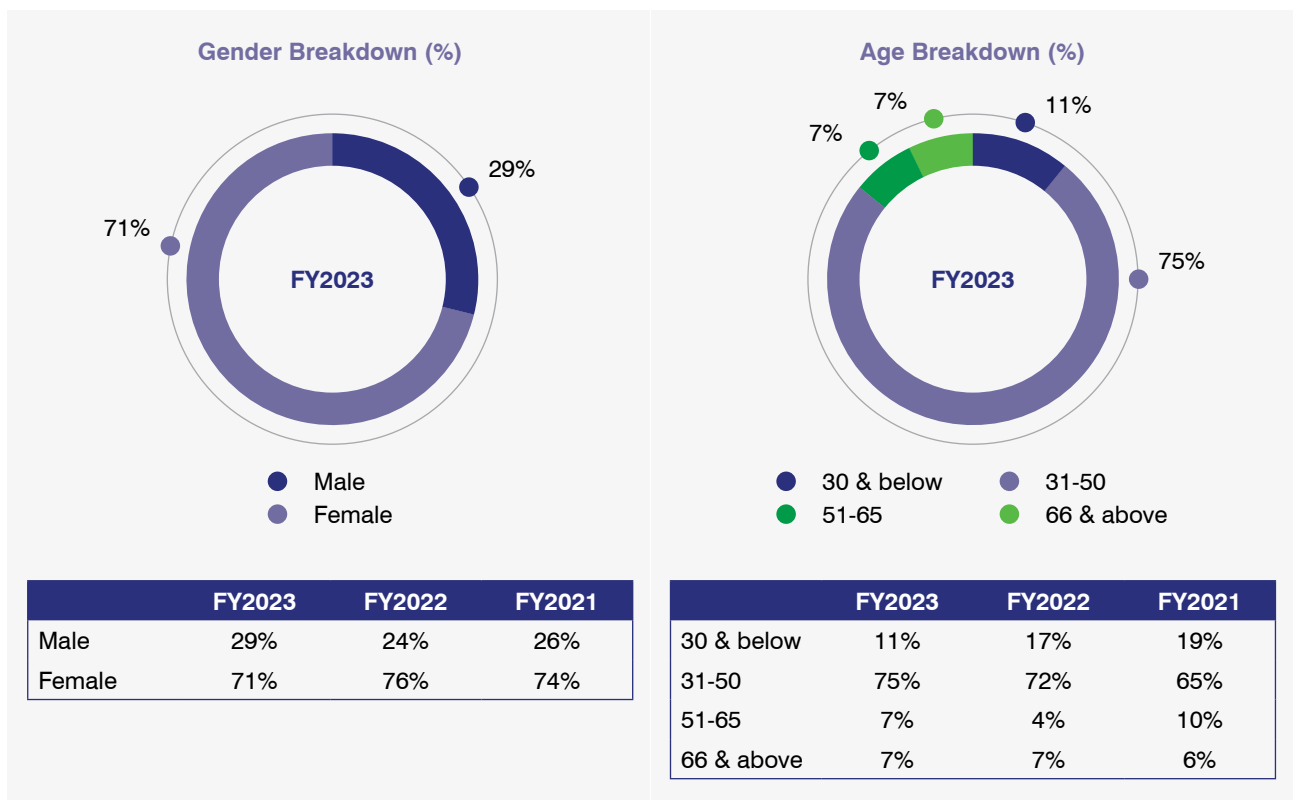
# SUSTAINABILITY STATEMENT (CONT'D)

## OUR WORKFORCE (CONT'D)

### Management Profile



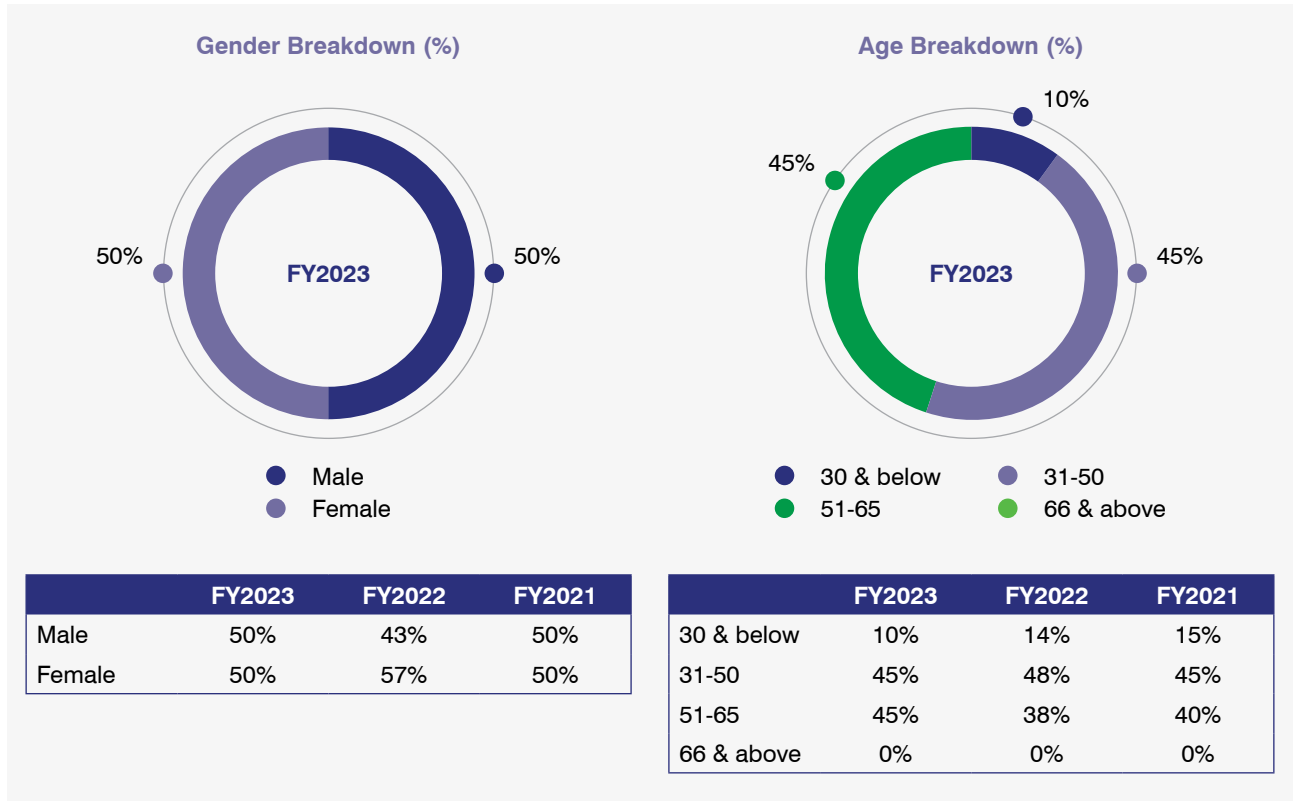
### Executives' Profile



# SUSTAINABILITY STATEMENT (CONT'D)

## OUR WORKFORCE (CONT'D)

### Non-Executives' Profile



## TALENT MANAGEMENT

Aligned with our dedication to non-discrimination and equal employment opportunity, our hiring practices prioritise experience and skills, fostering a fair and inclusive selection process. We actively promote diversity by refraining from discrimination against individuals with disabilities, creating a workplace that is both conducive and safe for everyone. The Group also upholds a local-first approach in hiring, with 100% of our employees being locals, emphasising our commitment to the communities in which we operate.

Our HR and Heads of Department ("HOD") work together to champion the talent management matter within the Group. This includes allocation of funds for departmental gatherings, fostering a collaborative and inclusive atmosphere.

Moreover, we go beyond by providing comprehensive staff welfare and benefits to support the well-being of our employees. This commitment to employee satisfaction is evident in our impressive retention rates and remarkably low turnover, emphasising our dedication to fostering a workplace where everyone can thrive.

# SUSTAINABILITY STATEMENT (CONT'D)

## TALENT MANAGEMENT (CONT'D)

Financial Year	FY2023		FY2022		FY2021	
<b>New Hires (By Gender)</b>						
Male	5	71%	0	0%	2	50%
Female	2	29%	6	100%	2	50%
<b>New Hires (By Age)</b>						
30 & below	3	43%	2	33%	2	50%
31-50	4	57%	3	50%	2	50%
51-65	0	0%	1	17%	0	0%
66 & above	0	0%	0	0%	0	0%
<b>Employee Turnover (By Gender)</b>						
Male	1	17%	2	29%	1	33%
Female	5	83%	5	71%	2	67%
<b>Employee Turnover (By Age)</b>						
30 & below	4	66%	2	29%	0	0%
31-50	1	17%	3	42%	2	67%
51-65	1	17%	2	29%	0	0%
66 & above	0	0%	0	0%	1	33%
<b>Employee Turnover (By Employee Category)</b>						
Senior Management	0	0%	0	0%	0	0%
Management	0	0%	1	14%	0	0%
Executives	2	33%	3	43%	0	0%
Non-executives	4	67%	3	43%	3	100%
<b>Employee with Disability</b>						
Disabled	0	0%	0	0%	0	0%
Non-Disabled	80	100%	79	100%	80	100%

## EMPLOYEE BENEFITS AND WELLBEING



Our commitment to fairness extends to remuneration and benefits, aligning with compliance with all government policies. By adopting a stance of fair compensation and adhering to regulatory guidelines, we prioritise equitable treatment and recognise the importance of ensuring our employees are fairly rewarded for their contributions.

In addition to financial incentives, the Group places a strong emphasis on employee well-being and recognises the value that teambuilding brings to overall work productivity.

The Group has organised the followings in promoting employees' well-being and teamwork:-

- Teambuilding
- Gatherings for birthday parties, festive celebrations and annual dinner
- Health campaign and fitness activities such as yoga and badminton
- Staff interaction activities such as Wednesday Breakfast and gift exchange

In FY2023, there has been a significant boost in funds allocated for organising employee engagement activities compared to FY2022.

	FY2023	FY2022	FY2021
 Total spends on employee engagement activities (RM)	127,088	23,178	6,874
 Number of employee engagement activities	9	2	1

# SUSTAINABILITY STATEMENT (CONT'D)

## EMPLOYEE BENEFITS AND WELLBEING (CONT'D)



Teambuilding event

### PERFORMANCE APPRAISALS



**100%** of employees have had appraisals done in FY2023

We conduct annual performance evaluations as part of our systematic approach to assess how effectively employees meet their objectives. This evaluation process serves as a valuable tool to gauge the impact of our management approach on fostering productivity within the Group.

Through these evaluations, we can identify strengths, areas for improvement, and the overall effectiveness of the current management strategies in place. This ongoing assessment allows us to adapt and refine our approach, ensuring that it aligns with our goals for employee performance and business productivity. By regularly reviewing and analysing these metrics, we aim to continuously enhance our management practices and contribute to the sustained success of our employees and the overall business.

### PARENTAL LEAVE

Tambun Indah's policy on parental leave demonstrates a commitment to gender equality and recognising the importance of supporting employees during significant life events such as the birth of a child. By offering parental leave to both male and female employees, the Group acknowledges that caregiving responsibilities should not be solely placed on one gender.

As per stipulated employment regulations, male employees are granted a 7-day paid leave, while female employees are provided with 98 days of paid leave.

# SUSTAINABILITY STATEMENT (CONT'D)

## PARENTAL LEAVE (CONT'D)

	FY2023	FY2022	FY2021
<b>Employees Entitled for Maternity and Paternity Leave:</b>			
(a) Number	74	76	77
(b) Percentage	93%	96%	96%
<b>Employees Who Took Paternity Leave:</b>			
(a) Number	1	2	-
(b) Percentage	1%	3%	-
<b>Employees Who Took Maternity Leave:</b>			
(a) Number	1	1	1
(b) Percentage	1%	1%	1%
<b>Return to Work Rates (Return to work after parental leave period)</b>			
Male	100%	100%	100%
Female	100%	100%	100%
<b>Retention Rates (Remain with the organisation for 12 months or more post parental leave)</b>			
Male	100%	100%	100%
Female	100%	100%	100%

## TRAINING AND DEVELOPMENT

At Tambun Indah, we are dedicated to promoting greater work productivity through its training and development initiatives. Recognising the potential benefits, we aim to contribute to economic growth by cultivating a skilled and productive workforce, consequently reducing unemployment and fostering social inclusion.

The Group is committed to ensuring equal access to training for all employees, regardless of gender, age group, and ethnicity. While acknowledging the economic costs associated with training programs, we prioritise strategic investments in relevant skills and competencies essential for employees' job roles.

To support our training development initiatives, our Training and Development Policy emphasises equal access to training, aligning with legal requirements and best practices. The Group also ensures ongoing training opportunities for continuous skill development.

Through continuous monitoring and feedback mechanisms, we are committed to refining our training policy to enhance its effectiveness and relevance. Our goal is to meet a minimum training hours requirement outlined in our training policy, striving for an overall average of 10 training hours per annum per employee.

### TRAINING DEVELOPMENT PLANNING

The HR Department is championing talent upskilling across the Group and collaborates closely with the respective HODs to oversee and monitor training hours, ensuring alignment with the Group's training policy and adherence to budget allocation. To drive this agenda and enhance performance, Tambun Indah has allocated resources from the Human Resource Development Fund ("HRDF") to facilitate comprehensive training programs. These programs cover a diverse range of areas, including financial knowledge, soft skills, and technical aspects.

Referring to the Group's policy, employee training needs are identified and training requests are submitted for approval. This process involves a collaborative effort between employees and their superiors to identify relevant training opportunities.

Additionally, the effectiveness of our training and development approaches is assessed through a comprehensive Training Evaluation Form, gathering employee feedback on the relevance and satisfaction of training. Continuous improvement is emphasised, with employee input shaping the refinement of training initiatives to align with evolving workforce needs.

In support of talent enrichment within the community, the Group periodically accepts interns and trainees. This aligns with the Group's commitment to offering valuable learning and development opportunities, contributing to broader initiatives aimed at developing young talents and mitigating youth unemployment.



# SUSTAINABILITY STATEMENT (CONT'D)

## TRAINING PROGRAMMES

In FY2023, the Group conducted various training programmes encompasses both technical and non-technical aspects, some of them are outlined below:

### Risk Management and Compliance:

- MS ISO31000:2010 Risk Management: Principles and Guidelines, Seldom Referred To When Addressing Risks
- Identifying Areas of Risks and Minimising The Liabilities of Company Secretaries
- The Requirement to Enforce a Delay Liquidated Damages Clause

### Leadership and Professional Development:

- ESG KPIs and Targets Workshop
- Sustainability Governance and Reporting – Implication to the Board and Management in overseeing the ESG agenda of the Group's Business
- IEM Leadership Talk Series – Engineering Leadership in Industrial Design Perspective
- Effective Solution Selling Skills – Building a Lasting Relationship of Trust using RADSEC Framework

### Technical and Industry-Specific:

- Implementation of Building Information Modelling (“BIM”) for Government Projects in Malaysia
- Professional Series: Seismic Design and Earthquake Engineering (Part 5 of 5) Challenges in the Design of Tall Buildings Against Earthquake and Wind Loads
- The Detection and Estimation on Artificial Corroded Rebars in Reinforced Concrete Structure by Using Ground Penetrating Radar

### Health and Wellbeing:

- Stress and Anger Management at Workplace
- Eat Well, Be Active Health Talk
- Managing Absenteeism and Handling Performance Improvement Process
- Flexibility is the Future of Healthcare
- Promotion of Best Practices of Regulations and Guidelines on Safety and Health



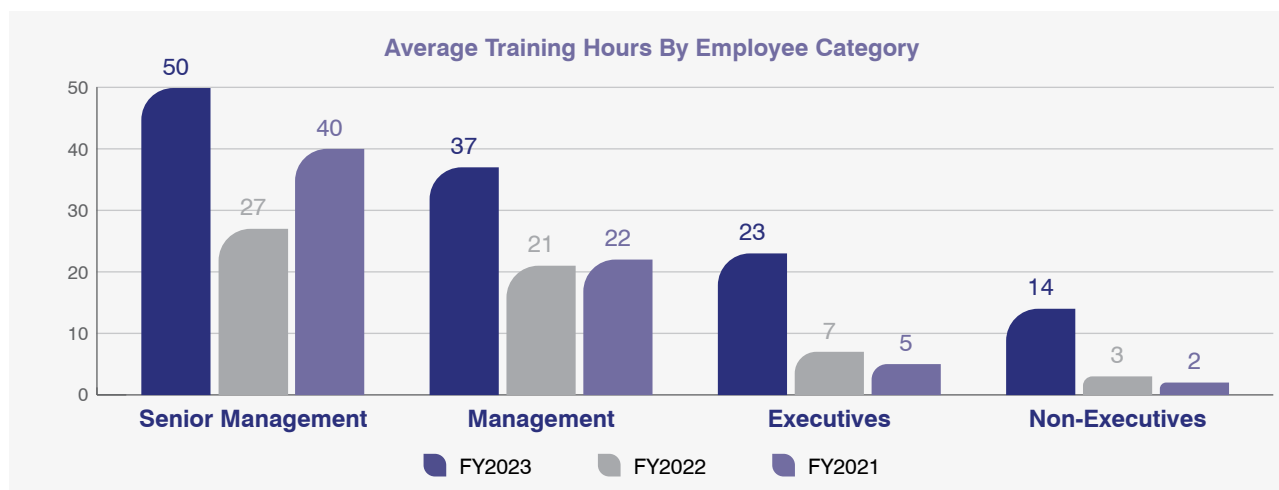
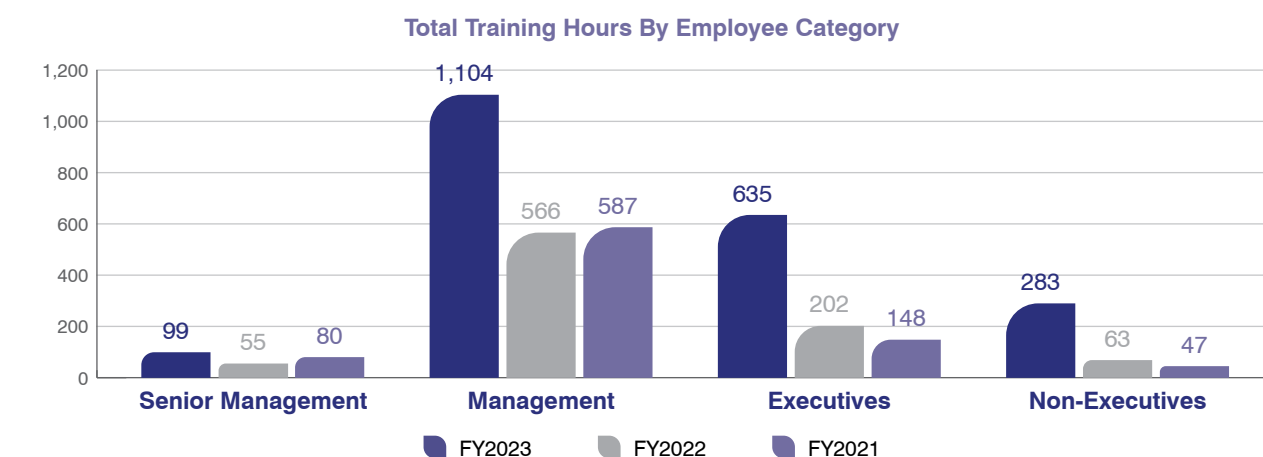
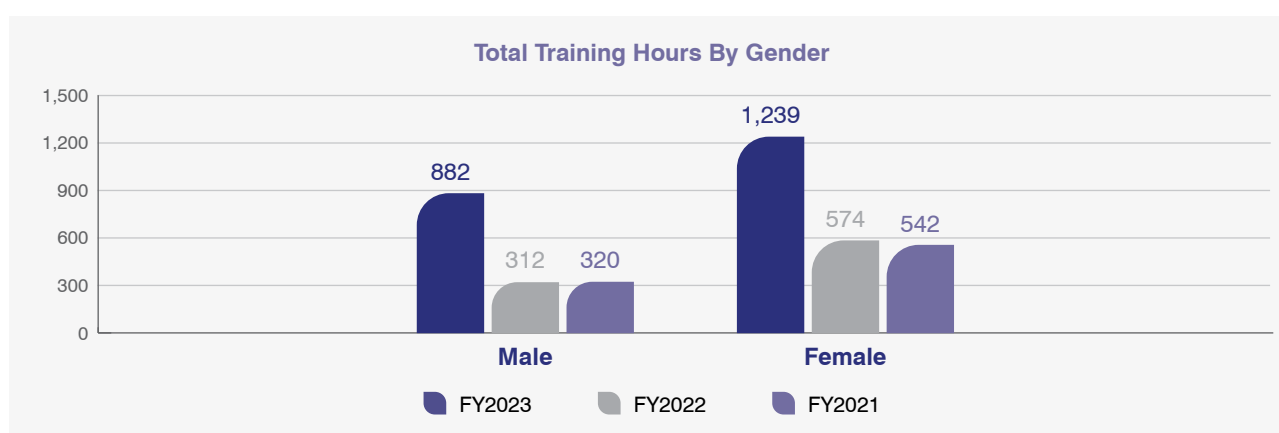
# SUSTAINABILITY STATEMENT (CONT'D)

## TRAINING DATA

An overview of Group's overall training data is as presented below. Overall, the training hours in FY2023 has increased as compared to FY2022, signifies the Group's commitment to uphold talent development.

	FY2023	FY2022	FY2021
Total training hours, as a Group	2,121	886	862
Total spending for training, as a Group (RM)	53,729	28,538	9,892
Average training hours per Employee	27	11	11
Average training days per Employee	3	1	1
Average spending for training per Employee (RM)	672	361	124

Note: The average number of training days is calculated based on the average training hours data, assuming a standard working day of 8 hours.



# SUSTAINABILITY STATEMENT (CONT'D)

## HEALTH AND SAFETY

Improving workers' health and safety can reduce the number of accidents and sick days, leading to increased efficiency and output. Notably, effective safety measures can also reduce costs associated with workplace accidents, insurance claims, and medical expenses.

On the social front, health and safety directly affect several fundamental human rights. It upholds the right to safe working conditions, ensuring that employees are not subjected to undue risks in the workplace.

Despite there is no ISO-based policy in place, the Group has steadfastly integrated the Prevention, Preparedness, Response, and Recovery ("PPRR") framework. Each of these four key elements is integral to different facets of the Business Continuity Planning Process. Furthermore, this approach extends to safety-related components within emergency response and the incident response plan to ensure health and safety in the workplace.

## OCCUPATIONAL SAFETY AND HEALTH ("OSH") MANAGEMENT

The OSH management within the Group is governed by the Occupational Safety and Health Act ("OSHA") 1994 (Act 514) for the office premises. For site operations, which are outsourced to contractors, OSH management is handled by the respective contractors, in accordance with legal requirements. The OSH management system is designed based on recognised risk management principles and established standards or guidelines.

Safety-related standards and guidelines are cascaded to workers through briefings and emails by the outsourced Site Safety Officer ("SSO") or Site Safety Supervisor ("SSS") responsible for health and safety within their areas of operation. This ensures that workers receive direct communication regarding the OSH guidelines and expectations.

In the event of non-compliance with safety matters in offices, the Group is required to take prompt action to address the issue. Employees are encouraged to report any unsafe conditions they observe to the HR department and relevant HODs. This may involve conducting investigations, implementing corrective measures, providing additional training or resources, and enforcing disciplinary actions if necessary to prevent recurrence and maintain a safe working environment, as outlined in the Business Continuity Plan.

## INVESTIGATION PROTOCOLS AND CONTROL MEASURES

The protocol for investigating and taking action on reported incidents or accidents varies between the office and the site.

In the office, the Incident Response Plan outlined in the Business Continuity Guideline dictates the procedure for handling reported incidents or accidents. This includes immediate response to the incident, gathering relevant information, conducting a thorough investigation to determine the root cause, implementing corrective actions to prevent recurrence, and documenting the entire process.

On the site, the Project Manager ensures that contractors have established an emergency response team to handle incidents or accidents promptly. When an incident occurs, it is recorded by the Project Team, through formal incident report, and discussed during site meetings.

The Group has included health and safety updates as part of its periodical Sustainability Progress Report. This is to ensure transparency, accountability, and oversight regarding health and safety matters within the Group.

## OSH RISKS IDENTIFICATION AND MITIGATION

The Group's HR Department and relevant HODs play a crucial role in identifying and eliminating hazards while minimising risks in both office and site environments. Safety training programs are conducted to educate employees on safety protocols and raise awareness of risks associated with their tasks.

Regulatory compliance ensures that all legal requirements are met, and any incidents are promptly reported, investigated, and corrective actions are implemented to prevent future occurrences. Effective monitoring and evaluation of safety measures are in place to maintain effectiveness and address emerging risks, with a focus on promoting employee health and well-being.

# SUSTAINABILITY STATEMENT (CONT'D)

## OSH PERFORMANCE

In tracking and assessing OSH performance, the Group relies on different mechanisms. For the office, HR Department monitors OSH incidents, while for the site, contractors provide progress reports that include data such as Lost Time Incidents (“LTIs”), fatalities, and other relevant metrics.

OSH Site Data	FY2023
Number of work-related fatalities	0
Number of recordable work-related injuries	0
Lost Time Incident Rate (“LTIR”)	0

Tambun Indah’s approach to preventing or mitigating significant negative OSH impacts revolves around maintaining a zero-accident policy and ensuring a safe and healthy working environment at all times.

## OSH TRAINING AND AWARENESS

The Group provides various OSH training programs and initiatives, including fire prevention talks, health talks, and first aid training. Site staff are also required to possess CIDB green cards, renewing them as per the subsequent years they are subscribed to.

Training and resources are provided to empower workers to actively participate in maintaining a safe working environment, fostering a culture of safety throughout the Group. In FY2023, a total of 73 employees attended safety training as listed below:



### Training Description

- Seminar on Fire Safety and Prevention
- Perakuan Bomba Dan Organisasi Keselamatan Kebakaran (OKK)
- First Aid Training – Cardiopulmonary Resuscitation (“CPR”) and Automated External Defibrillator (“AED”) - Talk and Demo
- Safety & Health Awareness at Construction Site

## COMMUNITY DEVELOPMENT

Ensuring a harmonious balance between business progress and social responsibilities is one of the Group’s top priorities. By generating stakeholder economic values, Tambun Indah contributes to social capital, reinforcing its positive impact on society and strengthening community ties. This approach allows the Group to adapt to market and stakeholder needs, reflecting its evolving business philosophy.

By upholding the values of community investments, the Group is actively involved in communicating with the communities to ensure a meaningful engagement and exchange of information.

# SUSTAINABILITY STATEMENT (CONT'D)

## COMMUNITY DEVELOPMENT (CONT'D)

In FY2023, a total of RM89,680 was contributed to 35 organisations as categorised below:



### Supporting the general wellbeing and healthcare of the underprivileged

Given the importance of health as a primary need, we supported with a donation to a dialysis centre for its medical equipment and operating funds.

In addition, we supported with financial contributions to other various NGOs. Such contributions were channelled to alleviate the financial burden of cancer patients, senior citizens and the underprivileged.

The Group encourages employees' participation in its donation drive, both in cash and in-kind donations, for charity homes twice a year as part of the employee engagement in CSR programs.

### Paving a better future with education

With education being a door-opener to a better future, we sponsored educational related events to encourage learning as well as a contribution towards the XCL International School Penang's Staff Annual Dinner 2023.

To assist tertiary students expand their outlook of career options, Tambun Indah hosted a site visit for University Science Malaysia ("USM") undergraduates at Pearl City site. This afforded them the opportunity to get a better look and feel of an actual workplace in a corporate setting. A total of 69 undergraduates participated in this initiative which closed with a luncheon to enable them to engage directly with various Tambun Indah employees for their personal working perspective.



### Celebrating diversity

Acknowledging our nation's strength with its diverse ethnic and cultural background, we supported with financial contribution toward local residents' associations for their cultural celebrations and arts and cultural society in support of our local talents.

Supporting our national day celebrations, we contributed to the "Program Konvoi Bermotosikal dan Kibaran Jalur Gemilang", which added to the pomp and pageantry of the parade.

# SUSTAINABILITY STATEMENT (CONT'D)

## GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE		
GRI 2: General Disclosures 2021	2-1	Organisational details	Corporate Information, Page 2	
	2-2	Entities included in the organization's sustainability reporting	Scope and Boundary, Page 14	
	2-3	Reporting period, frequency and contact point	About this Statement, Page 14-15	
	2-4	Restatements of information	Restatement of information is disclosed at relevant sections where applicable	
	2-5	External assurance	Statement Quality and Data Assurance, Page 14	
	2-6	Activities, value chain and other business relationships	Management Discussion and Analysis, Page 7-13	
	2-7	Employees	Diversity and Equal Opportunity Workplace, Page 33 Our Workforce Page 34-36	
	2-9	Governance structure and composition	Governance Structure at a glance, Page 58	
	2-10	Nomination and selection of the highest governance body	Re-elections and Appointments, Page 66-67	
	2-11	Chair of the highest governance body	Roles and Responsibilities, Page 59	
	2-12	Role of the highest governance body in overseeing the management of impacts	Oversight and Governance of ESG Topics, Page 15	
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest	Group Code of Conduct, Page 18 Conflict of Interest Policy, Page 19	
	2-16	Communication of critical concerns	Whistleblowing Policy, Page 20 Grievance Mechanism, Page 33	
	2-17	Collective knowledge of the highest governance body	Board Diversity and Independence, Page 16	
	2-18	Evaluation of the performance of the highest governance body	Board and Senior Management Remuneration, Page 16	
	2-19	Remuneration policies		
	2-20	Process to determine remuneration		
	2-22	Statement on sustainable development strategy	Chairman's Statement, Sustainability and Corporate Governance, Page 6	
	2-23	Policy commitments	Policies for Good Corporate Governance, Page 18	
	2-24	Embedding policy commitments		
	2-25	Processes to remediate negative impacts	Whistleblowing Policy, Page 20 Grievance Mechanisms, Page 33	
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing Policy, Page 20	
	2-27	Compliance with laws and regulations	Compliance with Local Legislation and Regulatory Requirements, Page 18	
	2-28	Membership associations	Membership of Associations, Page 15	
	2-29	Approach to stakeholder engagement	Approach to Stakeholder Engagement, Page 21-22	
	GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment Exercise Process, Page 23
		3-2	List of material topics	
3-3		Management of material topics	Provided across the respective discussion on management approaches for all material topics	

# SUSTAINABILITY STATEMENT (CONT'D)

## GRI CONTENT INDEX (CONT'D)

GRI STANDARD		DISCLOSURE	PAGE REFERENCE
<b>ECONOMIC PERFORMANCE</b>			
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Highlights, Page 4-5
<b>PROCUREMENT PRACTICES</b>			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Local Procurement, Page 25-26
<b>ANTI-CORRUPTION</b>			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Identification of Operations with Possible Higher Risk for Corruption, Page 20
	205-2	Communication and training about anti-corruption policies and procedures	Zero-Tolerance Approach to Bribery and Corruption, Page 18-19
	205-3	Confirmed incidents of corruption and actions taken	Identification of Operations with Possible Higher Risk for Corruption, Page 20
<b>CUSTOMER PRIVACY</b>			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Prioritising Data Privacy, Page 21
<b>MATERIALS</b>			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Materials Management, Construction Materials Data, Page 31
<b>ENERGY</b>			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Total Energy Consumption, Page 29
	302-3	Energy intensity	Energy Intensity, Page 29
<b>WATER AND EFFLUENTS</b>			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Management, Page 30
	303-2	Management of water discharge-related impacts	Water Management, Effluent Management, Page 30
	303-5	Water consumption	Water Management, Page 30
<b>EMISSIONS</b>			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Change and Emissions, Page 26-27
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	Carbon Intensity, Page 28

# SUSTAINABILITY STATEMENT (CONT'D)

## GRI CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	
<b>WASTE</b>			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management, Page 30-31
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
<b>EMPLOYMENT</b>			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Management, Page 36-37
	401-3	Parental leave	Parental Leave, Page 38-39
<b>LABOUR / MANAGEMENT RELATIONS</b>			
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Labour Practices and Standards, Page 33
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety, OSH Management, Page 42
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety, Investigation Protocols and Control Measures, Page 42
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety, OSH Management, Page 42
	403-5	Worker training on occupational health and safety	OSH Risks Identification and Mitigation, Page 42 OSH Training and Awareness, Page 43
	403-6	Promotion of worker health	OSH Training and Awareness, Page 43
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	OSH Management, Page 42
	403-8	Workers covered by an occupational health and safety management system	OSH Management, Page 42
	403-9	Work-related injuries	OSH Performance, Page 43
	<b>TRAINING AND EDUCATION</b>		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	In Support of UN SDGs, Page 24 Training Data, Page 41
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development, Training Development Planning, Page 39
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance Appraisals, Page 38



# SUSTAINABILITY STATEMENT (CONT'D)

## GRI CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	PAGE REFERENCE
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Diversity and Independence, Page 16-17 Diversity And Equal Opportunity, Page 33 Our Workforce, Page 34-36
<b>NON-DISCRIMINATION</b>		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In Support of the UN SDGs, Page 24 Labour Practices and Standards, Page 33
<b>LOCAL COMMUNITIES</b>		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Approach to Stakeholder Engagement, Page 21-22 Community Development, Page 43-44

# SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Management	Percentage	89.00	96.00	90.00
Executive	Percentage	90.00	90.00	86.00
Non-executive	Percentage	74.00	76.00	89.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	386.00	516.00	677.00
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	3.400000	2.000000	5.600000
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	80	55	99
Management	Hours	587	566	1,104
Executive	Hours	148	202	635
Non-executive	Hours	47	63	283
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	11.00	13.00	10.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Management	Number	0	1	0
Executive	Number	0	3	2
Non-executive	Number	3	3	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Internal assurance	External assurance	No assurance	(*)Restated	

# SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA (CONT'D)

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 31-50	Percentage	50.00	50.00	50.00
Senior Management Between 51-65	Percentage	50.00	50.00	50.00
Senior Management Above 65	Percentage	0.00	0.00	0.00
Management Under 30	Percentage	7.00	0.00	3.00
Management Between 31-50	Percentage	74.00	70.00	70.00
Management Between 51-65	Percentage	19.00	30.00	27.00
Management Above 65	Percentage	0.00	0.00	0.00
Executive Under 30	Percentage	19.00	17.00	11.00
Executive Between 31-50	Percentage	65.00	72.00	75.00
Executive Between 51-65	Percentage	10.00	4.00	7.00
Executive Above 65	Percentage	6.00	7.00	7.00
Non-executive Under 30	Percentage	15.00	14.00	10.00
Non-executive Between 31-50	Percentage	45.00	48.00	45.00
Non-executive Between 51-65	Percentage	40.00	38.00	45.00
Non-executive Above 65	Percentage	0.00	0.00	0.00
Gender Group by Employee Category				
Senior Management Male	Percentage	50.00	50.00	50.00
Senior Management Female	Percentage	50.00	50.00	50.00
Management Male	Percentage	41.00	41.00	43.00
Management Female	Percentage	59.00	59.00	57.00
Executive Male	Percentage	26.00	24.00	29.00
Executive Female	Percentage	74.00	76.00	71.00
Non-executive Male	Percentage	50.00	43.00	50.00
Non-executive Female	Percentage	50.00	57.00	50.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	57.00	57.00	57.00
Female	Percentage	43.00	43.00	43.00
Between 31-50	Percentage	29.00	29.00	29.00
Between 51-65	Percentage	14.00	14.00	14.00
Above 65	Percentage	57.00	57.00	57.00
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	73
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	22,447.00	54,703.00	89,680.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	37	37	35
Internal assurance	External assurance	No assurance	(*)Restated	

## DIRECTORS' PROFILE

### Lai Fook Hoy

Non-Independent Non-Executive Chairman

Lai Fook Hoy, a Malaysian, aged 73, Male, was appointed to the Board of Tambun Indah on 24 February 2012 and was the Independent Non-Executive Chairman up to 2 January 2024 when he was redesignated as Non-Independent Non-Executive Chairman.

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

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

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

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

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

### Teh Kiak Seng

Executive Deputy Chairman

Teh Kiak Seng, a Malaysian, aged 74, 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 up to 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.

Other than as disclosed in the related party disclosures in Note 31 of the Financial Statement, he does not have 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 37, 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.

Other than as disclosed in the related party disclosures in Note 31 of the Financial Statement, he does not have 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 60, Female, was appointed to the Board of Tambun Indah on 23 November 2010 and is presently the Executive Director.

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

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

Teh Theng Theng is the sister of Teh Kiak Seng, who is the Executive Deputy Chairman. Teh Deng Wei, who is the Managing Director of Tambun Indah, is the nephew of Teh Theng Theng. Save as disclosed herein, she does not have any family relationship with any Director and/or major shareholder.

Other than as disclosed in the related party disclosures in Note 31 of the Financial Statements, she does not have 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 45, 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 is also a member of Nominating Committee and Remuneration Committee. She was a member of Audit Committee up to 2 January 2024 when she resigned from the position.

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

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

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

### Lam Voon Kean

Independent Non-Executive Director

Lam Voon Kean, a Malaysian, aged 71, 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, 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 68, Male, was appointed to the Board of Tambun Indah on 1 July 2019 and is an Independent Non-Executive Director. He is also the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee.

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

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

### Kaoy Lay Min

Independent Non-Executive Director

Kaoy Lay Min, a Malaysian, aged 43, Female, was appointed to the Board of Tambun Indah on 2 January 2024 and is an Independent Non-Executive Director. She is also a member of Audit Committee.

She graduated from Sheffield Hallam University in 2002 with Bachelor of Finance and Accounting and is a member of the Malaysian Institute of Accountants and a member of the Association of Chartered Certified Accountants.

She was with a Singapore listed electronic manufacturing company and was leading a team of finance personnel for 2 years. She then joined KPMG Management & Risk Consulting Sdn Bhd and ended the tenure in year 2022, and her last role with KPMG, Penang branch was the Head of Department and Director of Internal Audit, Risk and Compliance Services.

She led and provided advisory services to clients of KPMG in various industries in Malaysia, United States, China, Taiwan, Singapore, Philippines and Cambodia.

She is experienced in providing internal audit, enterprise risk management services, SOX compliance, due diligence check, data-analytics review, board advisory, corporate governance and compliance services, policies and procedures review and development. She also conducted numerous workshops and courses on corporate governance and risk management which include assessing risk profiles and risk frameworks. She does not hold any other 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.

## SENIOR MANAGERMENTS' PROFILE

### Lim Beng Hoe Chief Operating Officer

Lim Beng Hoe, a Malaysian, aged 59, 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 48, 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 a member of the Association of Chartered Certified Accountants.

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

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

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

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance 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 2023 (“FY2023”) and it is to be read together with the Corporate Governance Report for FY2023 which is available at the Company’s website ([www.tambunindah.com](http://www.tambunindah.com)).

In FY2023, the Company had applied the following 3 key principles and the practices of good corporate governance as set out 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 37 recommended practices while 2 recommended practices were not applicable in view of (i) Tambun Indah is not a large company (Practice 12.2) and, (ii) Tambun Indah had held its physical general meeting in the financial year under review (Practice 13.5).

The recommended practices not adopted in FY2023 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 13.2– All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.
- 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 FY2023 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 practices, the Company had adopted Practice 4.5 in FY2023 as follows:

- 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 Company continues to be led by an effective Board whose roles essentially covers 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. Besides, the Board also provides leadership and plays an important role in overseeing the overall performance objectives and long-term success of the Group.

#### Effective Leadership

The Board leads the Company's governance structure and has delegated specific responsibilities 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 Board Committees discharge their duties in accordance with a defined terms of reference. The Chairman of the relevant Board Committees shall report the outcome of the Committee meetings to the Board. Where the Board Committees have no authority to make decisions on matters reserved for the Board, recommendations would be tabled to the Board for its approval.

It is the responsibility of the Executive Management to manage the business operations and affairs of the Company and its subsidiaries. The Executive Management 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.

The Executive Management is also responsible to assist the Board in overseeing the Environmental, Social and Governance ("ESG") and sustainability initiatives carried out across the Group. The Sustainability Working Group comprises members of the Executive Management is tasked to identify material sustainability matters including monitoring the Group's efforts and commitment towards ESG objectives and targets.

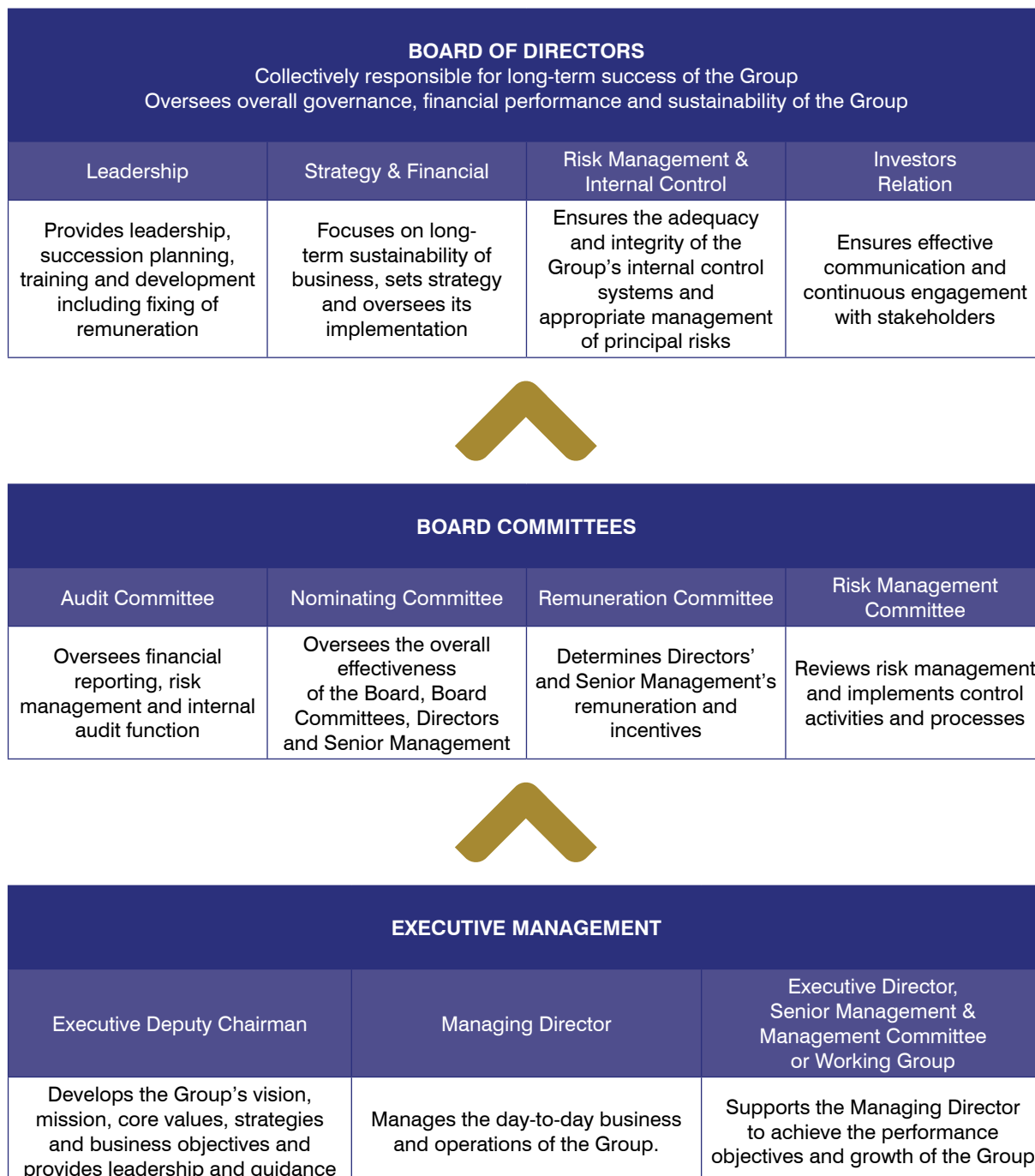
During FY2023, the Directors had attended various trainings relating to ESG and sustainability matters as it is imperative for the Board to stay abreast with and understand the sustainability issues that are relevant to the Company and its business. The Board had also appointed an external independent sustainability consultant to assist in this area.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I BOARD RESPONSIBILITIES (CONT'D)

#### GOVERNANCE STRUCTURE at a glance



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I BOARD RESPONSIBILITIES (CONT'D)

#### 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 and their roles are clearly defined in the Board Charter. The separation of roles ensures an appropriate balance of power and accountability while facilitating effective discharge of responsibilities.

#### Roles and Responsibilities

Roles	Key Responsibilities
<b>Chairman of the Board</b>	<p>The Chairman of the Board has 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>
<b>Executive Deputy Chairman</b>	<p>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.</p>
<b>Managing Director</b>	<p>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.</p>
<b>Executive Director/ Senior Management</b>	<p>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.</p>
<b>Non-Executive Directors</b>	<p>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.</p>
<b>Company Secretaries</b>	<p>The Company Secretaries are responsible for the accuracy and adequacy of records of proceedings of the meetings and resolutions including secretarial functions of the Company. They also play the advisory role relating to procedural and regulatory requirements.</p>

# 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 2023, the Board has 4 Board Committees. Each Board Committee has its 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.

#### 1) Audit Committee

As at 31 December 2023, the Audit Committee comprised wholly non-executive directors, majority of which were Independent Director.

On 2 January 2024, the Company appointed an additional Independent Non-Executive Director, Ms. Kaoy Lay Min to the Board and Audit Committee, while Ms. Tsai Chia Ling, a Non-Independent Non-Executive Director of the Company resigned from the Audit Committee on the even date. Currently, the Audit Committee comprised wholly Independent Non-Executive Directors.

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

During FY2023, the Audit Committee met 5 times and the members' attendance for FY2023 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 FY2023, the Nominating Committee met twice 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 Directors;
- The performance of Senior Management and succession plan of the Group;
- The financial literacy of members of the Audit Committee;
- The effectiveness and objectivity of the Audit Committee and each of its members;
- The effectiveness of the Board towards ESG and Sustainability matters;
- The continuing education programmes and trainings attended by the Directors during the financial year;
- The Board Skills Matrix and Boardroom Diversity;
- The Directors due for retirement by rotation at the Annual General Meeting ("AGM");
- The independence of the Independent Director who had served the Board beyond 9 years; and
- The assessments of candidates for the position of an Independent Director of the Company.

The members' attendance for FY2023 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%
Tsai Chia Ling	2/2	100%

# 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

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

During FY2023, the Remuneration Committee met 3 times 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 FY2023 was as follows:

Members of Remuneration Committee	No. of meetings attended	Percentage of attendance
Dato' Seri Mokhtar Bin Mohd Jait	3/3	100%
Lam Voon Kean	3/3	100%
Tsai Chia Ling	3/3	100%

#### 4) Risk Management Committee

The Risk Management Committee is chaired by Mr. Teh Deng Wei, the Managing Director of the Company.

During FY2023, the Risk Management Committee met once to review and discuss the risk 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 FY2023 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 Policies

The Board has embedded a clear framework and policies to strengthen the governance and internal control of the Group:

- Board Charter;
- Whistle-Blowing Policy;
- Code of Business Conducts and Ethics;
- Anti-Bribery and Corruption Policy;
- Directors' Fit and Proper Policy;
- Conflict of Interest Policy;
- Sustainability Policy;
- Risk Management Policy and Framework; and
- Stakeholders' Communication section in the Board Charter.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I BOARD RESPONSIBILITIES (CONT'D)

#### Board Policies (Cont'd)

The policies are either reviewed annually, or as and when required to ensure its relevance.

The Board met regularly throughout the financial year, either physically or virtually, to approve an agreed list of matters reserved for approval of the Board, or upon recommendations as may be made from time to time by the Board Committees as set out in the Board Charter.

#### 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 or her role as a Director and/or member of the Board Committees. In this regard, the Company Secretary prepares the annual meeting calendar in advance of each new financial year and circulates to the Directors for them to fit the year's meetings into their schedules.

The Directors also approve certain matters relating to the Company's affairs by way of Directors' Circular Resolution to be signed by a majority of Directors for the time being of the Company in accordance with the Company's Constitution.

The Directors had held a total of 7 meetings in FY2023 and their respective attendance 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	6/7	86%
Tsai Chia Ling	7/7	100%
Lam Voon Kean	7/7	100%
Dato' Seri Mokhtar Bin Mohd Jait	7/7	100%

In FY2023, a total of two (2) Directors' Circular Resolution were circulated and duly passed.

During FY2023, the Non-Executive Directors had held 2 meetings each with the Internal Auditors and External Auditors respectively without the presence of the Executive Management of the Company (Private Sessions).

#### Access to Information or Advice

The Board is provided with meeting materials that are comprehensive and encompass all matters in the agendas being considered for deliberation together with the minutes of the previous Board and Board Committees at least 7 days in advance for each meeting.

Other than meeting materials, the Senior Management regularly updates the Board via emails to keep them informed of the Group's operational matters and events.

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.

The Directors also have direct access to the Senior Management and unrestricted access to all information of the Group. If the Directors require further information in discharging their duties, they 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)

#### Board Activities in FY2023

##### Strategic and Governance

- Annual Business Plan and Budget
- Quarterly reports from Board Committees
- Composition and Effectiveness of the Board and Board Committees
- Performance of Directors and Senior Management
- Talent Management and Succession Planning
- Independence of Independent Directors
- Directors' Trainings and Development
- Re-appointment of Internal and External Auditors
- Audit and Non-Audit Fees
- Remuneration of Executive Directors and Senior Management
- Directors' Fees and Benefits
- Board Charter and Terms of Reference of Board Committees Review
- Sustainability Policy Review
- Limits of Authorities Review
- Conflict of Interest Policy Adoption
- Directors' Fit and Proper Policy Review
- Anti-Bribery and Corruption Policy, Code of Business Conducts and Ethics and Whistle Blowing Policy Review
- Annual Report
- Quarterly recurrent related party transactions
- Declaration of any conflict of interest or potential conflict of interest situation
- Quarterly Directors and Principal Officers dealings in shares

##### Financial and Operational

- Annual consolidated financial results
- Quarterly unaudited financial results
- Quarterly business performance review
- Solvency position and dividend payments
- Periodic updates on new accounting standards and tax

##### Sustainability and Risks

- Quarterly internal audit report
- Annual risk profile updates
- Risk review of changes to regulatory landscape
- Bi-annual ESG progress report

##### Investors Relation and Stakeholders Engagement

- Annual General Meeting
- Annual Report and Analyst Reports
- Announcements to Bursa Securities
- Corporate Website
- Questionnaires and Surveys



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II BOARD COMPOSITION

#### Board Independence

Members of the Board as at 31 December 2023	Independent	Non-Executive
Lai Fook Hoy	√	√
Teh Kiak Seng	x	x
Teh Deng Wei	x	x
Teh Theng Theng	x	x
Tsai Chia Ling	x	√
Lam Voon Kean	√	√
Dato' Seri Mokhtar Bin Mohd Jait	√	√
	3 out of 7 (43%)	4 out of 7 (57%)

As at 31 December 2023, the Board comprised of 3 Independent Directors which is equivalent to 43% of Independent Directors represented in the Company's boardroom. This 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.

On 2 January 2024, the Company had appointed an additional Independent Non-Executive Director, Ms. Kaoy Lay Min and redesignated Mr. Lai Fook Hoy as a Non-Independent Non-Executive Director/Chairman and therefore, the Board currently comprises of 3 Independent Directors which is equivalent to 38% representation in the Company's Boardroom.

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.

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

The Nominating Committee and the Board had assessed and was satisfied with the independence of the Independent Directors of the Company for FY2023 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 FY2023;
- 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 FY2023; and
- v) All the Independent Directors had demonstrated objective participations in Board discussions.

The independent assessments and opinions of the Independent Non-Executive Directors are important in ensuring the effectiveness of corporate governance practices of the Company. Their presence in the Company's boardroom sufficiently represents a strong independent element for effective check and balance on the functioning of the Board.

The Board works as a team with emphasis on transparency, trust and respect, as well as driving the right level of accountability and integrity. No individual Director can dominate the decision-making of the Board despite the Board has representatives of the substantial shareholders.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II BOARD COMPOSITION (CONT'D)

#### 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.

At every meeting of the Board, the Directors and Senior Management are required to make self-declaration and/or disclosure concerning any conflict of interest or potential conflict of interest that may arise based on the agenda items tabled. When there is an actual or potential conflict of interest situation, the concerned Director or Senior Management shall not participate in any discussion while the subject matter or agenda items are being considered and shall not vote on the relevant resolution thereof.

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.

#### Board Experience and Diversity

Board Tenure	
Less than 5 years	14%
5 – 10 years	29%
11 – 15 years	43%
More than 15 years	14%

Board Age Diversity	
31 – 50 years	29%
51 – 65 years	14%
Above 66 years	57%

Board Skills and Experience
Property Construction and Development
Financial and Accounting
Sales and Marketing
Risk Management and Internal Control
Corporate Governance
Human Resource Relations
Public Policy and Regulatory

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

#### Gender Diversity

The Board embraces gender diversity to strengthen its Board composition including the Management team level as they may offer different breadth of perspectives and ideas which leads to better collective decision. The Board has established a policy to have at least 30% female Directors represented on the Board.

As at 31 December 2023, the Board comprises of 3 female Directors which is equivalent to 43% female representation in the Company's boardroom whilst 56% of managerial positions are held by female employees.

On 2 January 2024, the Company has further appointed a female director, as such, the Board currently has 4 female Directors which is equivalent to 50% 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)

#### 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 or her own assessment.

The Board was satisfied that the size and composition of the Board and the Board Committees in FY2023 were adequate with diverse backgrounds, objectivity, skillsets and capabilities 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 as well as the fit and proper assessment in accordance with the Company's Directors' Fit and Proper Policy. The assessment 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 FY2023 were able to discharge their duties and responsibilities diligently in the best interest of the Group.

#### Tenure of Independent Directors

The Board 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. Notwithstanding this, the tenure of Independent Director should not exceed 12 years to be in line with the requirement of the Main LR of Bursa Securities.

As at the date of this report, none of the tenure of Independent Directors has exceeded a cumulative term of 9 years.

#### 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 in accordance with the Company's Constitution. The Board will then make recommendations to the shareholders for approval at the AGM.

In accordance with the Company's Constitution, Mr. Lai Fook Hoy, Ms. Lam Voon Kean and Ms. Kaoy Lay Min will be retiring as Directors of the Company at the forthcoming 16<sup>th</sup> AGM. Being eligible for re-election, they had provided their consents to seek for re-election.

The Board through the Nominating Committee had assessed and recommended them for re-election as Directors at the forthcoming 16<sup>th</sup> AGM having regard to their contribution to the effectiveness of the Board. The review parameters which is in line with the Directors' Fit and Proper Policy also include their attendance and participation at meetings; skills, knowledge and experience as well as their capacity to bring independent judgement and ability to act in the best interests of the Company as a whole.

The Nominating Committee is also tasked to assess and recommend new appointments to the Board through various contacts and recommendations from independent sources including proposals and recommendations from members of the Board, Management or Major Shareholders 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)

In evaluating the candidate, the Nominating Committee will consider fit and proper assessment 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.

Upon appointment, the new Director will be given a copy of the Board Charter, and provided with an induction programme to enable the new Director to gain understanding of the Group's businesses and to get acquainted with his or her peers and the Management.

During FY2023, the Nominating Committee had assessed and recommended Ms. Kaoy Lay Min as a Director/ Independent Non-Executive Director of the Company.

#### 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 or her duties adequately is not confined to the criterion of the number of his or 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 2023, 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. Besides, the multiple directorships held by the Directors did not give rise to material concern on time commitment and any conflict of interest or potential conflict of interest situation.

#### Board Development

As at 31 December 2023, 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II BOARD COMPOSITION (CONT'D)

#### Board Development (Cont'd)

The Nominating Committee assists the Board in ensuring that Directors receive adequate training to enable them to carry out their duties.

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 and are encouraged to personally identify any training that would assist them in carrying out their duties and 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 or her trainings attended during the year. The Nominating Committee will assess the continuous development of the Directors and table its recommendation to the Board.

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 standards or principles, by way of briefing updates by the Company Secretary, Management and/or the Auditors.

The Board through the Nominating Committee had assessed the trainings attended by the Directors in FY2023 and was satisfied with the Directors’ own evaluation of their training needs and therefore, a policy on Directors’ training is not required.

During FY2023, the trainings attended by the Directors were as follows:

Name	Trainings attended
Lai Fook Hoy	<ul style="list-style-type: none"> <li>• How EVs and Smart Charging Infrastructure Can Contribute to Low Carbon Economy in Malaysia?</li> <li>• TCFD 102- Building experience and expertise on climate-related financial disclosures</li> <li>• Challenges in the Design of Tall Buildings Against Earthquake and Wind Loads</li> <li>• Funicular Railway System of Penang Hill and the Habitat Penang Hill</li> <li>• Sustainability Governance and Reporting</li> <li>• Traffic Impact Assessment - Scope and Analysis</li> <li>• Technical Visit to Indium Corporation</li> <li>• ESG KPIs and Targets Workshop</li> </ul>
Teh Kiak Seng	<ul style="list-style-type: none"> <li>• Funicular Railway System of Penang Hill and the Habitat Penang Hill</li> <li>• Sustainability Governance and Reporting</li> <li>• Decentralised Water/ Wastewater Treatment Systems</li> <li>• ESG KPIs and Targets Workshop</li> </ul>
Teh Deng Wei	<ul style="list-style-type: none"> <li>• Budget 2023</li> <li>• ESG Risks and Opportunity in the Property Industry</li> <li>• Sustainability Governance and Reporting</li> <li>• ESG KPIs and Targets Workshop</li> <li>• CEO Series Conference 2023</li> </ul>
Teh Theng Theng	<ul style="list-style-type: none"> <li>• Effective Solution Selling Workshop</li> <li>• Teambuilding for Excellence</li> <li>• Sustainability Governance and Reporting</li> <li>• ESG KPIs and Targets Workshop</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II BOARD COMPOSITION (CONT'D)

#### Board Development (Cont'd)

Name	Trainings attended
Tsai Chia Ling	<ul style="list-style-type: none"> <li>Looking Beyond Challenges</li> <li>ESG and Climate Trends to Watch for 2023</li> <li>Possible Impact of RCEP and CPTPP on Iron and Steel Industry - Malaysia</li> <li>MAP Part II: Leading for Impact (LIP)</li> <li>Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</li> <li>FTSE4Good ESG Ratings for all PLCs</li> <li>ESG KPIs and Targets Workshop</li> <li>E-Invoicing</li> <li>Carbon Border Adjustment Mechanism (CBAM): What the new EU regulation entails and how companies should react</li> <li>Developments and Impacts of ESG on corporate Malaysia</li> </ul>
Lam Voon Kean	<ul style="list-style-type: none"> <li>TCFD 101- Introducing to climate-related financial disclosures</li> <li>TCFD 102- Building experience and expertise on climate-related financial disclosures</li> <li>BEPS Pillar 2- What is your next step?</li> <li>Sustainability Governance and Reporting</li> <li>Asia Pacific Board Leadership Centre Webinar- 2023 Board and Audit Committee Priorities</li> <li>ESG KPIs and Targets Workshop</li> <li>ISSB-MASB Virtual Outreach-Request for Information- Consultation on Agenda Priorities</li> <li>Introducing the first ISSB Standards</li> <li>Invitation to Virtual Event- The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting</li> <li>Audit Oversight Board Conversation with Audit Committees</li> </ul>
Dato' Seri Mokhtar Bin Mohd Jait	<ul style="list-style-type: none"> <li>Sustainability Governance and Reporting</li> <li>ESG KPIs and Targets Workshop</li> </ul>

### III REMUNERATION

#### Remuneration Policies

The Board has established a formal and transparent process in determining the remuneration of the Directors and Senior Management of the Company. The objective of the Company's remuneration policy is to attract, retain and motivate the right calibre, skills and integrity to provide good stewardship in the best interest of the Company. During FY2023, there were no changes in the remuneration policies and practices of the Company.

The Remuneration Committee reviews and recommends to the Board, a suitable remuneration package for the Executive Directors with the objective of ensuring a competitive remuneration is in place to drive and manage the Group's business successfully towards the pursuit of the Company's long term strategic objectives and to maximise long term shareholders' value.

The Board shall determine the remuneration package of the Executive Directors as recommended by the Remuneration Committee. The Executive Director, however shall not participate in deciding his or her own remuneration. The current remuneration packages of the Executive Directors comprise a combination of basic salary, fees allowances, bonuses, incentives, statutory contributions and benefits-in-kind.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### III REMUNERATION (CONT'D)

#### Remuneration of Directors

The remuneration of the Directors for FY2023 was as follows:

Name	Fees	Allowance	Salaries & other emoluments	Bonus	Defined contribution plan	Benefits-in-kinds	Total
<b>Non-Executive Director (in RM)</b>							
Lai Fook Hoy	85,000	4,000	-	-	-	-	89,000
Lam Voon Kean	83,000	4,000	-	-	-	-	87,000
Dato' Seri Mokhtar Bin Mohd Jait	73,000	4,000	-	-	-	-	77,000
Tsai Chia Ling	69,000	3,500	-	-	-	-	72,500
<b>Executive Director (in RM)</b>							
Teh Kiak Seng	55,000	-	716,243	291,500	151,050	40,100	1,253,893
Teh Deng Wei	55,000	-	1,729,158	704,000	364,800	33,544	2,886,502
Teh Theng Theng	55,000	-	481,630	160,200	96,120	11,100	804,050
	<b>475,000</b>	<b>15,500</b>	<b>2,927,031</b>	<b>1,155,700</b>	<b>611,970</b>	<b>84,744</b>	<b>5,269,945</b>

Save as disclosed above, none of the Directors provided services or received fees for services rendered to the Company or its subsidiaries in FY2023.

#### Remuneration of Senior Management

The Remuneration Committee is also tasked to review and recommend to the Board, the remuneration packages for the Senior Management having regard to their responsibilities, level of skills, experience, competency and performance as well as the relevant prevailing market remuneration and the financial performance of the Group.

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 FY2023, the aggregate sum of remunerations paid to the Senior Management Team was approximately RM0.98 million.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### I AUDIT COMMITTEE

The Board has established the Audit Committee to independently oversee the Company'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 with the objective of ensuring an independent and effective Audit Committee and table their recommendations to the Board.

Upon its annual assessment, the Board was satisfied that all members of the 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

Shareholders at the 15<sup>th</sup> AGM had re-appointed BDO PLT, a firm registered with the Audit Oversight Board (AOB) of the Securities Commission Malaysia to audit the Company's financial statements for FY2023. BDO PLT was also engaged to audit the financial statements of all the subsidiaries of the Company in respect of FY2023.

In performing its function, 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 FY2023.

#### 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.

In conducting the audit of the Company and its subsidiaries, BDO PLT is required to comply with the independence requirements of the Malaysian Institute of Accountants' ("MIA") By Laws (On Professional Ethics, Conduct and Practice).

During FY2023, BDO PLT had informed the Audit Committee that it has evaluated its independence and inter alia that, it has policies and procedures in place to safeguard its independence. Besides, they had also obtained independence declarations from all staff engaged in the audit of the Company and its subsidiaries and they are not aware of any relationships between BDO PLT and the Group that, in its professional judgement, may reasonably be thought to bear on their independence.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I AUDIT COMMITTEE (CONT'D)

#### Assessment of External Auditors (Cont'd)

BDO PLT also informed the Audit Committee that the non-audit services provided are permissible under the MIA By Laws, hence they confirmed that their professional independence has not been impaired. Taking into account the foregoing, the Audit Committee concurred with BDO PLT that the provision of non-audit services would not compromise the independence of BDO PLT.

Upon its annual 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 acknowledges its overall responsibility for maintaining 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 has 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 is tasked to identify new risks and assess existing risks to ensure the 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 profile according to the risk nature namely strategic, operational and financial.

This process had been in place for FY2023 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 FY2023, 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 FY2023 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## 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 agree 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 FY2023, 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.

The Company has a dedicated Investor Relations team to manage communications with shareholders. 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.

The Company also maintains a corporate website ([www.tambunindah.com](http://www.tambunindah.com)) which contains a comprehensive range of information of the Group to communicate or engage with shareholders and stakeholders of the Company.

# 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

<p style="text-align: center;"><b>Electronic Communication and Online Information</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Hard copies of the Annual Reports and Circulars available on the Company's website are provided to shareholders (on request) free of charge.</li> </ul>	<p style="text-align: center;"><b>Sufficient and Timely Information</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<p style="text-align: center;"><b>Accountability to Shareholders and Corporate Reporting</b></p> <ul style="list-style-type: none"> <li>• Disclosures of annual report, interim report and results, press releases and pertinent announcements are submitted to Bursa Securities on timely basis.</li> </ul>	<p style="text-align: center;"><b>Dynamic engagement with Shareholders</b></p> <ul style="list-style-type: none"> <li>• Regular dialogues, meetings including regular presentation or conference calls between Senior Management and investors, fund managers and analysts.</li> </ul>
<p style="text-align: center;"><b>Corporate Disclosure</b></p> <ul style="list-style-type: none"> <li>• Tambun Indah's Board Charter – Stakeholders Communication provides guidance on the disclosure of material information to investors, analysts and media.</li> <li>• This guidance identifies the spokespersons and outlines the responsibilities or communication with each stakeholder group.</li> </ul>	<p style="text-align: center;"><b>Dividend Policy</b></p> <ul style="list-style-type: none"> <li>• Tambun Indah's longstanding policy is to provide stable ordinary dividends to shareholders.</li> <li>• 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.</li> </ul>
<p style="text-align: center;"><b>Voting</b></p>	
<ul style="list-style-type: none"> <li>• All the resolutions set out in the notice of meeting of members are put to vote by poll.</li> <li>• The poll will be conducted by the Company's Share Registrar and scrutinised by an independent scrutineer.</li> <li>• Procedures for conducting the poll are explained to members during the meeting prior to the taking of the poll.</li> <li>• Poll results are announced and posted on the Bursa Securities' and the Company's websites on the same day after the meeting.</li> </ul>	

# 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.

In line with the Company's sustainability efforts and as permitted by the Companies Act and the Main LR of Bursa Securities, the annual report of the Company is made available to shareholders by way of electronic communications via posting of these documents on the Company's and Bursa Securities' websites.

The Board regards the general meeting as 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 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 or 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 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](http://www.tambunindah.com)).

#### Annual General Meeting

The Company held its 15<sup>th</sup> AGM physically on 21 June 2023.

At the commencement of the 15<sup>th</sup> 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 15<sup>th</sup> AGM were put to the vote by poll, the 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 15<sup>th</sup> AGM was made available on the Company's website within 30 days from the said meeting.

This statement was approved by the Board on 15 April 2024.

# 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 2023. 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.

In addition, the Group has established a business continuity plan to proactively prevent and minimize (if any) disruptions to the business and operations.

The key elements of the Group’s Risk Management framework include:

- A Risk Management Working Group is established to support and advise the Risk Management Committee on the implementation and monitoring of the Group Risk Management Policies and Strategies. The working group comprises Managing Director, Executive Director, Senior Management and Managers from respective departments.
- The duties of the Risk Management Working Group include:
  - o Identify, assess and monitor all risks including corporate liabilities risks associated with the operations of the Group to align with the Group’s strategic objectives;
  - o Review and update the risk profile annually in accordance with the Risk Management framework and make recommendations on the changes required;
  - o Develop and implement internal compliance and control systems and procedures to manage risks;
  - o Assess and monitor the effectiveness of controls instituted;
  - o Report any instances involving material breaches or potential breaches of the Group’s risk management and internal control; and
  - o Review the Risk Management Handbook to ensure that it is operating effectively, recommending any changes it considers necessary to the Group.

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

## Risk Management (Cont'd)

The key elements of the Group's Risk Management framework include: (Cont'd)

- The Risk Management Working Group updates the Risk Management Committee at least once a year on the Group's risk profile and reports any new significant risks and any actions taken by the management to manage or mitigate the risk identified, as well as any material changes to the Risk Management framework.
- The Risk Management Committee reviews and approves recommendations made by the Risk Management Working Group and reports to the Board.
- An independent review of the Risk Management framework is conducted periodically to ensure its effectiveness.

## 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 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 2023, three (3) internal audit reviews had been carried out and reported by Sterling:

Audit Period	Reporting Month	Audited Areas
1 <sup>st</sup> Quarter (Jan 2023 – Mar 2023)	May 2023	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Control of Progress Claims</li> </ul>
2 <sup>nd</sup> Quarter (Apr 2023 – Jun 2023)	Aug 2023	<ul style="list-style-type: none"> <li>• Corporate Policies</li> </ul>
3 <sup>rd</sup> Quarter (Jul 2023 – Sep 2023)	Nov 2023	<ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Administration</li> </ul>

For the financial year ended 31 December 2023, four (4) follow-up status reviews on previously reported audited findings had been carried out and reported by Sterling.

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

## Other Key Elements of Internal Controls

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

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

The Board is of the view that there was no significant breakdown or weaknesses in the system on internal controls of the Group that had resulted in material losses to the Group for the financial year ended 31 December 2023.

## 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 their attention that caused them to believe that this Statement on Risk Management and Internal Control is not prepared, 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, 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 2023 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 15 April 2024.

# AUDIT COMMITTEE REPORT

## MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee as at 31 December 2023 consisted of:

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

On 2 January 2024, the Company appointed an additional Independent Non-Executive Director, Ms. Kaoy Lay Min to the Board and Audit Committee, while Ms. Tsai Chia Ling resigned from the Audit Committee on the even date. Currently, the Audit Committee consists of wholly Independent Non-Executive Directors.

## MEETINGS AND ATTENDANCE

A total of 5 Audit Committee meetings were held during the financial year ended 31 December 2023 and the details of attendance were as follows:

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

The Chief Operating Officer and the General Manager, Head of Finance, 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 2023 were summarised as follows:

- a) Reviewed the unaudited quarterly financial results before presentation to the Board for approval and for release to the authorities and public.
- b) Reviewed and approved the internal and external audit plans.
- c) Reviewed the draft audited financial statements before presentation to the Board for approval and for release to the authorities and public.
- d) Assessed the Board on any potential conflict of interest situation and the necessary measures to be taken to address the situation.
- e) Reviewed the related party transactions that arose within the Group.
- f) Reviewed and assessed the risk management activities of the Company and the Group.
- g) Reviewed the internal audit reports and the management action plan on recommendations noted in the reports.
- h) Reviewed the external audit findings with the External Auditors.
- i) Appraised the performance of the Internal Auditors and approved any appointment and termination of the Internal Auditors.
- j) Appraised the performance of the External Auditors and considered the appointment and/or re-appointment of the External Auditors.
- k) Reviewed the effectiveness of the Group's Anti-Bribery Management System.
- l) Approved non-audit services rendered by the External Auditors and its affiliate.



# AUDIT COMMITTEE REPORT (CONT'D)

## INTERNAL AUDIT FUNCTION

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

The Internal Auditors 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 will respond to the actions to be taken. Each quarter, the Internal Auditors present their 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 2023 was RM78,817.

The activities of the Internal Auditors during the financial year ended 31 December 2023 were summarised as follows:

- 1) Followed up reviews on the findings reported in previous financial quarters.
- 2) Reviewed the Project Management functions and Control of Progress Claims.
- 3) Reviewed the Corporate Policies.
- 4) Review the Human Resources and Administration 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 2022 and in the financial year ended 31 December 2023.

### 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 2023 were as follow:

	Group (RM)	Company (RM)
Fees paid or payable to the external auditor		
- Audit Fees	190,200	52,000
- Non-Audit Fees	15,800	5,000
Non-Audit fees paid or payable to an affiliated firm of the external auditor for tax compliance	84,050	8,850
<b>Total</b>	<b>290,050</b>	<b>65,850</b>

### 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 2023.

## 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 2023, 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 15 April 2024.

## 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
<b>DEVELOPMENT PROPERTIES</b>						
1. Lot 24938, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Rumah Pangsa Mutiara Indah – Fasa 2 (Blok B), Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.1	15,948,235	04.05.2011
2. Lot 24939, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Rumah Pangsa Mutiara Indah – Fasa 3 (Blok C), Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.15	23,036,967	04.05.2011
3. Lot 24940 to Lot 24941, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Low Cost Flat, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	4.68	15,582,244	04.05.2011
4. Lot 24539 to Lot 24717, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Ambay Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	6.72	1,219,169	04.05.2011
5. Lot 24718 to Lot 24926, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Dahlia Garden, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	7.05	16,007,221	04.05.2011
6. Lot 26034 (Formerly known as Lot 25298), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Aralia Park, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	2.17	5,433,455	04.05.2011
7. Lot 25860, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Botanic Villa, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	30.26	47,497,762	04.05.2011
8. Lot 25712 to 25859, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Pearl Impiana, Bandar Tasek Mutiara).	Freehold	Development land approved for residential development	N/A	5.58	10,394,627	04.05.2011
9. Part of Lot 13, Part of Lot 23201, Part of Lot 25705, Lot 1383, Lot 25704, Part of Lot 25706 and Part of Lot 25703, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Development land approved for residential or commercial development	N/A	43.69	30,657,641	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
<b>DEVELOPMENT PROPERTIES</b>						
10. 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	5,318,520	04.05.2011
11. Part of Lot 1429, Part of Lot 33148, Part of Lot 33149, Part of Lot 32942, Lot 32944, Lot 32946, Part of Lot 32947, Part of Lot 32953 and Lots 32948 to 32952, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Development land approved for residential development	N/A	5.94	14,390,091	21.05.2015
12. Lot 114 & Lot 1067, Mukim 15, Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	44.33	30,585,714	30.06.2010
13. Lot 1063 & Lot 1064, Mukim 15, Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	32.53	21,006,490	21.02.2022
14. Lot 23213, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	2.60	1,570,727	04.05.2011
15. Part of Lot 13, Lot 8936, Lot 10016, Lot 10017, Lot 10023, Lot 25702, Part of Lot 25706 & Part of Lot 25703 and Lot 25331 & Lot 25332, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	33.93	21,720,641	04.05.2011
16. Lot 10272, Mukim 10, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	0.41	701,906	03.11.2009
17. Lot 148, Seksyen 5, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	0.47	800,136	14.05.2012
18. Part of Lot 25705, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	0.16	126,444	07.05.2013

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

Location/Address	Tenure	Description & Existing Use	Approximate Age of Building (Years)	Land Area (acres)	Audited Net Book Value (RM)	Date of Last Valuation / Date of Acquisition
<b>DEVELOPMENT PROPERTIES</b>						
19. Lots 8764, 8768, 8775, 11159, 22539 (Formerly known as PT1427) and 22541 (Formerly known as PT1428), Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Amenities Land, Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	18.62	453,208	04.05.2011
20. Lot 1368, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	24.09	15,472,450	13.11.2013
21. Lot 21030, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	15.62	5,798,230	30.06.2010
22. Lots 4738 & 4741, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	20.88	13,404,549	21.10.2013
23. 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	21,753,104	04.05.2011
24. Lot 21024, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang. (Bandar Tasek Mutiara).	Freehold	Land held for development	N/A	0.58	231,988	11.06.2014
25. Lot 159, Lot 33147, Part of 1429, Part of 33148, Part of 33149, Part of Lot 32942, Part of Lot 32947, Part of 32953, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Land held for development	N/A	7.49	16,253,249	21.05.2015
26. 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	146,379,604	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
<b>INVESTMENT PROPERTIES</b>						
1. No. 6 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang	Freehold	3-storey terrace shop office	25	153/ 459.12	950,000	31.12.2023
2. No. 1-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/147	290,000	31.12.2023
3. No. 1-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/125	245,000	31.12.2023
4. No. 7-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/145	300,000	31.12.2023
5. No. 7-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/120	250,000	31.12.2023
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	27	NA/6,171	3,900,000	31.12.2023
7. No. 5099 Dahlia Park Jalan Kampung Benggali 12200 Butterworth Pulau Pinang	Freehold	Double storey terrace shop office	10	205/ 409.98	1,500,000	31.12.2023
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	32,973,601	04.05.2011
9. Lot 24317, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (International School, Bandar Tasek Mutiara).	Freehold	International School	9	32,255/ 19,508	53,000,000	31.12.2023

## 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
<b>INVESTMENT PROPERTIES</b>						
10. Part of Lot 23202, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang (Sports Complex, Bandar Tasek Mutiara).	Freehold	Sports Complex	5	14,447/ 7,311	13,700,000	31.12.2023
11. No. 10-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/143	295,000	31.12.2023
12. No. 10-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/169	350,000	31.12.2023
13. No. 10-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/131	270,000	31.12.2023
14. No. 10-05 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/151	315,000	31.12.2023
15. No. 2-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/169	300,000	31.12.2023
16. 349-01-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/88	950,000	31.12.2023
17. 349-02-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/288	1,270,000	31.12.2023
18. 349-03-01, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/288	1,100,000	31.12.2023
19. 349-01-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/125	1,340,000	31.12.2023
20. 349-02-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	440,000	31.12.2023
21. 349-03-03, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	385,000	31.12.2023
22. 349-01-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/125	1,340,000	31.12.2023



## 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
<b>INVESTMENT PROPERTIES</b>						
23. 349-02-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	440,000	31.12.2023
24. 349-03-04, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	385,000	31.12.2023
25. 349-01-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/125	1,340,000	31.12.2023
26. 349-02-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	440,000	31.12.2023
27. 349-03-05, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	385,000	31.12.2023
28. 349-01-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/125	1,340,000	31.12.2023
29. 349-02-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	440,000	31.12.2023
30. 349-03-06, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/105	385,000	31.12.2023
31. 349-01-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot, and 4 levels of multi-storey 102 bays of covered car parks	8	NA/1,376	3,740,000	31.12.2023
32. 349-02-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/217	960,000	31.12.2023
33. 349-03-09, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/217	830,000	31.12.2023
34. 349-01-10, Jalan Jelutong, 11600 Penang	Freehold	A shop lot	8	NA/18	95,000	31.12.2023

## 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
<b>PROPERTIES HELD FOR OPERATIONAL PURPOSE/PROPERTY, PLANT &amp; EQUIPMENT</b>						
1. No. 2-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/137	147,481	19.06.2013
2. No. 3-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/169	286,647	01.12.2018
3. No. 4-01 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/117	169,412	04.06.2014
4. No. 4-02 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/169	221,481	03.01.2020
5. No. 4-03 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/137	159,051	24.07.2012
6. No. 4-04 Wisma Pantai Jalan Wisma Pantai 12200 Butterworth Pulau Pinang	Freehold	An office lot	27	NA/126	115,000	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	27	NA/878	1,025,121	30.06.2010

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

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

## Distribution of shareholders

Size of holdings	No. of shareholders	%	No. of shares	%
1 - 99	22	0.41	534	0.00
100 to 1,000	653	12.05	458,918	0.10
1,001 to 10,000	2,936	54.18	15,699,274	3.57
10,001 to 100,000	1,534	28.31	49,903,281	11.36
100,001 to 21,965,594 (*)	271	5.00	116,926,301	26.62
21,965,595 and above (**)	3	0.05	256,323,609	58.35
<b>TOTAL</b>	<b>5,419</b>	<b>100.00</b>	<b>439,311,917</b>	<b>100.00</b>

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	32.51	-	-
Amal Pintas Sdn. Bhd.	36,602,449	8.33	-	-
Teh Kiak Seng	76,921,159	17.51	142,800,001 <sup>(N1)</sup>	32.51
Tsai Yung Chuan	-	-	36,602,449 <sup>(N2)</sup>	8.33
Tsai Chang Hsiu-Hsiang	-	-	36,602,449 <sup>(N2)</sup>	8.33
Tsai Chia Ling	300,000	0.07	36,602,449 <sup>(N2)</sup>	8.33

### Notes :

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

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

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

Directors	Direct	No. of issued shares		
		%	Deemed	%
Teh Kiak Seng	76,921,159	17.51	142,800,001 <sup>(N1)</sup>	32.51
Tsai Chia Ling	300,000	0.07	36,602,449 <sup>(N2)</sup>	8.33
Lai Fook Hoy	4,316,262	0.98	-	-
Lam Voon Kean	350,000	0.08	-	-
Teh Deng Wei	500,000	0.11	-	-

### Notes :

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

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

# ANALYSIS OF SHAREHOLDINGS

## AS AT 29 MARCH 2024 (CONT'D)

LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2024

No	HOLDER NAME	HOLDINGS	%
1	SIRAM PERMAI SDN. BHD.	142,800,001	32.51
2	TEH KIAK SENG	76,921,159	17.51
3	AMAL PINTAS SDN. BHD.	36,602,449	8.33
4	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI</i>	6,299,500	1.43
5	ZHENG TIANDONG	5,117,600	1.16
6	FONG SILING	5,000,000	1.14
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (PHEIM)</i>	4,859,000	1.11
8	LAI FOOK HOY	4,316,262	0.98
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>	2,731,800	0.62
11	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>DEUTSCHE BANK AG SINGAPORE FOR YEOMAN 3-RIGHTS VALUE ASIA FUND (PTSL)</i>	2,146,800	0.49
12	FOO LEE FEI	1,550,000	0.35
13	FOO KAM MEE	1,400,000	0.32
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIEW JEW FOOK (E-PDG)</i>	1,382,900	0.31
15	CHUAH BENG KIAT	1,380,000	0.31
16	TEH CHING CHING	1,284,797	0.29
17	YEO KHEE HUAT	1,250,000	0.28
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)</i>	1,180,000	0.27
19	SOW TIAP	1,050,000	0.24
20	RONIE TAN CHOO SENG	1,020,000	0.23
21	LEE JOO PING SDN BHD	1,015,500	0.23
22	CHEE KHAY LEONG	1,010,000	0.23
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI (7003683)</i>	1,000,000	0.23
24	YEO KHEE HUAT	1,000,000	0.23
25	KENANGA NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MONEX BOOM SECURITIES (HK) LIMITED</i>	965,000	0.22
26	SUSY DING	910,000	0.21
27	TAN AIK CHOON	906,100	0.21
28	LOH KOK WAI	897,700	0.20
29	TAN LIEW CHEUN	886,000	0.20
30	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR WAEL ABDUL HADI (MENARA CIMB-CL)</i>	877,100	0.20

# DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

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Artist impression only. Subject to change without prior notice

# 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 2023.

## PRINCIPAL ACTIVITIES

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

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

## RESULTS

	Group RM	Company RM
Profit for the financial year	<u>39,636,439</u>	<u>41,945,209</u>
Attributable to:		
Owners of the parent	40,945,466	41,945,209
Non-controlling interests	<u>(1,309,027)</u>	<u>0</u>
	<u>39,636,439</u>	<u>41,945,209</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 2022:	
Single tier first and final dividend of 5.6 sen per ordinary share, paid on 12 September 2023	<u>24,601,467</u>

The Directors propose a single tier first and final dividend of 3.9 sen per ordinary share amounting to RM17,133,165 in respect of the financial year ended 31 December 2023, subject to the approval of members at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this dividend proposal. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or 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.

## 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  
 Kaoy Lay Min (Appointed on 2 January 2024)

\* 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 (Resigned on 1 May 2023)  
 Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali (Resigned on 22 December 2023)

### 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 2023 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 1.1.2023	Bought	Sold	Balance as at 31.12.2023
<b><u>Shares in the Company</u></b>				
<b>Direct interests</b>				
Teh Kiak Seng	68,999,559	7,921,600	0	76,921,159
Lai Fook Hoy	4,316,262	0	0	4,316,262
Lam Voon Kean	350,000	0	0	350,000
Teh Deng Wei	500,000	0	0	500,000
Tsai Chia Ling	300,000	0	0	300,000
<b>Indirect interests</b>				
Teh Kiak Seng ^	142,800,001	0	0	142,800,001
Tsai Chia Ling **	36,602,449	0	0	36,602,449

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

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

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' REPORT (CONT'D)

## 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) 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 31(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.

## DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
<b>Total Directors' remuneration</b>		
- fee	481,000	475,000
- other emoluments	4,710,201	15,500
	5,191,201	490,500

## INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. 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.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT THE END OF THE FINANCIAL YEAR

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



# DIRECTORS' REPORT (CONT'D)

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

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

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

### (III) AS AT THE DATE OF THIS REPORT

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

## AUDITORS

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

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2023 amounted to RM52,000 and RM138,200 respectively.

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

**Teh Kiak Seng**  
Director

**Teh Deng Wei**  
Director

Penang  
15 April 2024

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 102 to 161 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2023 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  
15 April 2024

## STATUTORY DECLARATION

I, Roselyn Tan Bee Tee (IC No.: 760527-07-5060) (MIA 23344), being the officer primarily responsible for the financial management of Tambun Indah Land Berhad, do solemnly and sincerely declare that the financial statements set out on pages 102 to 161 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 15 April 2024.

**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 2023 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 material accounting policy information, as set out on pages 102 to 161.

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 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards 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 RM194,746,318. Cost of sales from property development activities for the financial year as disclosed in Note 24 to the financial statements amounted to RM128,019,728.

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) Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (c) Reviewed documentation to support cost estimates made including contract variations and cost contingencies;
- (d) Compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls; and
- (e) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

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

## Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

## Responsibilities of the Directors for the Financial Statements

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

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

## Other Matter

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

## BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Penang  
15 April 2024

## Lee Beng Tuan

03271/07/2024 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	3,304,624	3,295,170	0	0
Right-of-use assets	6	558,979	179,288	0	0
Investment properties	7	126,243,601	124,003,780	0	0
Investments in subsidiaries	8	0	0	333,243,843	335,095,444
Investment in an associate	9	107,933	341,278	143,955	366,206
Investment in a joint venture	10	26,190,438	27,784,295	0	0
Deferred tax assets	11	6,015,200	9,180,900	0	0
Inventories	12	292,986,083	307,074,310	0	0
Trade and other receivables	13	0	0	52,667,000	26,060,000
		<u>455,406,858</u>	<u>471,859,021</u>	<u>386,054,798</u>	<u>361,521,650</u>
<b>Current assets</b>					
Inventories	12	134,292,969	105,907,758	0	0
Trade and other receivables	13	24,382,660	59,635,727	14,744	6,622,801
Contract assets	14	96,799,349	55,083,767	0	0
Current tax assets		9,426,300	6,041,746	5,437	0
Short term funds	15	39,538,901	96,548,648	2,241,006	2,265,081
Cash and bank balances	16	123,658,520	89,829,641	5,076,262	7,133,479
		<u>428,098,699</u>	<u>413,047,287</u>	<u>7,337,449</u>	<u>16,021,361</u>
<b>TOTAL ASSETS</b>		<u>883,505,557</u>	<u>884,906,308</u>	<u>393,392,247</u>	<u>377,543,011</u>

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023 (CONT'D)

	NOTE	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	17	291,301,952	291,301,952	290,834,373	290,834,373
Retained earnings		462,027,448	451,619,364	100,348,016	86,653,875
		<u>753,329,400</u>	<u>742,921,316</u>	<u>391,182,389</u>	<u>377,488,248</u>
Non-controlling interests	8(f)	<u>404,264</u>	<u>(3,717,900)</u>	<u>0</u>	<u>0</u>
<b>TOTAL EQUITY</b>		<u>753,733,664</u>	<u>739,203,416</u>	<u>391,182,389</u>	<u>377,488,248</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	18	61,962,916	78,280,752	0	0
Lease liabilities	6	469,335	104,102	0	0
Deferred tax liabilities	11	691,100	0	0	0
		<u>63,123,351</u>	<u>78,384,854</u>	<u>0</u>	<u>0</u>
<b>Current liabilities</b>					
Trade and other payables	22	42,118,531	40,556,006	38,000	36,000
Contract liabilities	14	0	1,607,115	0	0
Borrowings	18	24,406,830	24,380,347	2,165,958	0
Lease liabilities	6	104,102	99,281	0	0
Current tax liabilities		19,079	675,289	5,900	18,763
		<u>66,648,542</u>	<u>67,318,038</u>	<u>2,209,858</u>	<u>54,763</u>
<b>TOTAL LIABILITIES</b>		<u>129,771,893</u>	<u>145,702,892</u>	<u>2,209,858</u>	<u>54,763</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>883,505,557</u>	<u>884,906,308</u>	<u>393,392,247</u>	<u>377,543,011</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 2023

	NOTE	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue</b>	23	204,414,999	227,487,621	42,281,600	24,053,600
<b>Cost of sales</b>	24	(130,867,203)	(123,474,498)	0	0
<b>Gross profit</b>		73,547,796	104,013,123	42,281,600	24,053,600
<b>Other income</b>					
- Interest income		4,682,021	2,167,752	2,227,468	1,122,004
- Other income		2,589,725	464,974	1,484,946	0
Selling and distribution expenses		(4,210,534)	(5,484,045)	0	0
Administrative expenses		(16,067,517)	(15,268,551)	(3,562,746)	(1,987,714)
Net impairment losses on financial assets		(5,579)	83,639	0	0
Finance costs		(4,174,177)	(3,609,153)	0	(6,930)
Share of profit of an associate, net of tax	9(e)	655	867	0	0
Share of (loss)/profit of a joint venture, net of tax	10(d)	(593,857)	437,424	0	0
<b>Profit before tax</b>		55,768,533	82,806,030	42,431,268	23,180,960
Tax expense	26	(16,132,094)	(22,687,796)	(486,059)	(323,151)
<b>Profit for the financial year</b>		39,636,439	60,118,234	41,945,209	22,857,809
Total other comprehensive income, net of tax		0	0	0	0
<b>Total comprehensive income</b>		<u>39,636,439</u>	<u>60,118,234</u>	<u>41,945,209</u>	<u>22,857,809</u>
Profit for the financial year and total comprehensive income attributable to:					
Owners of the parent		40,945,466	61,164,106	41,945,209	22,857,809
Non-controlling interests	8(f)	(1,309,027)	(1,045,872)	0	0
		<u>39,636,439</u>	<u>60,118,234</u>	<u>41,945,209</u>	<u>22,857,809</u>
<b>Earnings per ordinary share attributable to owners of the parent:</b>					
Basic/Diluted (Sen)	27	<u>9.32</u>	<u>13.96</u>		

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	NOTE	Total attributable to owners of the parent					Non-controlling interests	Total equity
		Share capital	Share options reserve	Retained earnings	RM	RM		
Balance as at 1 January 2022		289,096,030	1,117,758	415,493,306	705,707,094	(2,672,028)	703,035,066	
Profit for the financial year		0	0	61,164,106	61,164,106	(1,045,872)	60,118,234	
Other comprehensive income, net of tax		0	0	0	0	0	0	
Total comprehensive income		0	0	61,164,106	61,164,106	(1,045,872)	60,118,234	
<b>Transactions with owners</b>								
Issuance of ordinary shares pursuant to ESOS	17	2,205,922	(260,913)	0	1,945,009	0	1,945,009	
Dividend	28	0	0	(25,919,403)	(25,919,403)	0	(25,919,403)	
Share options granted under ESOS		0	24,510	0	24,510	0	24,510	
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(881,355)	881,355	0	0	0	
Total transactions with owners		2,205,922	(1,117,758)	(25,038,048)	(23,949,884)	0	(23,949,884)	
Balance as at 31 December 2022		291,301,952	0	451,619,364	742,921,316	(3,717,900)	739,203,416	
<b>Transactions with owners</b>								
Balance as at 1 January 2023		291,301,952	451,619,364	742,921,316	(3,717,900)	739,203,416		
Profit for the financial year		0	40,945,466	40,945,466	(1,309,027)	39,636,439		
Other comprehensive income, net of tax		0	0	0	0	0		
Total comprehensive income		0	40,945,466	40,945,466	(1,309,027)	39,636,439		
<b>Transactions with owners</b>								
Liquidation of a subsidiary	8(d)	0	0	0	(54,724)	(54,724)		
Dilution of non-controlling interest	8(e)	0	(5,935,915)	(5,935,915)	5,485,915	(450,000)		
Dividend	28	0	(24,601,467)	(24,601,467)	0	(24,601,467)		
Total transactions with owners		0	(30,537,382)	(30,537,382)	5,431,191	(25,106,191)		
Balance as at 31 December 2023		291,301,952	462,027,448	753,329,400	404,264	753,733,664		

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Company	NOTE	Share capital RM	Share options reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2022		288,628,451	1,117,758	88,834,114	378,580,323
Profit for the financial year		0	0	22,857,809	22,857,809
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	22,857,809	22,857,809
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	17	2,205,922	(260,913)	0	1,945,009
Dividend	28	0	0	(25,919,403)	(25,919,403)
Share options granted under ESOS		0	24,510	0	24,510
Transfer of share option reserve to retained earnings upon lapse of ESOS		0	(881,355)	881,355	0
Total transactions with owners		2,205,922	(1,117,758)	(25,038,048)	(23,949,884)
Balance as at 31 December 2022		290,834,373	0	86,653,875	377,488,248

	NOTE	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023, as previously reported		290,834,373	86,653,875	377,488,248
Adjustment due to retrospective application of MFRS 9 (financial guarantee contracts)	33.1	0	(3,649,601)	(3,649,601)
Balance as at 1 January 2023, as restated		290,834,373	83,004,274	373,838,647
Profit for the financial year		0	41,945,209	41,945,209
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	41,945,209	41,945,209
<b>Transaction with owners</b>				
Dividend	28	0	(24,601,467)	(24,601,467)
Balance as at 31 December 2023		290,834,373	100,348,016	391,182,389

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTE	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		55,768,533	82,806,030	42,431,268	23,180,960
Adjustments for:					
Depreciation of property, plant and equipment	5	548,776	458,520	0	0
Depreciation of right-of-use assets	6	89,644	89,644	0	0
Dividend income					
- subsidiaries	23	0	0	(42,047,600)	(24,053,600)
- associate	23	0	0	(234,000)	0
Gain on disposal of property, plant and equipment		(56,449)	(58,998)	0	0
Loss on liquidation of a subsidiary company	8(d)	12,074	0	0	0
Impairment losses on investments in subsidiaries	8	0	0	2,301,601	973,430
Impairment losses on investment in an associate	9	0	0	222,251	0
Net impairment loss on financial assets		5,579	(83,639)	0	0
Fair value changes on financial guarantee contracts	19	0	0	(1,483,643)	0
Interest income		(4,682,021)	(2,167,752)	(2,227,468)	(1,122,004)
Interest expense		4,174,177	3,609,153	0	6,930
Fair value gain on investment properties	7	(2,000,000)	(100,000)	0	0
Property, plant and equipment written off		14,075	12,444	0	0
Share of loss/(profit) of a joint venture, net of tax	10(d)	593,857	(437,424)	0	0
Share of profit of an associate, net of tax	9(e)	(655)	(867)	0	0
Share options granted under ESOS		0	24,510	0	24,510
Operating profit/(loss) before changes in working capital		54,467,590	84,151,621	(1,037,591)	(989,774)
Changes in working capital:					
Inventories		(14,296,984)	(17,049,458)	0	0
Trade and other receivables		35,247,488	(32,028,270)	(19,998,943)	(11,518,552)
Contract assets		(41,715,582)	64,092,653	0	0
Trade and other payables		1,562,525	7,744,156	2,000	7,400
Contract liabilities		(1,607,115)	1,607,115	0	0
Cash generated from/(used in) operations		33,657,922	108,517,817	(21,034,534)	(12,500,926)
Interest received		4,682,021	2,167,752	2,227,468	1,122,004
Tax paid		(18,027,601)	(33,330,238)	(504,359)	(274,288)
Tax refunded		1,711,543	1,286,050	0	0
Net cash from/(used in) operating activities		22,023,885	78,641,381	(19,311,425)	(11,653,210)

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	NOTE	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Dividend income from:					
- subsidiaries		0	0	42,047,600	24,053,600
- associate		234,000	0	234,000	0
Additional investment in a subsidiary company	8(e)	(450,000)	0	(450,000)	0
Net cash outflow from liquidation of a subsidiary company	8(d)	(66,798)	0	0	0
Redemption of RPS in a joint venture	10(e)	1,000,000	0	0	0
Proceeds from disposal of property, plant and equipment		56,450	58,999	0	0
Purchase of investment properties	7	(239,821)	(169,376)	0	0
Purchase of property, plant and equipment	5	(572,306)	(329,822)	0	0
Net changes in deposits pledged with licensed banks		402,737	(50,450)	0	0
Net cash from/(used in) investing activities		<u>364,262</u>	<u>(490,649)</u>	<u>41,831,600</u>	<u>24,053,600</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	28	(24,601,467)	(25,919,403)	(24,601,467)	(25,919,403)
Drawdowns of bank borrowings		0	20,966,400	0	5,000,000
Interest paid		(4,166,658)	(3,597,040)	0	(6,930)
Proceeds from the issuance of shares pursuant to ESOS		0	1,945,009	0	1,945,009
Repayments of bank borrowings		(16,291,353)	(26,695,428)	0	(10,000,000)
Repayments of lease liabilities		(106,800)	(106,800)	0	0
Net cash used in financing activities		<u>(45,166,278)</u>	<u>(33,407,262)</u>	<u>(24,601,467)</u>	<u>(28,981,324)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(22,778,131)</b>	<b>44,743,470</b>	<b>(2,081,292)</b>	<b>(16,580,934)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>		<b>183,565,474</b>	<b>138,822,004</b>	<b>9,398,560</b>	<b>25,979,494</b>
<b>Cash and cash equivalents at end of the financial year</b>	16(d)	<u><b>160,787,343</b></u>	<u><b>183,565,474</b></u>	<u><b>7,317,268</b></u>	<u><b>9,398,560</b></u>

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6)		Borrowings* (Note 18)	
	Group RM	Company RM	Group RM	Company RM
At 1 January 2022	298,070	0	108,390,127	5,000,000
Cash flows	(106,800)	0	(5,729,028)	(5,000,000)
Non-cash flows:				
Unwinding of interest	12,113	0	0	0
At 31 December 2022	<u>203,383</u>	<u>0</u>	<u>102,661,099</u>	<u>0</u>
At 1 January 2023	203,383	0	102,661,099	0
Cash flows	(106,800)	0	(16,291,353)	0
Non-cash flows:				
Additions of lease liabilities	469,335	0	0	0
Unwinding of interest	7,519	0	0	0
At 31 December 2023	<u>573,437</u>	<u>0</u>	<u>86,369,746</u>	<u>0</u>

\* Borrowings are included with term loans and revolving credit, excluding financial guarantee contracts.

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 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 2023 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 15 April 2024.

### 2. PRINCIPAL ACTIVITIES

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

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

### 3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 33.1 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   |

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 4. OPERATING SEGMENTS (CONT'D)

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
<b>2023</b>				
<b>Revenue:</b>				
Total revenue	46,341,810	200,870,505	0	247,212,315
Inter-segment revenue	(42,755,566)	(41,750)	0	(42,797,316)
Revenue from external customers	<u>3,586,244</u>	<u>200,828,755</u>	<u>0</u>	<u>204,414,999</u>
Interest income	279,654	4,318,479	83,888	4,682,021
Finance costs	0	(4,174,177)	0	(4,174,177)
Net finance income	<u>279,654</u>	<u>144,302</u>	<u>83,888</u>	<u>507,844</u>
Depreciation of property, plant and equipment	94,379	454,397	0	548,776
Depreciation of right-of-use assets	0	89,644	0	89,644
Segment profit before income tax	3,834,534	52,033,694	70,685	55,938,913
Share of profit of an associate, net of tax	0	655	0	655
Share of loss of a joint venture, net of tax	(593,857)	0	0	(593,857)
Tax expense	(1,320,214)	(14,803,395)	(8,485)	(16,132,094)
Other non-cash items:				
- fair value gain on investment properties	2,000,000	0	0	2,000,000
- property, plant and equipment written off	0	(14,075)	0	(14,075)
Investment in an associate	0	107,933	0	107,933
Investment in a joint venture	0	26,190,438	0	26,190,438
Additions to non-current assets other than financial instruments and tax assets	239,821	3,799,955	0	4,039,776
<b>Segment assets</b>	<u>417,600,777</u>	<u>843,342,902</u>	<u>2,878,555</u>	<u>1,263,822,234</u>
<b>Segment liabilities</b>	<u>105,980</u>	<u>190,840,374</u>	<u>3,600</u>	<u>190,949,954</u>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<b>2022</b>				
<b>Revenue:</b>				
Total revenue	27,919,337	228,246,773	0	256,166,110
Inter-segment revenue	(24,526,466)	(4,152,023)	0	(28,678,489)
Revenue from external customers	3,392,871	224,094,750	0	227,487,621
Interest income	315,084	1,798,463	54,205	2,167,752
Finance costs	(6,930)	(3,602,223)	0	(3,609,153)
Net finance income/(expense)	308,154	(1,803,760)	54,205	(1,441,401)
Depreciation of property, plant and equipment	94,380	364,140	0	458,520
Depreciation of right-of-use assets	0	89,644	0	89,644
Segment profit before income tax	2,868,093	80,080,916	42,010	82,991,019
Share of profit of an associate, net of tax	0	867	0	867
Share of profit of a joint venture, net of tax	437,424	0	0	437,424
Tax expense	(566,631)	(22,114,798)	(6,367)	(22,687,796)
Other non-cash items:				
- fair value gain on investment properties	100,000	0	0	100,000
- property, plant and equipment written off	0	(12,444)	0	(12,444)
Investment in an associate	0	341,278	0	341,278
Investment in a joint venture	0	27,784,295	0	27,784,295
Additions to non-current assets other than financial instruments and tax assets	169,376	28,317,980	0	28,487,356
<b>Segment assets</b>	<b>400,521,462</b>	<b>843,362,792</b>	<b>2,816,326</b>	<b>1,246,700,580</b>
<b>Segment liabilities</b>	<b>115,194</b>	<b>186,203,689</b>	<b>3,600</b>	<b>186,322,483</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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

	2023 RM	2022 RM
Total revenue for reportable segments	247,212,315	256,166,110
Elimination of inter-segmental revenues	(42,797,316)	(28,678,489)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	<u>204,414,999</u>	<u>227,487,621</u>

#### Profit for the financial year

Total profit for reportable segments	55,938,913	82,991,019
Unallocated amounts:		
- corporate expenses	(170,380)	(184,989)
Profit before tax	55,768,533	82,806,030
Tax expense	(16,132,094)	(22,687,796)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	<u>39,636,439</u>	<u>60,118,234</u>

#### Assets

	2023 RM	2022 RM
Total assets for reportable segments	1,263,822,234	1,246,700,580
Elimination of investments in subsidiaries	(333,869,937)	(335,722,038)
Elimination of inter-segment balances	(61,888,240)	(41,294,880)
	868,064,057	869,683,662
Deferred tax assets	6,015,200	9,180,900
Current tax assets	9,426,300	6,041,746
Group's assets per consolidated statement of financial position	<u>883,505,557</u>	<u>884,906,308</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Total liabilities for reportable segments	190,949,954	186,322,483
Elimination of inter-segment balances	(61,888,240)	(41,294,880)
	<u>129,061,714</u>	<u>145,027,603</u>
Deferred tax liabilities	691,100	0
Current tax liabilities	19,079	675,289
Group's liabilities per consolidated statement of financial position	<u>129,771,893</u>	<u>145,702,892</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 2023 (CONT'D)

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Computers RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation conditioners RM	Air RM	Construction- in- progress RM	Total RM
<b>At cost</b>								
Balance as at 1 January 2023	3,032,966	822,535	1,282,627	2,455,846	466,014	17,530	156,749	8,234,267
Additions	0	26,846	101,423	444,037	0	0	0	572,306
Disposal	0	0	0	(237,892)	0	0	0	(237,892)
Written off	0	0	(44,148)	0	0	0	0	(44,148)
Balance as at 31 December 2023	3,032,966	849,381	1,339,902	2,661,991	466,014	17,530	156,749	8,524,533
<b>Accumulated depreciation</b>								
Balance as at 1 January 2023	816,418	756,521	919,936	2,116,591	312,101	17,530	0	4,939,097
Current charge	92,356	33,824	123,571	265,861	33,164	0	0	548,776
Disposal	0	0	0	(237,891)	0	0	0	(237,891)
Written off	0	0	(30,073)	0	0	0	0	(30,073)
Balance as at 31 December 2023	908,774	790,345	1,013,434	2,144,561	345,265	17,530	0	5,219,909
<b>Carrying amount</b>								
Balance as at 31 December 2023	2,124,192	59,036	326,468	517,430	120,749	0	156,749	3,304,624

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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) The buildings with carrying amount of RM1,902,711 (2022: RM1,985,437) 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 2023 (CONT'D)

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### Group

#### Right-of-use assets

Office lots  
RM

#### 2023

##### At cost

Balance as at 1 January 2023	556,625
Additions	469,335
Balance as at 31 December 2023	<u>1,025,960</u>

##### Accumulated depreciation

Balance as at 1 January 2023	377,337
Current charge	89,644
Balance as at 31 December 2023	<u>466,981</u>

##### Carrying amount

Balance as at 31 December 2023	<u>558,979</u>
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#### 2022

##### At cost

Balance as at 1 January/31 December 2022	<u>556,625</u>
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##### Accumulated depreciation

Balance as at 1 January 2022	287,693
Current charge	89,644
Balance as at 31 December 2022	<u>377,337</u>

##### Carrying amount

Balance as at 31 December 2022	<u>179,288</u>
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

#### Group

#### Lease liabilities

	Office lots RM
<b>2023</b>	
<b>Carrying amount</b>	
Balance as at 1 January 2023	203,383
Additions	469,335
Lease payments	(106,800)
Interest expense	7,519
Balance as at 31 December 2023	<u>573,437</u>

#### 2022

<b>Carrying amount</b>	
Balance as at 1 January 2022	298,070
Lease payments	(106,800)
Interest expense	12,113
Balance as at 31 December 2022	<u>203,383</u>

Represented by:

	2023 RM	2022 RM
Current liabilities	104,102	99,281
Non-current liabilities	469,335	104,102
	<u>573,437</u>	<u>203,383</u>
Lease liabilities owing to non-financial institutions	<u>573,437</u>	<u>203,383</u>

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

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

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

Office lots 5 - 6 years



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

(b) The Group has certain low value leases of office equipment of RM20,000 and below. The Group applies the “lease of low-value assets” exemption for these leases.

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Depreciation charge of right-of-use assets (included in cost of sales)	89,644	89,644
Interest expense on lease liabilities (included in finance costs)	7,519	12,113
Expense relating to lease of low-value assets (included in administrative expenses)	16,104	15,341
	<u>113,267</u>	<u>117,098</u>

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Included in net cash from operating activities:		
Payment relating to low-value assets	16,104	15,341
Included in net cash used in financing activities:		
Repayment of lease liabilities	<u>106,800</u>	<u>106,800</u>
Total cash outflows for leases	<u>122,904</u>	<u>122,141</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 2023 (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
<b>31 December 2023</b>					
<b>Lease liabilities</b>					
Floating rates	5.20	104,102	365,484	103,851	573,437
<b>31 December 2022</b>					
<b>Lease liabilities</b>					
Floating rates	4.75	99,281	104,102	0	203,383

A sensitivity analysis has been performed based on the outstanding floating rate lease liabilities of the Group as at 31 December 2023. 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 RM757 (2022: RM1,189), 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	More than five (5) years RM	Total RM
<b>31 December 2023</b>				
Lease liabilities	106,800	427,200	106,800	640,800
<b>31 December 2022</b>				
Lease liabilities	106,800	106,800	0	213,600

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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:

	2023 RM	2022 RM
Less than one (1) year	1,600,000	1,600,000
One (1) to two (2) years	1,600,000	1,600,000
Two (2) to three (3) years	1,900,000	1,600,000
Three (3) to four (4) years	2,500,000	1,900,000
Four (4) to five (5) years	2,500,000	2,500,000
More than five (5) years	54,588,481	57,088,481
	<u>64,688,481</u>	<u>66,288,481</u>

### 7. INVESTMENT PROPERTIES

	Group	
	2023 RM	2022 RM
<b>Fair value</b>		
<b>Freehold land and buildings</b>		
Balance as at 1 January	91,270,000	91,170,000
Gain on fair value adjustment	2,000,000	100,000
Balance as at 31 December	<u>93,270,000</u>	<u>91,270,000</u>
<b>At cost</b>		
<b>Construction-in-progress</b>		
Balance as at 1 January	32,733,780	32,564,404
Additions	239,821	169,376
Balance as at 31 December	<u>32,973,601</u>	<u>32,733,780</u>
<b>Total investment properties</b>	<u>126,243,601</u>	<u>124,003,780</u>

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 7. INVESTMENT PROPERTIES (CONT'D)

- (b) 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.
- (c) 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.
- (d) 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 2023. Fair value is determined primarily based on comparison approach or replacement cost 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

- (e) The following table shows the valuation techniques and significant unobservable inputs used in determining the fair value measurement of investment properties as well as the inter-relationship between key unobservable inputs and fair value:

Valuation technique used	Significant unobservable inputs	Range	Inter-relationship between key observable inputs and fair value
Comparison approach	Price per square foot	RM44 to RM1,000 (2022: RM44 to RM1,000)	The higher the price per square foot, the higher the fair value
Replacement cost approach	Estimated replacement cost per square foot	RM76 to RM189 (2022: RM76 to RM189)	The higher the estimated replacement cost, the lower the fair value

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 7. INVESTMENT PROPERTIES (CONT'D)

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Level 3</b>		
Freehold land and buildings	<u>93,270,000</u>	<u>91,270,000</u>

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

- (g) Investment properties with a carrying amount of RM57,765,000 (2022: RM55,765,000) have been charged to bank for credit facilities granted to the Group (Note 20 and Note 21).
- (h) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Insurance	71,517	59,788
Quit rent and assessment	214,712	215,892
Repair and maintenance	<u>79,321</u>	<u>101,354</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM	RM
<b>At cost</b>		
Unquoted ordinary shares	166,516,516	166,066,516
Redeemable preference shares ('RPS')	190,000,000	190,000,000
Less: Impairment losses	(23,272,673)	(20,971,072)
	333,243,843	335,095,444

Movement in accumulated impairment losses:

	Company	
	2023	2022
	RM	RM
Balance as at 1 January	20,971,072	19,997,642
Impairment losses recognised in profit or loss	2,301,601	973,430
Balance as at 31 December	23,272,673	20,971,072

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

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

The Company reviews the investments in subsidiaries for impairment annually. The recoverable amounts of the investments in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of RM2,301,601 was recognised in respect of investment in a subsidiary, Hong Hong Development Sdn. Bhd. during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
Cenderaman Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Denmas Sdn. Bhd.	Malaysia	100%	100%	Project and construction management
Denmas Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Epiland Properties Sdn. Bhd.	Malaysia	100%	100%	Property management
Hong Hong Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Intanasia Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Jasnia Sdn. Bhd.	Malaysia	100%	100%	Property development
Juru Heights Sdn. Bhd.	Malaysia	100%	100%	Property development
Langstone Sdn. Bhd.	Malaysia	100%	100%	Investment holding and operation of car park
Mustiara Sdn. Bhd.	Malaysia	100%	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 2023 (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
		2023	2022	
<b>Held through TKS Land Sdn. Bhd.:</b>				
Ascention Sdn. Bhd. ^	Malaysia	0%	50%	Property development
CBD Land Sdn. Bhd.	Malaysia	50%	50%	Property development
<b>Held through Palmington Sdn. Bhd.:</b>				
Novinia Sdn. Bhd.	Malaysia	100%	100%	Dormant

^ Subsidiary voluntary liquidated during the financial year

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.. The remaining fifty percent (50%) of the equity shares in Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. are held by few shareholders. Since 10 May 2010 and 29 December 2011, which were the dates of acquisitions of Ascention Sdn. Bhd. and CBD Land Sdn. Bhd. respectively, there is no history of the other few shareholders collaborating to exercise their votes collectively or to outvote the Group.
- (d) On 15 June 2023, Ascention Sdn. Bhd., an indirect subsidiary of the Company had completed the voluntary liquidation pursuant to the Companies Act 2016. As a result, the Group no longer controls the subsidiary and as such it was not consolidated.

The financial effects of the liquidation at the date of voluntary liquidation are as follows:

	Group RM
Current tax asset	3,214
Cash and bank balances	107,933
Trade and other payables	(1,700)
Carrying amount of net assets of liquidated subsidiary	109,447
Non-controlling interests	(54,724)
Loss on liquidation of subsidiary	(12,074)
Proceeds from liquidation	42,649
Less: Net assets of liquidated subsidiary	(109,447)
Net cash outflows from liquidation of subsidiary	(66,798)

- (e) On 22 December 2023, the Group acquired 30% of the total issued and fully paid-up share capital of Mustiara Sdn. Bhd. ('MUSB') for a cash consideration of RM450,000. Pursuant to that, equity interest of the Group in MUSB increased from 70% to 100%.

The effect of the above equity transactions with non-controlling interests was summarised below:

	Group RM
Consideration paid	450,000
Less: Net liabilities acquired from non-controlling interests	5,485,915
Net effect of change in shareholdings	5,935,915



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) 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
<b>2023</b>				
NCI percentage of ownership interest and voting interest	0%	50%	0%	
Carrying amount of NCI (RM)	<u>0*</u>	<u>404,264</u>	<u>0<sup>^</sup></u>	<u>404,264</u>
Profit/(Loss) allocated to NCI (RM)	<u>0</u>	<u>4,723</u>	<u>(1,313,750)</u>	<u>(1,309,027)</u>
<b>2022</b>				
NCI percentage of ownership interest and voting interest	50%	50%	30%	
Carrying amount of NCI (RM)	<u>54,724</u>	<u>399,540</u>	<u>(4,172,164)</u>	<u>(3,717,900)</u>
Profit/(Loss) allocated to NCI (RM)	<u>0</u>	<u>2,843</u>	<u>(1,048,715)</u>	<u>(1,045,872)</u>

\* Liquidated during the year

<sup>^</sup> Acquisition of non-controlling interests during the financial year as disclosed in Note 8(e) to the financial statements

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

	CBD Land Sdn. Bhd.
<b>2023</b>	
<b>Assets and liabilities</b>	
Non-current asset	0
Current assets	811,002
Non-current liabilities	0
Current liabilities	<u>(2,474)</u>
Net assets	<u>808,528</u>
<b>Results</b>	
Revenue	0
Profit for the financial year	9,446
Total comprehensive income	<u>9,446</u>
Cash flows from operating activities	9,521
Cash flows used in investing activities	0
Cash flows used in financing activities	0
Net increase in cash and cash equivalents	<u>9,521</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Ascention Sdn. Bhd.	CBD Land Sdn. Bhd.	Mustiara Sdn. Bhd.
<b>2022</b>			
<b>Assets and liabilities</b>			
Non-current asset	0	0	144,861,876
Current assets	111,147	801,392	2,356,279
Non-current liabilities	0	0	(59,680,000)
Current liabilities	(1,700)	(2,312)	(45,445,368)
Net assets	109,447	799,080	42,092,787
Less: Redeemable preference shares held by the Company	0	0	(56,000,000)
	<u>109,447</u>	<u>799,080</u>	<u>(13,907,213)</u>
<b>Results</b>			
Revenue	0	0	0
Profit/(Loss) for the financial year	0	5,687	(3,495,715)
Total comprehensive income/(loss)	0	5,687	(3,495,715)
Cash flows from operating activities	0	5,608	16,543,126
Cash flows used in investing activities	0	0	(42,184)
Cash flows used in financing activities	0	0	(16,504,057)
Net increase/(decrease) in cash and cash equivalents	0	5,608	(3,115)

### 9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>At cost</b>				
Unquoted ordinary shares	831,079	831,079	831,079	831,079
Share of post acquisition reserves, net of dividends received	(723,146)	(489,801)	0	0
Less: Impairment losses	0	0	(687,124)	(464,873)
	<u>107,933</u>	<u>341,278</u>	<u>143,955</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.

During the financial year, impairment losses of RM222,251 (2022: RMNil) on investment in an associate had been recognised in the statements of profit or loss due to declining net asset value.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2023	2022	
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 2023 have been used and appropriate adjustments have been made for the effects of transactions between 31 October 2023 to 31 December 2023.

(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% (2022: 45%) equity interest in Ikhtiar 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:

	2023 RM	2022 RM
<b>Assets and liabilities</b>		
Current assets	321,701	840,244
Current liabilities	(1,800)	(1,800)
Net assets	<u>319,901</u>	<u>838,444</u>
<b>Results</b>		
Revenue	0	0
Profit for the financial year	1,456	1,926
Total comprehensive income	<u>1,456</u>	<u>1,926</u>
Cash flows from operating activities	1,457	1,081
Cash flows from investing activity	0	0
Cash flows used in financing activity	(520,000)	0
Net (decrease)/increase in cash and cash equivalents	<u>(518,543)</u>	<u>1,081</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

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

	2023 RM	2022 RM
<b>As at 31 December</b>		
Share of net assets of the Group	(622,520)	(389,175)
Goodwill	730,453	730,453
Carrying amount in the statement of financial position	<u>107,933</u>	<u>341,278</u>
Share of results of the Group for the financial year ended 31 December		
Share of profit of the Group	655	867
Share of other comprehensive income of the Group	0	0
Share of total comprehensive income of the Group	<u>655</u>	<u>867</u>
<b>Other information</b>		
Dividend received	<u>234,000</u>	<u>0</u>

### 10. INVESTMENT IN A JOINT VENTURE

	Group	
	2023 RM	2022 RM
Unquoted equity shares, at cost	1	1
Redeemable preference shares	20,500,000	21,500,000
Share of post acquisition reserves, net of dividend received	5,690,437	6,284,294
	<u>26,190,438</u>	<u>27,784,295</u>

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2023	2022	
TNC Capital Sdn. Bhd.	Malaysia	50%	50%	Building and leasing of properties

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

- (c) 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.
- (d) 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:

	2023	2022
	RM	RM
<b>Assets and liabilities</b>		
Non-current assets	51,304,073	53,304,073
Current assets	1,818,409	3,006,939
Current liabilities	(741,606)	(742,422)
Net assets	<u>52,380,876</u>	<u>55,568,590</u>
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in a joint venture	<u>26,190,438</u>	<u>27,784,295</u>
<b>Results</b>		
Revenue	1,503,002	1,499,852
Other income	39,208	24,503
Expenses including taxation	(2,729,925)	(649,507)
(Loss)/Profit for the financial year	<u>(1,187,715)</u>	<u>874,848</u>
Share of (loss)/profit by the Group for the financial year	<u>(593,857)</u>	<u>437,424</u>

- (e) During the financial year, the Group redeemed preference shares amounting to RM1,000,000 in respect of the joint venture, TNC Capital Sdn. Bhd..

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 11. DEFERRED TAX

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

	Group	
	2023 RM	2022 RM
Balance as at 1 January	(9,180,900)	(4,739,490)
Recognised in profit or loss (Note 26)	3,856,800	(4,441,410)
Balance as at 31 December	<u>(5,324,100)</u>	<u>(9,180,900)</u>
Presented after appropriate offsetting:		
Deferred tax assets, net	(6,015,200)	(9,180,900)
Deferred tax liabilities, net	691,100	0
	<u>(5,324,100)</u>	<u>(9,180,900)</u>

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

Group	Investment properties RM	Property development costs RM	Total RM
	<u>Deferred tax liabilities</u>		
Balance as at 1 January 2023	3,158,600	0	3,158,600
Recognised in profit or loss	2,003,500	0	2,003,500
	5,162,100	0	5,162,100
Set off	(4,471,000)	0	(4,471,000)
Balance as at 31 December 2023	<u>691,100</u>	<u>0</u>	<u>691,100</u>
Balance as at 1 January 2022	2,959,000	1,048,000	4,007,000
Recognised in profit or loss	199,600	(1,048,000)	(848,400)
	3,158,600	0	3,158,600
Set off	(3,158,600)	0	(3,158,600)
Balance as at 31 December 2022	<u>0</u>	<u>0</u>	<u>0</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 11. DEFERRED TAX (CONT'D)

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

	<b>Property development costs RM</b>
<u>Deferred tax assets</u>	
Balance as at 1 January 2023	(12,339,500)
Recognised in profit or loss	1,853,300
	<u>(10,486,200)</u>
Set off	4,471,000
Balance as at 31 December 2023	<u>(6,015,200)</u>
Balance as at 1 January 2022	(8,746,490)
Recognised in profit or loss	(3,593,010)
	<u>(12,339,500)</u>
Set off	3,158,600
Balance as at 31 December 2022	<u>(9,180,900)</u>

- (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:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Property, plant and equipment	47,959	47,617
Unutilised tax losses		
- Expired by 31 December 2028	883,856	907,799
- Expired by 31 December 2029	113,168	113,168
- Expired by 31 December 2030	175,512	175,512
- Expired by 31 December 2031	339,559	339,602
- Expired by 31 December 2032	231,235	231,235
- Expired by 31 December 2033	350,808	0
Other deductible temporary differences	13,218,350	12,253,948
	<u>15,360,447</u>	<u>14,068,881</u>

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 12. INVENTORIES

	Note	Group	
		2023 RM	2022 RM
<b>Non-current</b>			
Land held for property development	(a)	292,986,083	307,074,310
<b>Current</b>			
Property development costs	(b)	125,239,066	96,029,466
Completed properties held for sale, at cost	(c)	9,053,903	9,878,292
		134,292,969	105,907,758
		427,279,052	412,982,068

(a) Land held for property development

	Group	
	2023 RM	2022 RM
Balance as at 1 January		
- Freehold land, at cost	271,129,409	251,171,409
- Development costs	35,944,901	30,228,362
	307,074,310	281,399,771
Add: Cost incurred during the financial year		
- Freehold land, at cost	0	19,958,000
- Development costs	3,227,649	8,030,158
	3,227,649	27,988,158
Less: Transfers to property development costs (Note 12(b))		
- Freehold land, at cost	(12,993,723)	0
- Development costs	(3,783,703)	(2,313,619)
	(16,777,426)	(2,313,619)
Less: Disposal		
- Freehold land, at cost	(513,560)	0
- Development costs	(24,890)	0
	(538,450)	0
Balance as at 31 December		
- Freehold land, at cost	257,622,126	271,129,409
- Development costs	35,363,957	35,944,901
	292,986,083	307,074,310



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 12. INVENTORIES (CONT'D)

(a) Land held for property development (Cont'd)

- (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 RM224,121,286 (2022: RM222,526,289) have been charged to banks for credit facilities granted to subsidiaries (Note 20 and Note 21).

(b) Property development costs

Group	Freehold land, at cost RM	Development costs RM	Total RM
<b>Cumulative property development costs</b>			
Balance as at 1 January 2023	90,981,566	318,220,132	409,201,698
Incurred during the financial year	0	141,748,909	141,748,909
Transfer from land held for property development (Note 12(a))	12,993,723	3,783,703	16,777,426
Transferred to completed properties held for sale	(186,411)	(1,110,596)	(1,297,007)
Cost elimination due to completion projects	(21,331,388)	(144,455,868)	(165,787,256)
Balance as at 31 December 2023	<u>82,457,490</u>	<u>318,186,280</u>	<u>400,643,770</u>
<b>Cumulative costs recognised in the statement of profit or loss and other comprehensive income</b>			
Balance as at 1 January 2023	(31,992,147)	(281,180,085)	(313,172,232)
Recognised during the financial year (Note 24)	(10,496,588)	(117,523,140)	(128,019,728)
Cost elimination due to completion projects	21,331,388	144,455,868	165,787,256
Balance as at 31 December 2023	<u>(21,157,347)</u>	<u>(254,247,357)</u>	<u>(275,404,704)</u>
Property development costs as at 31 December 2023	<u>61,300,143</u>	<u>63,938,923</u>	<u>125,239,066</u>
<b>Cumulative property development costs</b>			
Balance as at 1 January 2022	106,106,489	291,041,944	397,148,433
Incurred during the financial year	0	112,993,984	112,993,984
Reclassification	(1,221)	1,221	0
Transfer from land held for property development (Note 12(a))	0	2,313,619	2,313,619
Transferred to completed properties held for sale	(505,719)	(2,392,489)	(2,898,208)
Cost elimination due to completion projects	(14,617,983)	(85,738,147)	(100,356,130)
Balance as at 31 December 2022	<u>90,981,566</u>	<u>318,220,132</u>	<u>409,201,698</u>
<b>Cumulative costs recognised in the statement of profit or loss and other comprehensive income</b>			
Balance as at 1 January 2022	(33,640,723)	(258,688,660)	(292,329,383)
Recognised during the financial year (Note 24)	(13,010,432)	(108,188,547)	(121,198,979)
Reclassification	41,025	(41,025)	0
Cost elimination due to completion projects	14,617,983	85,738,147	100,356,130
Balance as at 31 December 2022	<u>(31,992,147)</u>	<u>(281,180,085)</u>	<u>(313,172,232)</u>
Property development costs as at 31 December 2022	<u>58,989,419</u>	<u>37,040,047</u>	<u>96,029,466</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 12. INVENTORIES (CONT'D)

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

### 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b><u>Non-current</u></b>				
<b>Other receivable</b>				
Amounts due from subsidiaries	0	0	52,667,000	26,060,000
<b><u>Current</u></b>				
<b>Trade receivables</b>				
Third parties	8,573,684	38,543,410	0	0
Retention sums	14,891,613	20,396,275	0	0
	23,465,297	58,939,685	0	0
Less: Impairment losses	(11,685)	(6,106)	0	0
Total trade receivables	23,453,612	58,933,579	0	0
<b>Other receivables</b>				
Third parties	227,606	180,462	0	0
Amounts due from subsidiaries	0	0	0	6,605,000
Deposits	454,541	508,274	4,500	4,500
Total other receivables	682,147	688,736	4,500	6,609,500
Total current trade and other receivables (excluding prepayments)	24,135,759	59,622,315	4,500	6,609,500
<b>Prepayments</b>				
Prepayments	246,901	13,412	10,244	13,301
Total current trade and other receivables	24,382,660	59,635,727	14,744	6,622,801
Total trade and other receivables	24,382,660	59,635,727	52,681,744	32,682,801

All trade and other receivables are denominated in RM.

- (a) Total trade and other receivables (exclude prepayments) are classified as financial assets measured at amortised cost.
- (b) The normal trade credit terms granted by the Group are generally on 21 working days term (2022: 21 working days) and 30 days term (2022: 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 2023 (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 2023 and 31 December 2022 are as follows:

	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	More than 60 days past due RM	Total RM
<b>Group</b>					
<b>2023</b>					
Gross carrying amount	20,563,129	1,988,813	684,010	229,345	23,465,297
Impairment	264	13	326	11,082	11,685
Total	<u>20,562,865</u>	<u>1,988,800</u>	<u>683,684</u>	<u>218,263</u>	<u>23,453,612</u>
<b>2022</b>					
Gross carrying amount	31,134,885	8,557,167	6,638,258	12,609,375	58,939,685
Impairment	1,096	685	430	3,895	6,106
Total	<u>31,133,789</u>	<u>8,556,482</u>	<u>6,637,828</u>	<u>12,605,480</u>	<u>58,933,579</u>

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	
	2023 RM	2022 RM
At 1 January	6,106	89,745
Charge for the financial year	5,579	0
Reversal of impairment losses	0	(83,639)
At 31 December	<u>11,685</u>	<u>6,106</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023 RM	2022 RM
Within one (1) year	12,412,925	12,428,715
Within two (2) years	2,478,688	7,967,560
	14,891,613	20,396,275

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

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

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

Non-current amounts due from subsidiaries represent unsecured advances, which bear interest at a range of 4.54% to 5.00% (2022: 3.36% to 4.36%) per annum. The advances together with the interest receivable thereon were not payable within the next twelve months.

Current amounts due from subsidiaries are non-trade in nature, unsecured, payable within next twelve month in cash and cash equivalents and bear interest at a range of 4.54% to 5.00% (2022: 3.36% to 4.36%) per annum.

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

- (g) Credit risk concentration profile

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<b>31 December 2023</b>				
Floating rate	4.54% - 5.00%	0	52,667,000	52,667,000
<b>31 December 2022</b>				
Floating rate	3.36% - 4.36%	6,605,000	26,060,000	32,665,000

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 RM200,135 (2022: RM124,127).

### 14. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM	2022 RM
<b>Property development contracts</b>		
Aggregate contract costs incurred to date	290,810,221	347,047,048
Add: Attributable profits	218,740,248	260,097,098
	509,550,469	607,144,146
Less: Progress billings	(412,751,120)	(553,667,494)
	96,799,349	53,476,652
Represented by:		
Contract assets	96,799,349	55,083,767
Contract liabilities	0	(1,607,115)
	96,799,349	53,476,652

- (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 (accrued billings to be billed to purchasers) are recognised in the statement of financial position as excess of cumulative revenue recognised over the progress billings to purchaser. Contract liabilities are recognised in the statement of financial position as excess of progress billings to purchasers over the cumulative revenue recognised.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Property development contracts (Cont'd)

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

(b) Contract assets

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

	Group		Total RM
	Within one (1) year	One (1) to five (5) years	
<b>31 December 2023</b>	109,088,655	13,851,906	122,940,561
<b>31 December 2022</b>	68,274,336	8,843,874	77,118,210

(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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial assets at fair value through profit or loss</b>				
Fixed income trust funds in Malaysia (Note 16)	39,538,901	96,548,648	2,241,006	2,265,081

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 2023 (CONT'D)

### 16. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	110,682,469	76,744,977	5,069,421	7,126,804
Deposits with licensed banks	12,976,051	13,084,664	6,841	6,675
	<u>123,658,520</u>	<u>89,829,641</u>	<u>5,076,262</u>	<u>7,133,479</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 RM88,716,486 (2022: RM48,764,426) 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 1.85% to 2.95% (2022: 1.25% to 2.62%) and 2.35% to 2.50% (2022: 1.50% to 2.40%) per annum respectively.
- (c) Included in the deposits with licensed banks is an amount of RM2,410,078 (2022: RM2,812,815) 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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short term funds placed with a financial institution (Note 15)	39,538,901	96,548,648	2,241,006	2,265,081
Cash and bank balances	110,682,469	76,744,977	5,069,421	7,126,804
Deposits with licensed banks	12,976,051	13,084,664	6,841	6,675
	<u>163,197,421</u>	<u>186,378,289</u>	<u>7,317,268</u>	<u>9,398,560</u>
Less:				
Deposits pledged with licensed banks	<u>(2,410,078)</u>	<u>(2,812,815)</u>	<u>0</u>	<u>0</u>
	<u>160,787,343</u>	<u>183,565,474</u>	<u>7,317,268</u>	<u>9,398,560</u>

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Fixed rate</b>				
Cash and bank balances	6,940,661	10,767,843	457,794	685,329
Deposits with licensed banks	12,976,051	13,084,664	6,841	6,675
	<u>19,916,712</u>	<u>23,852,507</u>	<u>464,635</u>	<u>692,004</u>
<b>Floating rates</b>				
Short term funds (Note 15)	39,538,901	96,548,648	2,241,006	2,265,081
Cash and bank balances	103,741,808	65,977,134	4,611,627	6,441,475
	<u>143,280,709</u>	<u>162,525,782</u>	<u>6,852,633</u>	<u>8,706,556</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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 (Cont'd):

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 RM591,913 (2022: RM733,456) and RM28,729 (2022: RM35,803) 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

	2023		2022	
	Number of shares	RM	Number of shares	RM
<b>Group</b>				
<b>Issued and fully paid with no par value</b>				
Balance as at 1 January	439,311,917	291,301,952	436,040,617	289,096,030
Issued for cash pursuant to ESOS	0	0	3,271,300	2,205,922
Balance as at 31 December	<u>439,311,917</u>	<u>291,301,952</u>	<u>439,311,917</u>	<u>291,301,952</u>
<b>Company</b>				
<b>Issued and fully paid with no par value</b>				
Balance as at 1 January	439,311,917	290,834,373	436,040,617	288,628,451
Issued for cash pursuant to ESOS	0	0	3,271,300	2,205,922
Balance as at 31 December	<u>439,311,917</u>	<u>290,834,373</u>	<u>439,311,917</u>	<u>290,834,373</u>

- (a) In the previous financial year ended 31 December 2022, the issued and paid-up share capital of the Company was increased from 436,040,617 to 439,311,917 by way of issuance of 3,271,300 new ordinary shares pursuant to exercise of ESOS at the following option prices:

Exercise price (RM)	0.47	0.60	0.62	0.69
No. of shares issued	1,266,500	672,500	20,000	452,000
<hr/>				
Exercise price (RM)			0.75	0.71
No. of shares issued			279,000	581,300

- (b) 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.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 18. BORROWINGS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b><u>Current liabilities</u></b>				
<b>Unsecured</b>				
Financial guarantee contracts (Note 19)	0	0	2,165,958	0
<b>Secured</b>				
Revolving credits (Note 20)	7,983,200	7,983,200	0	0
Term loans (Note 21)	16,423,630	16,397,147	0	0
	<u>24,406,830</u>	<u>24,380,347</u>	<u>0</u>	<u>0</u>
<b><u>Non-current liability</u></b>				
<b>Secured</b>				
Term loans (Note 21)	61,962,916	78,280,752	0	0
	<u>61,962,916</u>	<u>78,280,752</u>	<u>0</u>	<u>0</u>
<b><u>Total borrowings</u></b>				
Financial guarantee contracts (Note 19)	0	0	2,165,958	0
Revolving credits (Note 20)	7,983,200	7,983,200	0	0
Term loans (Note 21)	78,386,546	94,677,899	0	0
	<u>86,369,746</u>	<u>102,661,099</u>	<u>2,165,958</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	
	2023 %	2022 %
Revolving credits	4.91	4.38 - 4.58
Term loans	<u>4.52 - 4.99</u>	<u>4.10 - 4.36</u>

- At the end of the reporting period, the interest rate profile of the borrowings was:

	Group	
	2023 RM	2022 RM
<b>Floating rate</b>		
Revolving credits	7,983,200	7,983,200
Term loans	78,386,546	94,677,899
	<u>86,369,746</u>	<u>102,661,099</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 18. BORROWINGS (CONT'D)

- (d) At the end of the reporting period, the interest rate profile of the borrowings was (Cont'd):

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 December 2023. 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 would decrease or increase by RM473,882 (2022: RM506,844), as a result of higher or lower interest expense on these borrowings.

- (e) The maturity of the revolving credits is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Not later than one (1) year	7,983,200	7,983,200

- (f) The maturity of the term loans is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Not later than one (1) year	16,423,630	16,397,147
Later than one (1) year and not later than two (2) years	16,462,836	16,462,836
Later than two (2) years and not later than three (3) years	16,462,836	16,462,836
Later than three (3) years and not later than four (4) years	16,462,836	16,462,836
Later than four (4) years and not later than five (5) years	10,897,408	16,462,836
Later than five (5) years	1,677,000	12,429,408
	<u>78,386,546</u>	<u>94,677,899</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 18. 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
<b>Group</b>				
<b>As at 31 December 2023</b>				
Revolving credits	8,342,511	0	0	8,342,511
Term loans	19,668,888	64,864,675	2,611,362	87,144,925
<b>As at 31 December 2022</b>				
Revolving credits	8,303,725	0	0	8,303,725
Term loans	20,173,182	72,415,878	14,100,432	106,689,492
<b>Company</b>				
<b>As at 31 December 2023</b>				
Financial guarantee contracts*	86,369,746	0	0	86,396,746

- \* The disclosure represents the maximum amount that is required to be settled in the event of a default and the lenders, where applicable, call on the Company to pay for the subsidiaries.

### 19. FINANCIAL GUARANTEE CONTRACTS

- (a) The Group designates corporate guarantees as financial liabilities as defined in MFRS 9 *Financial Instruments*. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.
- (b) The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.
- (c) The fair value of financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 19. FINANCIAL GUARANTEE CONTRACTS (CONT'D)

(d) The nominal amounts of financial guarantee provided are as disclosed in Note 32 to the financial statements.

The movements of the financial guarantee contracts during the financial year are as follows:

	<b>Company 2023 RM</b>
Balance as at 1 January, as previously reported	0
Restated through opening retained earnings (Note 33.1)	3,649,601
Balance as at 1 January, as restated	3,649,601
Fair value changes on financial guarantee contracts	(1,483,643)
Balance as at 31 December	<u>2,165,958</u>

### 20. REVOLVING CREDITS

The revolving credits are secured by:

- (a) Legal charge over the Group's property, plant and equipment, investment properties and development land as disclosed in Note 5, Note 7 and Note 12(a) to the financial statements; and
- (b) Corporate guarantee by the Company.

### 21. TERM LOANS

The term loans are secured by:

- (a) Legal charge over the Group's investment properties and development land as disclosed in Note 7 and Note 12(a) to the financial statements; and
- (b) Corporate guarantee by the Company.

### 22. TRADE AND OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>Trade payables</b>				
Third parties	19,265,884	13,455,867	0	0
<b>Other payables</b>				
Third parties	201,921	214,035	0	0
Accruals	18,597,924	22,752,113	38,000	36,000
Deposits received	4,052,802	4,133,991	0	0
	22,852,647	27,100,139	38,000	36,000
Total trade and other payables	<u>42,118,531</u>	<u>40,556,006</u>	<u>38,000</u>	<u>36,000</u>

All trade and other payables are denominated in RM.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 22. TRADE AND OTHER PAYABLES (CONT'D)

- (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 (2022: 30 days). Included in trade payables of the Group is retention sum on contracts amounting to RM18,473,292 (2022: RM13,455,867).
- (c) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

### 23. REVENUE

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers:</b>					
Property development	(a)	194,746,318	219,863,569	0	0
Sale of completed properties and land	(b)	5,920,437	4,145,681	0	0
Operation of car park	(d)	156,467	140,415	0	0
Property management fees	(d)	162,000	85,500	0	0
		<u>200,985,222</u>	<u>224,235,165</u>	<u>0</u>	<u>0</u>
<b>Other revenue:</b>					
Rental income from investment properties	(c)	3,429,777	3,252,456	0	0
Dividend income from:					
- subsidiaries	(e)	0	0	42,047,600	24,053,600
- associate	(e)	0	0	234,000	0
		<u>204,414,999</u>	<u>227,487,621</u>	<u>42,281,600</u>	<u>24,053,600</u>

#### 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 and land RM	Operation of car park RM	Property management fees RM	Total RM
<b>31 December 2023</b>					
<b>Timing of revenue recognition</b>					
Transferred over time	194,746,318	0	0	0	194,746,318
Transferred at a point in time	0	5,920,437	156,467	162,000	6,238,904
Revenue from external customers	<u>194,746,318</u>	<u>5,920,437</u>	<u>156,467</u>	<u>162,000</u>	<u>200,985,222</u>
<b>31 December 2022</b>					
<b>Timing of revenue recognition</b>					
Transferred over time	219,863,569	0	0	0	219,863,569
Transferred at a point in time	0	4,145,681	140,415	85,500	4,371,596
Revenue from external customers	<u>219,863,569</u>	<u>4,145,681</u>	<u>140,415</u>	<u>85,500</u>	<u>224,235,165</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 23. REVENUE (CONT'D)

(a) Revenue from property development

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the cost incurred relative to the total expected cost for satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

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 and land

The Group recognises sales at a point in time for the sale of completed properties and land, when the control of the properties and land have been transferred to the purchasers, being when the properties and land have been completed and delivered to the customers and it is probable that the Group 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 and land 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 24. COST OF SALES

	Group	
	2023 RM	2022 RM
Property development (Note 12(b))	128,019,728	121,198,979
Cost of completed properties and land sold	2,745,843	2,252,030
Others	101,632	23,489
	<u>130,867,203</u>	<u>123,474,498</u>

### 25. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Directors of the Company</b>				
<b>Executive Directors</b>				
Directors' fee	165,000	120,000	165,000	120,000
Salaries and other emoluments	2,927,031	2,859,246	0	0
Bonus	1,155,700	1,129,200	0	0
Defined contribution plan	611,970	597,870	0	0
Total Executive Directors' remuneration (exclude benefits-in-kind)	<u>4,859,701</u>	<u>4,706,316</u>	<u>165,000</u>	<u>120,000</u>
Estimated money value of benefits-in-kind	84,744	78,200	0	0
Total Executive Directors' remuneration (including benefits-in-kind)	<u>4,944,445</u>	<u>4,784,516</u>	<u>165,000</u>	<u>120,000</u>
<b>Directors of the Company</b>				
<b>Non-executive Directors</b>				
Directors' fee	310,000	226,000	310,000	226,000
Other emoluments	15,500	14,000	15,500	14,000
Total Non-Executive Directors' remuneration	<u>325,500</u>	<u>240,000</u>	<u>325,500</u>	<u>240,000</u>
<b>Total Directors' remuneration</b>				
- fee	475,000	346,000	475,000	346,000
- other emoluments	4,710,201	4,600,316	15,500	14,000
	<u>5,185,201</u>	<u>4,946,316</u>	<u>490,500</u>	<u>360,000</u>
<b>Directors of the subsidiaries</b>				
<b>Executive Directors</b>				
Directors' fee	<u>6,000</u>	<u>18,000</u>	<u>0</u>	<u>0</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 25. DIRECTORS' REMUNERATION (CONT'D)

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

	2023 Unit	2022 Unit
<b>Directors of the Company</b>		
<b>Executive Director</b>		
As at 1 January	0	1,500,000
Exercised	0	(500,000)
Lapsed	0	(1,000,000)
As at 31 December	0	0
<b>Non-executive Director</b>		
As at 1 January	0	900,000
Exercised	0	(600,000)
Lapsed	0	(300,000)
As at 31 December	0	0

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	
	2023	2022
<b>Executive Directors</b>		
RM750,001 - RM800,000	0	1
RM800,001 - RM850,000	1	0
RM1,150,001 - RM1,200,000	0	1
RM1,250,001 - RM1,300,000	1	0
RM2,800,001 - RM2,850,000	0	1
RM2,850,001 - RM2,900,000	1	0
	1	0
<b>Non-executive Directors</b>		
RM50,001 - RM100,000	4	4
	4	4
<b>Directors of the Subsidiaries</b>		
<b>Executive Director</b>		
RM1 - RM50,000	1	1
	1	1



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 26. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year	11,044,600	25,126,020	485,900	204,200
Underprovision of tax in prior years	1,230,694	2,003,186	159	118,951
	<u>12,275,294</u>	<u>27,129,206</u>	<u>486,059</u>	<u>323,151</u>
Deferred tax (Note 11):				
- relating to origination and reversal of temporary differences	2,809,500	(2,863,310)	0	0
- changes in fair value of investment properties	200,000	0	0	0
- under/(over)provision in prior years	847,300	(1,578,100)	0	0
	<u>16,132,094</u>	<u>22,687,796</u>	<u>486,059</u>	<u>323,151</u>

The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	<u>55,768,533</u>	<u>82,806,030</u>	<u>42,431,268</u>	<u>23,180,960</u>
Tax at the applicable tax rate of 24% (2022: 24%)	13,384,400	19,873,400	10,183,500	5,563,400
Tax effects in respect of:				
Non-taxable income	(538,900)	(154,100)	(10,042,100)	(5,701,900)
Non-allowable expenses	698,600	1,793,310	344,500	342,700
Special tax deduction	0	(219,200)	0	0
Deferred tax assets not recognised during the financial year	857,700	1,042,600	0	0
Utilisation of previously unrecognised capital allowances	(547,700)	(73,300)	0	0
Changes in fair value of investment properties	200,000	0	0	0
Underprovision of tax in prior years	1,230,694	2,003,186	159	118,951
Under/(Over)provision of deferred tax in prior years	847,300	(1,578,100)	0	0
Tax expense for the financial year	<u>16,132,094</u>	<u>22,687,796</u>	<u>486,059</u>	<u>323,151</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023	2022
	RM	RM
Profit attributable to equity holders of the parent	40,945,466	61,164,106
	Group	
	2023	2022
	Unit	Unit
Weighted average number of ordinary shares in issue	439,311,917	436,040,617
Effects of exercise of ESOS	0	1,988,948
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	439,311,917	438,029,565
Basic earnings per ordinary share (sen)	9.32	13.96

#### (b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no securities issued by the Group that are dilutive in nature.

### 28. DIVIDENDS

	Group/Company			
	2023		2022	
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
<b>Dividends paid/declared:</b>				
In respect of financial year ended 31 December 2021:				
Single tier first and final dividend	0	0	5.9	25,919,403
In respect of financial year ended 31 December 2022:				
Single tier first and final dividend	5.6	24,601,467	0	0
	5.6	24,601,467	5.9	25,919,403

A single tier first and final dividend in respect of the financial year ended 31 December 2023 of 3.9 sen per ordinary share amounting to RM17,133,165 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 2024.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 29. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries and bonuses	11,521,840	10,980,101	0	0
Directors' fee	171,000	138,000	165,000	120,000
Contributions to defined contribution plan	1,533,622	1,460,560	0	0
Social security contributions	78,790	67,625	0	0
Share options granted under ESOS	0	24,510	0	0
Other benefits	846,347	736,242	0	0
	<u>14,151,599</u>	<u>13,407,038</u>	<u>165,000</u>	<u>120,000</u>

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM4,865,701 and RM165,000 (2022: RM4,724,316 and RM120,000) respectively.

### 30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') [2022 ONLY]

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 30. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') [2022 ONLY] (CONT'D)

- (i) The employees and Directors to whom the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the option period.

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

	Number of options over ordinary shares					Outstanding as at 31.12.2022	Exercisable as at 31.12.2022
	Outstanding as at 1.1.2022	Movements during the financial year					
		Granted	Exercised	Lapsed			
<b>2022</b>							
15 November 2013	414,000	0	0	(414,000)	0	0	
28 May 2014	163,000	0	0	(163,000)	0	0	
17 December 2014	1,046,000	0	0	(1,046,000)	0	0	
15 June 2015	258,000	0	0	(258,000)	0	0	
1 December 2015	476,000	0	0	(476,000)	0	0	
21 June 2016	70,000	0	0	(70,000)	0	0	
16 December 2016	59,000	0	0	(59,000)	0	0	
3 July 2017	125,000	0	0	(125,000)	0	0	
18 December 2017	19,000	0	0	(19,000)	0	0	
8 June 2018	107,000	0	(97,000)	(10,000)	0	0	
26 February 2019	641,300	0	(581,300)	(60,000)	0	0	
3 September 2019	536,000	0	(355,000)	(181,000)	0	0	
26 February 2020	688,500	0	(672,500)	(16,000)	0	0	
27 August 2020	1,594,500	0	(1,266,500)	(328,000)	0	0	
26 August 2021	20,000	0	(20,000)	0	0	0	
14 April 2022	0	285,000	(279,000)	(6,000)	0	0	
	<b>6,217,300</b>	<b>285,000</b>	<b>(3,271,300)</b>	<b>(3,231,000)</b>	<b>0</b>	<b>0</b>	
Weighted average exercise prices (RM)	0.92	0.75	0.59	1.24	0	0	
Weighted average remaining contractual life (months)	5					0	

The fair values of share options granted in the previous 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 were as follows:

	Grant dates 14 April 2022
Fair values of share options (RM):	0.09
Weighted average share price (RM)	0.83
Weighted average exercise price (RM)	0.75
Expected volatility (%)	26.40
Expected life (years)	0.13
Risk free rate (%)	1.50
Expected dividend yield (%)	2.88

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 31. 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.

Name of related party	Relationship
Palmsfield Sdn. Bhd.	Company in which a Director of the Company has substantial financial interests.
Siram Permai Sdn. Bhd.	Company in which a Director of the Company has substantial financial interests.
Tongee (KL) Sdn. Bhd.	Company in which the Director is family member of the Directors of the Company.

- (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Lease payments made to companies of which a Director has interest	106,800	106,800	0	0
Purchased of goods from a Company in which the Directors are family member of the Directors of the Company	22,952	31,039	0	0
Dividend received from:				
- subsidiaries	0	0	42,047,600	24,053,600
- associate	0	0	234,000	0
Interest charged to subsidiaries	0	0	2,006,760	835,755

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 31. RELATED PARTY DISCLOSURES (CONT'D)

#### (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term employee benefits	5,448,449	5,204,230	490,500	360,000
Contributions to defined contribution plan	724,668	706,524	0	0
	<u>6,173,117</u>	<u>5,910,754</u>	<u>490,500</u>	<u>360,000</u>

Included in the compensation of key management personnel are Directors' remuneration of the Group and of the Company as disclosed in Note 25 to the financial statements.

### 32. 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 2023 and 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

#### (a) Capital management (Cont'd)

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Borrowings (Note 18)	86,369,746	102,661,099	2,165,958	0
Lease liabilities (Note 6)	573,437	203,383	0	0
Less:				
Short term funds (Note 15)	(39,538,901)	(96,548,648)	(2,241,006)	(2,265,081)
Cash and bank balances (Note 16)	(123,658,520)	(89,829,641)	(5,076,262)	(7,133,479)
Net cash	<u>(76,254,238)</u>	<u>(83,513,807)</u>	<u>(5,151,310)</u>	<u>(9,398,560)</u>
Total capital	753,329,400	742,921,316	391,182,389	377,488,248
Net cash	<u>(76,254,238)</u>	<u>(83,513,807)</u>	<u>(5,151,310)</u>	<u>(9,398,560)</u>
Equity	<u>677,075,162</u>	<u>659,407,509</u>	<u>386,031,079</u>	<u>368,089,688</u>
Capital gearing ratio	*	*	*	*

\* Capital gearing ratio is not presented as the Group and 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 2023.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

#### (b) Financial risk management (Cont'd)

##### (i) Credit risk (Cont'd)

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.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries amounts to RM86,369,746 representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

#### Recognition and measurement of impairment loss of financial guarantee contracts

The Company assume that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company consider a financial guarantee to be credit impaired when:

- (a) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (b) the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determine the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, the Company did not recognise any allowance for impairment loss.

##### (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 18 and Note 22 to the financial statements.

##### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group relates to interest-earning deposits and amounts due from subsidiaries and interest-bearing borrowings from financial institutions.

As at the end of the reporting period, the Group and the Company do not engage any interest hedging instruments in respect of such interest rate fluctuations.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

- (b) Financial risk management (Cont'd)
- (iii) Interest rate risk (Cont'd)

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 6, Note 13, Note 16 and Note 18 to the financial statements respectively.

### 33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 33.1 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform- Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company other than the adoption of MFRS 17 as described in Note 33.1(a).

- (a) *MFRS 17 Insurance Contracts and Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information*

MFRS 17 establishes the principles for recognition, measurement, presentation and disclosure of insurance contracts and supersedes MFRS 4 *Insurance Contracts*.

MFRS 17 outlines three measurement approaches for different types of insurance contracts – general measurement model, premium allocation approach and variable fee approach. The general measurement model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of options and guarantees of policyholders. The general measurement model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. Variable fee approach is applicable for insurance contracts with direct participation features.

Amendments to MFRS 17 adds a new transition option to MFRS 17 (the 'classification overlay') to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of MFRS 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with MFRS 9 *Financial Instruments*.

The Company do not have any contracts that meet the definition of an insurance contract under MFRS 17, except for corporate guarantee provided to subsidiaries, which are financial guarantee contracts that the Company had previously explicitly asserted under MFRS 4. The Company made an irrevocable choice to apply MFRS 9 *Financial Instruments* on a contract-by-contract basis to these financial guarantee contracts as at the date of transition to MFRS 17.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

#### 33.1 New MFRSs adopted during the current financial year (Cont'd)

- (a) *MFRS 17 Insurance Contracts and Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Cont'd)*

In relation to this, the Company recognised financial guarantee contracts, recognising the difference in retained earnings. The impact on transition is summarised below:

		As at 31 December 2022 RM	Effects of MFRS 9 RM	As at 1 January 2023 RM
<b>Company</b>				
Financial Guarantee Contracts	19	0	3,649,601	3,649,601
Retained earnings		86,653,875	(3,649,601)	83,004,274

#### 33.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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 16<sup>th</sup> 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, 20 June 2024 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 2023 together with the Reports of Directors and Auditors thereon.                                  | Please refer Note 9 |
| 2. | To re-elect Mr. Lai Fook Hoy, 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.  | <b>Resolution 1</b> |
| 3. | To re-elect Ms. Lam Voon Kean, a Director who retires by rotation in accordance with Article 102 of the Company’s Constitution and who, being eligible, offers herself for re-election. | <b>Resolution 2</b> |
| 4. | To re-elect Ms. Kaoy Lay Min, a Director who retires pursuant with Article 109 of the Company’s Constitution and who, being eligible, offers herself for re-election.                   | <b>Resolution 3</b> |
| 5. | To approve the payment of Directors’ fees of not exceeding RM200,000.00 to the Executive Directors of the Company for the financial year ending 31 December 2024.                       | <b>Resolution 4</b> |
| 6. | To approve the payment of Directors’ fees of not exceeding RM400,000.00 to the Non-Executive Directors of the Company for the financial year ending 31 December 2024.                   | <b>Resolution 5</b> |
| 7. | To approve the payment of Directors’ benefits of not exceeding RM100,000.00 payable to the Non-Executive Directors of the Company for the financial year ending 31 December 2025.       | <b>Resolution 6</b> |
| 8. | To approve the payment of a Single Tier First and Final Dividend of 3.9 sen per ordinary share for the financial year ended 31 December 2023.   | <b>Resolution 7</b> |
| 9. | 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.   | <b>Resolution 8</b> |

### As Special Business

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

- |     |   |                     |
|-----|---|---------------------|
| 10. | <b>AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b> | <b>Resolution 9</b> |
|-----|---|---------------------|

“THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

11. **PROPOSED RENEWAL OF GENERAL MANDATE FOR THE DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO THE DIVIDEND REINVESTMENT SCHEME** **Resolution 10**

“THAT, pursuant to the Dividend Reinvestment Scheme (“**DRS**”) as approved by the shareholders at the Extraordinary General Meeting held on 19 June 2013, the Directors of the Company be hereby authorised to allot and issue such number of new shares in the Company upon the election of shareholders of the Company to reinvest the dividend pursuant to the DRS until conclusion of the next AGM upon such terms and conditions and to such shareholders as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the new Tambun Indah shares shall be fixed by the Directors at not more than 10% discount to 5-Market Day volume weighted average market price of the Company’s shares immediately prior to the price fixing date at the material time.

THAT the new Tambun Indah shares, shall upon allotment and issue, rank *pari passu* in all respects with the existing shares, save and except that the new Tambun Indah shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid, the entitlement date of which is prior to the allotment of the new Tambun Indah shares issued pursuant to the DRS.

THAT the Directors be hereby authorised to do all such acts and things as are necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the authorities or as the Board in its absolute discretion deem fit and in the best interest of the Company.

AND THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Securities for the listing and quotation of the new Tambun Indah shares to be issued pursuant to the DRS.”

12. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

By Order of the Board,

**LEE PENG LOON (MACS 01258)**  
**SSM PC NO. 201908002340**

**P’NG CHIEW KEEM (MAICSA 7026443)**  
**SSM PC NO. 201908002334**  
Company Secretaries

Penang  
Date: 29 April 2024

## 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 11 June 2024 (General Meeting Record of Depositors) shall be eligible to attend the AGM or to appoint proxies to attend and/or vote on his/her behalf.

### NOTES ON ORDINARY BUSINESS

(9) **Agenda 1- Audited Financial Statements**

The Audited Financial Statements for the financial year ended 31 December 2023 will be laid to shareholders at the forthcoming 16<sup>th</sup> AGM of the Company pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.

(10) **Agenda 2 to Agenda 4 – Re-election of Directors**

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election in accordance with the Directors' Fit and Proper Policy and was satisfied therewith. The Board had endorsed the Nomination Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the forthcoming 16<sup>th</sup> AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming AGM are provided in the Company's Annual Report 2023.

(11) **Agenda 5 and Agenda 6 – Directors' Fees**

The Resolution 4 and 5, if passed, will enable the Company to pay Directors' fees to the Non-Executive and Executive Directors of the Company for the financial year ending 31 December 2024 in accordance with Section 230(1) of the Companies Act 2016.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### NOTES ON APPOINTMENT OF PROXY (CONT'D)

(12) **Agenda 7 – Directors' Benefits**

The Resolution 6, if passed, will enable the Company to pay benefits to Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprise of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

(13) **Agenda 8 – Payment of Single Tier First and Final Dividend**

The Resolution 7, if passed, will enable the Company to pay a Single Tier First and Final Dividend of 3.9 sen per ordinary share for the financial year ended 31 December 2023 at a book closure and payment dates to be determined by the Board.

(14) **Agenda 9 – Re-appointment of Auditors**

The Audit Committee and the Board had considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs. BDO PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

### NOTES ON SPECIAL BUSINESS

(15) **Agenda 10 - Authority to issue shares pursuant to Companies Act 2016**

The Resolution 9, if passed, will enable the Directors to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

(16) **Agenda 11 - Authority to issue shares pursuant to Dividend Reinvestment Scheme**

The Resolution 10 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.

# 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 16<sup>th</sup> Annual General Meeting of the Company.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 2 to Agenda 4 of the Notice of the 16<sup>th</sup> Annual General Meeting of the Company are set out in the Directors' Profile section of this Annual Report 2023.

The retiring Directors have confirmed that they do not have any conflict of interest or potential conflict of interest that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Company or its subsidiaries.

- 3) The details of the Directors' interests in the securities of the Company as at 29 March 2024 are set out in the Analysis of Shareholdings section of this Annual Report 2023.
- 4) The Resolution 9 tabled under Special Business as per the Notice of 16<sup>th</sup> Annual General Meeting of the Company dated 29 April 2024 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 21 June 2023.

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.

# 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 16<sup>th</sup> 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, 20 June 2024 at 10.30 a.m., and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Mr. Lai Fook Hoy as a Director of the Company.		
2.	Re-election of Ms. Lam Voon Kean as a Director of the Company.		
3.	Re-election of Ms. Kaoy Lay Min as a Director of the Company.		
4.	Payment of Directors’ Fees to Executive Directors.		
5.	Payment of Directors’ Fees to Non-Executive Directors.		
6.	Payment of Directors’ Benefits to Non-Executive Directors.		
7.	Payment of a single tier First & Final dividend.		
8.	Re-appointment of Messrs. BDO PLT as Auditors of the Company.		
9.	General mandate to allot and issue new shares in the Company.		
10.	Renewal of general mandate to allot and issue new shares pursuant to Dividend Reinvestment Scheme.		

Please indicate with an “x” in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this .....day of.....,2024.

.....  
 Signature(s)/Common Seal of member(s)

**Notes**

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.
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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 11 June 2024 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

\*strike out whichever is not desired.



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The Company Secretary  
**Tambun Indah Land Berhad**  
**Registration No. 200801009158 (810446-U)**  
51-21-A Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang

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Tambun Indah Land Berhad 200801009158 (810446-U)

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