

# TELADAN

TELADAN SETIA GROUP BERHAD

201901004975 (1314302-V)

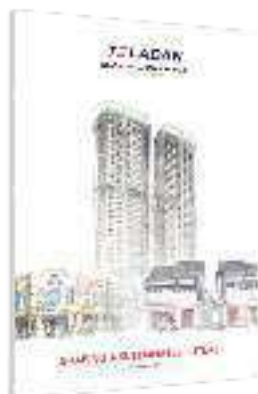


## SHAPING A SUSTAINABLE FUTURE

Annual Report 2022

# INSIDE THIS REPORT

## Cover Rationale



As an innovative property developer, we have been making waves with our impressive portfolio of quality projects. Over the past decades, we have placed our signature on some outstanding properties portfolio that includes residential and commercial, all across Melaka. We ensure that every project we undertake incorporates intelligent design and sustainability in terms of energy efficiency, in order to 'Shaping a Sustainable Future'. The Architectural sketches presented on the cover design emphasize Teladan Setia Group Berhad's illustrious journey over the years. As a market-driven developer, we remain committed in continue to offer properties that are strategically located, innovative and thoughtfully planned.



To view our Annual Report online, scan the QR code above with smartphone.

## CORPORATE OVERVIEW

<b>2</b>	About Us	<b>6</b>	Accreditations & Awards
<b>3</b>	Corporate Information	<b>8</b>	Media Highlights
<b>4</b>	Corporate Structure	<b>10</b>	Financial Highlights
<b>5</b>	Corporate Milestones		

## LEADERSHIP & PERFORMANCE

<b>12</b>	Board of Directors' Profile	<b>27</b>	Management Discussion & Analysis
<b>20</b>	Key Senior Management Profile	<b>37</b>	Sustainability Report
<b>22</b>	Chairman's Statement		

## GOVERNANCE STRUCTURE

<b>62</b>	Corporate Governance Overview Statement	<b>89</b>	Audit Committee Report
<b>87</b>	Directors' Responsibility Statement	<b>95</b>	Statement on Risk Management and Internal Control
<b>88</b>	Additional Compliance Information		

## FINANCIAL STATEMENTS

<b>104</b>	Directors' Report	<b>113</b>	Statements of Cash Flows
<b>109</b>	Statements of Financial Position	<b>115</b>	Notes to the Financial Statements
<b>110</b>	Statements of Profit or Loss and Other Comprehensive Income	<b>169</b>	Statement by Directors and Statutory Declaration
<b>111</b>	Statements of Changes in Equity	<b>170</b>	Independent Auditors' Report

## ADDITIONAL INFORMATION

<b>175</b>	Analysis of Shareholdings	<b>185</b>	Notice of Fourth ("4 <sup>th</sup> ") Annual General Meeting
<b>178</b>	Analysis of Warrant Holdings	<b>191</b>	Appendix 1
<b>181</b>	List of Material Properties		• Proxy Form

## ABOUT US

Founded in 1997, Teladan Setia is a property developer with an established portfolio of landed, low-rise, and high-rise residential properties as well as landed shop houses, offices, and retail shops in Melaka. We have a strong and proven track record in the Melaka property market, having successfully completed numerous property developments in the state. The Group's completed projects have received positive market acceptance, a testament to our extensive knowledge and experience of the property market in Melaka. Teladan Setia's projects have won numerous industry accolades over the years by continuously achieving quality excellence.

### MISSION

Empowering quality in every part of life.

We believe in striving for excellence and quality, in enriching lives and empowering communities, and the significance of sustenance for a brighter future moving forward.

- Enrich consumer lifestyles by building houses and providing service of excellent quality that enable homebuyers to freely live their ideals within the comfort of their homes.
- Nurture and develop the potential of employees by providing learning opportunities to keep up with ever-evolving changes & progress while giving them the freedom to do what's right and best.
- Empower communities, improve the quality of life for society and the livelihood of mother earth.
- Grow and connect with a network of partners who strive for excellence and improvement whilst staying competitive in the industry as a team.

### VISION

“ **EMPOWERING QUALITY** ”

Giving assurance, confidence and trust in our brand, by continually providing the best for our stakeholders while doing our part to sustain the future.

### CORE VALUES



#### Excellence

Striving for excellence

We leverage on our strengths and continue to work towards progress, be it in our work or daily life, to achieve excellence on a personal and societal level.



#### Enrichment

Enriching lifestyle

More than just concrete houses, we create functional homes and opportunities to cater to the ever-evolving individual.



#### Empowerment

Empowering communities

Aside from utilizing green technology in our projects, we work towards nurturing communities that share the same passion in creating a sustainable future.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Independent Non-Executive Chairman  
 Managing Director  
 Executive Director  
 Non-Independent Non-Executive Director  
 Non-Independent Non-Executive Director  
 Senior Independent Non-Executive Director  
 Independent Non-Executive Director  
 Independent Non-Executive Director

**Roy Thean Chong Yew**  
**Teo Lay Ban**  
**Sia Ah Piew**  
**Teo Lay Lee**  
**Teo Siew May**  
**Madeline Lee May Ming**  
**Annandan A/L Chandran**  
**Foo Yit Lan**

## AUDIT COMMITTEE

Foo Yit Lan (*Chairperson*)  
 Annandan A/L Chandran  
 Madeline Lee May Ming  
 Roy Thean Chong Yew

## NOMINATING COMMITTEE

Madeline Lee May Ming (*Chairperson*)  
 Foo Yit Lan  
 Annandan A/L Chandran  
 Roy Thean Chong Yew

## REMUNERATION COMMITTEE

Annandan A/L Chandran (*Chairman*)  
 Foo Yit Lan  
 Madeline Lee May Ming  
 Roy Thean Chong Yew

## RISK MANAGEMENT COMMITTEE

Foo Yit Lan (*Chairperson*)  
 Annandan A/L Chandran  
 Madeline Lee May Ming  
 Roy Thean Chong Yew  
 Teo Lay Ban

## COMPANY SECRETARIES

**Chua Siew Chuan**  
 (MAICSA 0777689 /  
 SSM PC No. 201908002648)

**Jason Cheng Chia Ping**  
 (MAICSA 1032514 /  
 SSM PC No. 202008000730)

## AUDITORS

**RSM Malaysia PLT**  
 [202206000002 (LLP0030276-LCA)  
 & AF 0768]  
 Suite 16-02, Level 16,  
 Menara Landmark,  
 No. 12, Jalan Ngee Heng,  
 80000 Johor Bahru,  
 Johor Darul Takzim  
 Tel : 07-276 2828  
 Fax : 07-276 2832

## BUSINESS ADDRESS

No. 8 & 10, Tingkat Bawah,  
 Jalan Mutiara Melaka 2,  
 Taman Mutiara Melaka,  
 75350 Batu Berendam, Melaka  
 Tel : 06-317 3236  
 Fax : 06-317 3757  
 Email : info@teladan.my  
 Website : www.teladan.my

## REGISTERED OFFICE

**Securities Services (Holdings) Sdn. Bhd.**  
 [Registration No. 197701005827  
 (36869-T)]  
 Level 7, Menara Milenium,  
 Jalan Damanlela,  
 Pusat Bandar Damansara,  
 Damansara Heights,  
 50490 Kuala Lumpur,  
 Wilayah Persekutuan  
 Tel : 03-2084 9000  
 Fax : 03-2094 9940  
 Email : info@sshbs.com.my

## SHARE REGISTRAR

**Securities Services (Holdings) Sdn. Bhd.**  
 [Registration No. 197701005827  
 (36869-T)]  
 Level 7, Menara Milenium,  
 Jalan Damanlela,  
 Pusat Bandar Damansara,  
 Damansara Heights,  
 50490 Kuala Lumpur,  
 Wilayah Persekutuan  
 Tel : 03-2084 9000  
 Fax : 03-2094 9940  
 Email : info@sshbs.com.my  
 Contact Person : Ms. Yuli Chew  
 (03-2084 9008)

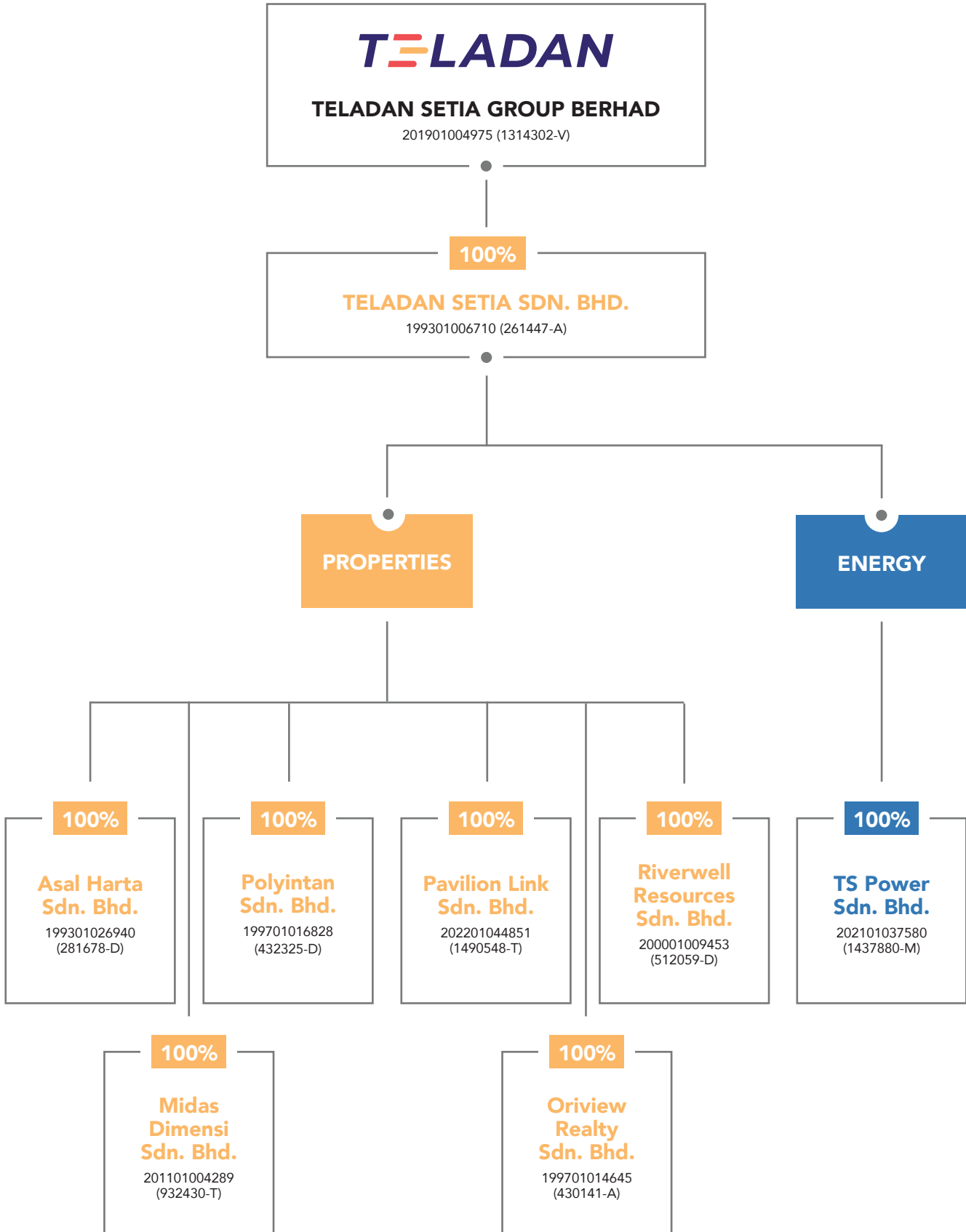
## PRINCIPAL BANKERS

- i) CIMB Bank Berhad [Registration No. 197201001799 (13491-P)]
- ii) Hong Leong Islamic Bank Berhad [Registration No. 200501009144 (686191-W)]
- iii) Hong Leong Bank Berhad [Registration No. 193401000023 (97141-X)]
- iv) Malayan Banking Berhad [Registration No. 196001000142 (3813-K)]
- v) Maybank Islamic Berhad [Registration No. 200701029411 (787435-M)]
- vi) United Overseas Bank (Malaysia) Berhad [Registration No. 199301017069 (271809-K)]

## STOCK EXCHANGE LISTING

Listed on ACE Market of Bursa Malaysia Securities Berhad on 16 March 2021  
 Sector : Property  
 Stock Code : 0230  
 Stock Name : TELADAN

# CORPORATE STRUCTURE



# CORPORATE MILESTONES

**2006**

### Surpassing the RM100mil GDV Mark

Launched Taman Cheng Setia, our first project to surpass the RM100 million GDV mark for a single development.

The project was completed over 6 phases between 2006 and 2018, and has a GDV of RM115 million. This project comprised 534 units of residential houses, 9 units of shop offices and 7 lots of bungalow land.

**2007**

### First G&G Township

Teladan launched the first G&G Township located at Taman Sentosa.

**2014**

### The Turning-Point Development

Teladan launched another high rise development, The Atlantis Residences, which was the first project to surpass the RM500 million GDV mark. - serviced apartments spanning 4 towers and 1,360 units in total, with a range of resort-like facilities including an Olympic-sized pool.

**2021**

### Debut on the ACE Market of Bursa Malaysia

Teladan debuted on the ACE Market of Bursa Malaysia on 16 March 2021.

The initial public offering of 40.27 million shares for the public was oversubscribed by 17.47 times, signifying the trust our stakeholders have in our future growth and progress.

**1997**

### The Beginning of TELADAN

On 27 March, our founder, the late Datuk Teo Poh Boon acquired 100% equity interest in Teladan ("Teladan Setia") and began his journey to become a property developer in Melaka.

### Launched 1st Project

Teladan launched its first project comprising of 294 units of residential houses and 44 units of shop offices in Taman Seri Selendang, Batu Berendam, which completely sold out despite the Asian Economic Crisis.

**2011**

### 1st High-Rise Project

The Tropicana Residences was Teladan's first high-rise project.

This 14-storey development comprised 140 condominium units with a total GDV of RM49.8 million and was completed in 2014.

**2018**

### Introducing QLASSIC

QLASSIC, a quality assurance system based on a grading procedure was introduced with Bandar Baru Merlimau, the first development project to obtain the QLASSIC certification.

It works to minimize the probability or scale of fixing and repair works needed in the future.

**2022**

### Moving Forward

Company-wide charity initiative, New Corporate Office.

### Ongoing & Future Projects

Present & upcoming projects include: Taman Desa Bertam Phase 3 and 4, Taman Impiana Kesang.

### Rebranding

Strengthen current positioning through expansion and value innovation, in the meantime creating future positioning.

## ACCREDITATIONS & AWARDS

### BUSINESS OF THE YEAR AWARD MALAYSIA



**Year:** 2005  
**Award:** Category of Potential Company.

### GOLDEN BULL AWARD



**Year:** 2005  
**Award:** The 3rd Malaysia's 100 outstanding SMEs.

### THE 4TH ASIA PACIFIC INTERNATIONAL HONESTY ENTERPRISE - KERIS AWARD



**Year:** 2005  
**Award:** Winner.

### BUSINESS SUPERBRAND MALAYSIA



**Year:** 2006  
**Award:** Business Superbrand Status.

### GOLDEN BULL AWARD



**Year:** 2006  
**Award:** The 4th Malaysia's 100 outstanding SMEs.

### THE 5TH ASIA PACIFIC INTERNATIONAL ENTREPRENEUR EXCELLENCE AWARD



**Year:** 2006  
**Award:** Excellence Brand.

### GOLDEN BULL AWARD



**Year:** 2007  
**Award:** The 5th Malaysia's 100 outstanding SMEs.

### GOLDEN BULL AWARD



**Year:** 2008  
**Award:** The 6th Malaysia's 100 outstanding SMEs.

# ACCREDITATIONS & AWARDS

## ENTERPRISE 50 AWARD



**Year:** 2008  
**Award:** Winner.

## OUTSTANDING BUSINESS AWARDS



**Year:** 2010  
**Award:** Best Use of Media – Gold winner.

## PRESTIGIOUS DEVELOPER AWARDS



**Year:** 2016  
**Award:** Best Facilities Development (Atlantis Residences).

## SOUTH EAST ASIA PROPERTY AWARDS (MALAYSIA)



**Year:** 2016  
**Award:** Best Mid-Range Condo Development (South Malaysia) – The Atlantis Residences @ Kota Laksamana, Melaka by Asal Harta Sdn Bhd.

## THE EDGE MALAYSIA'S PEPS VALUE CREATION EXCELLENCE AWARD



**Year:** 2022  
**Award:** (Residential Category) Honorary Mention - Taman Desa Bertam (Phase 1)



# MEDIA HIGHLIGHTS

TheStar

## Maxis in fiber connectivity tie-up with Teladan

**PETALING JAYA:** Maxis Fibre has tied up with Teladan Setia Sdn Bhd to provide fibre connectivity to residents of over 2,100 houses in Taman Teriang Heights, Melaka.

In a joint statement yesterday, the companies said it would design, supply, install, test and commission the telecommunication infrastructure for fibre services to the residents.

"Maxis will be connecting more than 2,100 homes for the development, with potentially connecting up to another 10,000 premises in Melaka. The partnership is also part of Maxis' ongoing collaborations with property developers in providing high speed broadband and connectivity solutions."

Teladan Setia executive director Francis Sit said the demand for spacious homes with all-rounded amenities has been on the rise since the pandemic. "As people spend more time at home, we want our residences to be ready with the best connectivity solutions."

## Teladan Setia posts record 1Q net profit

**PETALING JAYA:** Teladan Setia Group Bhd's net profit for the first quarter ended March 31, 2022 (3Q22) rose to its highest since the group's listing on the ACE Market of Bursa Malaysia in March 2021.

With growth driven by higher property sales as well as quicker construction progress, the Melaka-based property developer saw its earnings increase one-third to RM7.5ml from RM7.1ml in 1Q21.

During the quarter in review, Teladan Setia's revenue grew 42.4% to RM68.8ml from RM48.3ml in 3Q21, and its earnings per

share (EPS) increased to 1.14 sen from 0.88 sen previously.

Looking forward, the group plans to launch properties worth about RM1.04bil in gross development value this year.

"Given the promising outlook, we plan to launch four more projects in Melaka along with our pipeline development in Klang Valley by the end of 2022."

"The projects in Melaka are all landed residential properties, two of which are marketed to the middle income segment while the other two are affordable housing projects offered to

the masses," managing director Richard Tan Lee Pan said.

He said its balanced pipeline of projects in terms of pricing allows it to capture the bulk of the demographics in Melaka.

"Meanwhile, our first venture into the Klang Valley is a high-rise residential project located in Seri Kembangan, Selangor, targeting the urban middle-class population."

"We are confident in making a strong debut after having had multiple experiences of developing high-rise buildings," he added.

## Teladan Setia plans four more projects on higher earnings

Teladan Setia Group Bhd is planning to launch four more projects in Melaka this year, with a total gross development value of about RM1.04 billion, managing director Richard Tan Lee Pan said. The projects include two affordable housing projects and two landed residential projects. The first project is a high-rise residential project located in Seri Kembangan, Selangor, targeting the urban middle-class population. The other three projects are landed residential properties, two of which are marketed to the middle income segment while the other two are affordable housing projects offered to the masses.

星洲日報  
SIN CHAW DAILY

## 25週年慶 推出新標誌

# Teladan Setia 品牌重塑



圖為星洲日報與Teladan Setia慶祝25週年慶典，圖為新標誌。

「為慶祝上市25週年，Teladan Setia今年在可親友之際，與星洲日報進行品牌重塑與品牌升級。品牌重塑，除了包含品牌標誌與色調外，也包含全新品牌標誌、字體系統與圖標系統。此外，Teladan Setia也與星洲日報合作，共同推出「Experience」品牌。

品牌標誌與品牌標誌的推出，象徵著星洲日報與Teladan Setia合作關係的進一步發展。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。

圖為星洲日報與Teladan Setia慶祝25週年慶典。



圖為星洲日報與Teladan Setia慶祝25週年慶典。



圖為星洲日報與Teladan Setia慶祝25週年慶典。

## 聯減少碳排放目標邁進

星洲日報與Teladan Setia合作，共同推出「Experience」品牌。品牌標誌與品牌標誌的推出，象徵著星洲日報與Teladan Setia合作關係的進一步發展。

theSundaily

## Teladan Setia plans launches with GDV totalling RM1.04 billion in 2022

**PETALING JAYA:** Melaka-based property developer Teladan Setia Group Bhd is going to roll out new developments valued at RM1.04 billion in gross development value (GDV) in 2022.

The group is offering an array of residential projects comprising high-rise serviced apartments, luxurious gated and guarded (G&G) townships, and affordable homes.

"Since our formation in 1987, we have completed 59 projects valued at an aggregate GDV of RM1.92 billion. This year alone, we plan to launch RM1.04 billion worth of residential projects as we believe the market is poised for a turnaround. Looking at Melaka specifically, the state's tourism sector is set to rebound, and in turn, the purchasing power of

the locals," said managing director Richard Tan Lee Pan yesterday.

Included in the pipeline of new launches for 2022 is the group's maiden development in Klang Valley. The project is a two-towered serviced apartment in Seri Kembangan, Selangor and is estimated to be worth RM524.5 million in GDV.

"The time is right for Teladan Setia to venture out of our stronghold in Melaka. After having established a solid brand presence in our home state, we want to broaden our reach to capitalise on other locations that offer even higher growth prospects."

In the near term, Teladan Setia will launch Phase 1B of Taman Serian Heights near Mambong, a 1,086 township in Melaka Tengah with a GDV of RM242.7 million. This phase

comprises two-storey semi-detached homes and two-storey semi-detached houses, and the per unit selling price of the project ranges between RM50,000 and RM70,000.

"Since the Covid-19 pandemic, demand for spacious homes with all-rounded amenities has been on the rise as people are spending more time at home. Our G&G township is designed with these features in mind, offering ample space and a revival of clubhouse facilities."

"Furthermore, while the project is located in the Melaka Tengah district, it is a slight distance away from the hustle and bustle of the city and closer to nature. This is consistent with what people are looking for these days."

Other than that, Teladan Setia has

a couple of affordable housing projects in Melaka on the horizon.

With incentives such as the Housing Cash Guarantee Scheme for gig workers, as well as the allocation for low-cost homes under Budget 2022, the group expects that the affordable housing market will enjoy a successful year.

"By and large, we are positive with the outlook of the property market in 2022 as it looks set to rebound in line with the national economy."

"Besides that, the overnight policy rate is expected to remain at the all-time low of 1.25% for at least the first half of the year. This bodes well for home buyers as they get to enjoy low borrowing rates that will in turn drive demand for properties," Tan said.

MEDIA HIGHLIGHTS

中國報



BORNEO POST

Teladan maintains robust bottom line growth

MELAKA: Melaka-based property developer, Teladan Setia Group Bhd (Teladan) announced its third quarter (3QFY22) and nine months financial results for the period ended September 30, 2022 (9MFY22).

It said, its revenue grew 61.4 per cent year-on-year (y-o-y) from RM21.4 million in 3QFY21 to RM35.9 million in 3QFY22 backed by a larger number of new developments and the absence of pandemic-related operational disruptions.

Accordingly, property sales and revenue recognition from construction progress increased. Meanwhile, profit after tax and non-controlling interest rose in tandem to RM11.7 million in 3QFY22, which was a 21.9 per cent improvement from a year ago.

On a year-to-date (YTD) basis, Teladan recorded top line growth of 64.0 per cent y-o-y from RM208.3 million in 9MFY21 to RM340.4 million in 9MFY22. Over the same period, net profit climbed 50.7 per cent to RM35.4 million.

Teladan's managing director Richard Teo said, "We are pleased with the sustained improvement in our earnings this quarter."

"The new projects introduced by Teladan came at the right time as we benefitted from the rebound in consumer sentiment

post-Covid-19. This was reflected in the high take-up rates in our new properties such as Taman Bertan Heights Phase 1B and Taman Desa Bertan Phase 3B, shortly after their respective launches."

In 9MFY22, Teladan reported property sales of RM263.1 million, which was an increase of 14.2 per cent y-o-y from RM229.3 million last year. On a YTD basis, the group has launched developments amounting to RM234.5 million in gross development value (GDV).

"Though macro challenges are expected to remain, we are confident in our ability to navigate through them given our experience and expertise in offering different types of residential properties. Particularly, we are seeing strong demand in the affordable segment as the general population adapts to the economic environment."

"Therefore, we are set to introduce more affordable housing projects in the coming months," Teo added.

Currently, the group is still actively looking to acquire more strategic land in Melaka to ensure a consistent flow of new developments for the years to come. Currently, its undeveloped landbank amounts to 1,139 acres.

THE EDGE MALAYSIA

UNDERSTANDING MARKET DEMAND



Richard Teo, Managing Director of Teladan Setia Group Bhd, is seen speaking at a podium during a press conference. He is wearing a dark suit and glasses. The background features the Teladan Setia Group logo and the text 'TELADAN SETIA GROUP BHD'.



Understanding market demand is crucial for property developers in the current economic environment. Teladan Setia Group Bhd is actively looking to acquire more strategic land in Melaka to ensure a consistent flow of new developments for the years to come.

Richard Teo, Managing Director of Teladan Setia Group Bhd, said, "We are pleased with the sustained improvement in our earnings this quarter."

"The new projects introduced by Teladan came at the right time as we benefitted from the rebound in consumer sentiment post-Covid-19. This was reflected in the high take-up rates in our new properties such as Taman Bertan Heights Phase 1B and Taman Desa Bertan Phase 3B, shortly after their respective launches."

In 9MFY22, Teladan reported property sales of RM263.1 million, which was an increase of 14.2 per cent y-o-y from RM229.3 million last year. On a YTD basis, the group has launched developments amounting to RM234.5 million in gross development value (GDV).

"Though macro challenges are expected to remain, we are confident in our ability to navigate through them given our experience and expertise in offering different types of residential properties. Particularly, we are seeing strong demand in the affordable segment as the general population adapts to the economic environment."

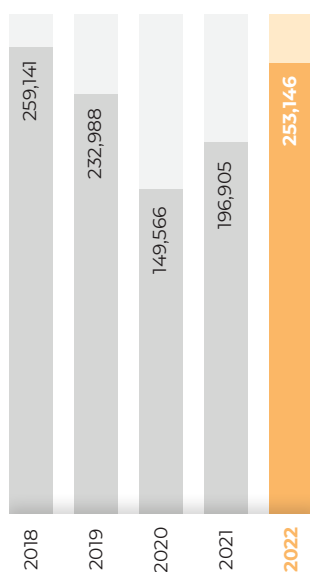
"Therefore, we are set to introduce more affordable housing projects in the coming months," Teo added.

Currently, the group is still actively looking to acquire more strategic land in Melaka to ensure a consistent flow of new developments for the years to come. Currently, its undeveloped landbank amounts to 1,139 acres.

# FINANCIAL HIGHLIGHTS

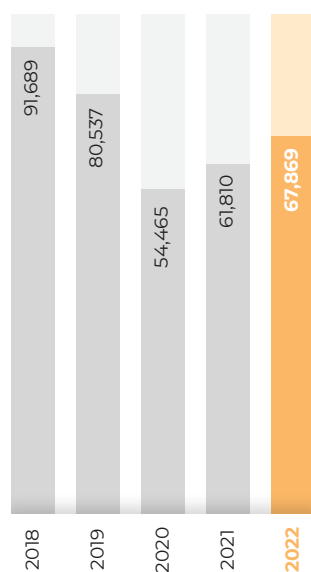
## REVENUE

(RM'000)



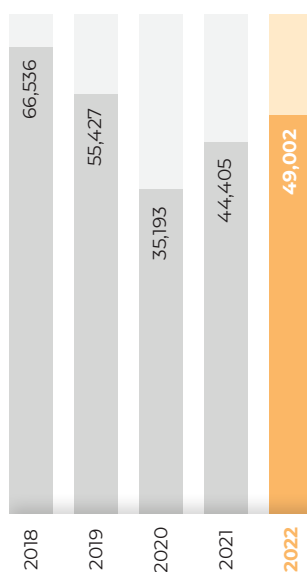
## GROSS PROFIT

(RM'000)



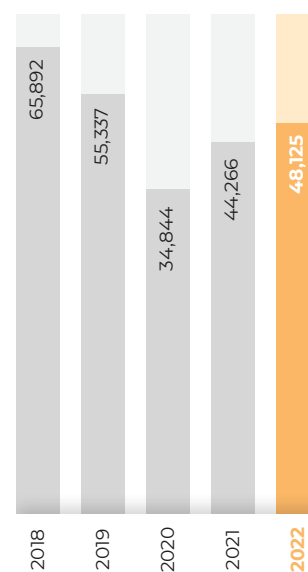
## EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION

(RM'000)



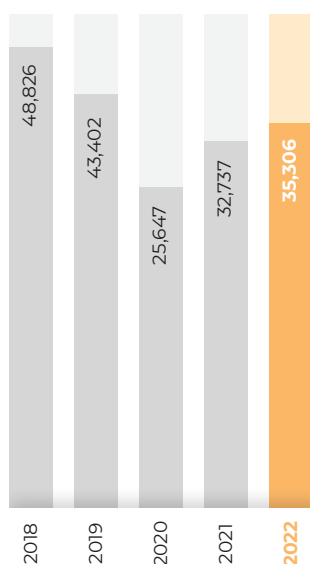
## PROFIT BEFORE TAXATION

(RM'000)



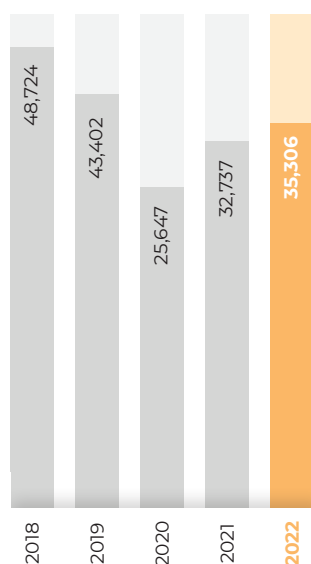
## PROFIT FROM CONTINUING OPERATION

(RM'000)



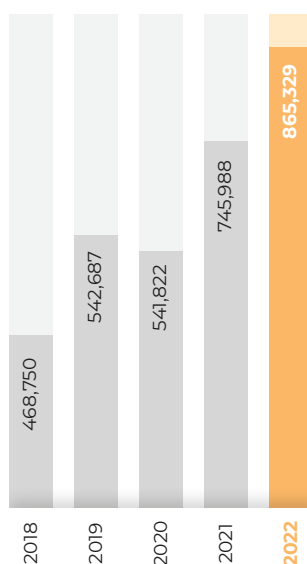
## PROFIT AFTER TAXATION ATTRIBUTABLE TO OWNERS OF THE COMPANY

(RM'000)



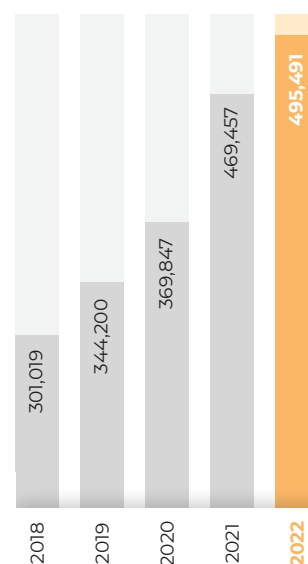
## TOTAL ASSETS

(RM'000)



## TOTAL EQUITY

(RM'000)



# FINANCIAL HIGHLIGHTS

	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
<b>KEY FINANCIALS</b>					
Revenue	259,141	232,988	149,566	196,905	253,146
Gross Profit	91,689	80,537	54,465	61,810	67,869
Earning Before Interest, Tax, Depreciation and Amortisation	66,536	55,427	35,193	44,405	49,002
Profit Before Taxation	65,892	55,337	34,844	44,266	48,125
Profit from Continuing Operation	48,826	43,402	25,647	32,737	35,306
Profit After Taxation Attributable to Owners of the Company	48,724	43,402	25,647	32,737	35,306
Total Assets	468,750	542,687	541,822	745,988	865,329
Total Equity	301,019	344,200	369,847	469,457	495,491
<b>KEY RATIOS</b>					
Gross Profit Margin (%)	35.4	34.6	36.4	31.4	26.8
Profit Before Taxation Margin (%)	25.4	23.8	23.3	22.5	19.0
Net Margin (%)	18.8	18.6	17.1	16.6	13.9
Basic Earning Per Share (sen)	7.6 <sup>(1)</sup>	6.7 <sup>(1)</sup>	4.0 <sup>(1)</sup>	4.2	4.4
Net Gearing Ratio (times)	-	0.1	0.2	0.3	0.4
Current Ratio (times)	1.8	2.0	2.6	3.4	2.2

<sup>(1)</sup> Calculated based on Profit after Taxation Attributable to Owners of the Company divided by enlarged number of shares in issue before Initial Public Offering.

## BOARD OF DIRECTORS' PROFILE



### ROY THEAN CHONG YEW

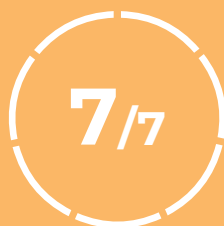
Chairman/Independent Non-Executive Director

- **Age:** 51 years old
- **Nationality:** Malaysian
- **Gender:** Male
- **Date of Appointment:** 20 February 2020  
(3 years 2 months)

#### Board Committee(s) served on

- Member of the Audit Committee
- Member of the Risk Management Committee
- Member of the Remuneration Committee
- Member of the Nominating Committee

#### Board meeting attended



As of 31st December 2022

#### Academic / Professional Qualification(s) / Recognition:

- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants
- Chartered Member of Institute of Internal Auditors of Malaysia

#### Working Experience:

- Audit Assistant & Manager, Skelchy Su Lim & Associates (1994-2003)
- Associate Director, Russel Bedford LC & Company (2003)
- Executive Director, Russel Bedford Malaysia Business Advisory Sdn. Bhd. (2007)
- Internal Auditor, Skycomp Technology Sdn. Bhd. (2010)
- Independent Non-Executive Director, JAG Berhad (2010)
- Executive Director, Jiwa Holdings Sdn. Bhd. ("Jiwa") (2011)
- Executive Director, JMES Facilities Sdn. Bhd. (2012)
- Group Financial Controller, Jiwa (2013)
- Independent Non-Executive Chairman, Waja Konsortium Berhad (formerly known as ConnectCounty Holdings Berhad) (2014)
- Independent Non-Executive Director, Malaysia Steel Works (KL) Berhad (2015)
- Executive Director, Talent League Sdn. Bhd. (2019)

#### Present Directorship(s) in other Public/Listed Companies:

- Malaysia Steel Works (KL) Berhad
- JAG Berhad

#### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

#### Disclosure of Conflict of Interests with the Company:

Nil

#### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

# BOARD OF DIRECTORS' PROFILE



## TEO LAY BAN

Managing Director

- **Age:** 49 years old
- **Nationality:** Malaysian
- **Gender:** Male
- **Date of Appointment:** 10 October 2019  
*(3 years 6 months)*

### Board Committee(s) served on

- Member of the Risk Management Committee

### Board meeting attended



As of 31st December 2022

### Academic / Professional Qualification(s) / Recognition:

Bachelor of Science in Computer Science, Indiana University, United States of America (1995)

### Working Experience:

- Associate Systems Engineer, Sony Systems Design International Pte. Ltd. (1995)
- Business Development Manager, Teladan Setia Sdn. Bhd. (“TSSB”) (1997)
- General Manager, TSSB (2001)
- Executive Director, TSSB (2003)

### Present Directorship(s) in other Public/Listed Companies:

Mr. Teo Lay Ban does not hold any directorship in other public company or listed company

### Family Relationship with any Director and/or Major Shareholder of the Company:

Mr. Teo Lay Ban is the son of Mdm. Wan Lei Chin (the substantial shareholder) and the brother of Mr. Teo Lay Lee and Ms. Teo Siew May (the substantial shareholders and Non-Independent Non- Executive Directors).

### Disclosure of Conflict of Interests with the Company:

Nil

### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

# BOARD OF DIRECTORS' PROFILE



## SIA AH PIEW

Executive Director

- **Age:** 50 years old
- **Nationality:** Malaysian
- **Gender:** Male
- **Date of Appointment:** 20 February 2020  
(3 years 2 months)

Board Committee(s) served on

Nil

Board meeting attended



As of 31st December 2022

### Academic / Professional Qualification(s) / Recognition:

Diploma in Technology (Building) from Kolej Tunku Abdul Rahman (now known as TAR University College) (1996)

### Working Experience:

- Quantity Surveyor, Sri Pengkalan Binaan Sdn. Bhd. (1996)
- In-house Quantity Surveyor, Geahin Engineering Berhad (1997)
- In-house Quantity Surveyor, Seri Jasmine Sdn. Bhd. (1998)
- Project Manager, Guan Joo Hin Construction (2000)
- Project Manager, Seri Jasmine Sdn. Bhd. (2001)
- Construction Manager, Cityteam Construction Sdn. Bhd. (2009)
- Assistant Project Manager, Teladan Setia Sdn. Bhd. ("TSSB") (2009)
- Project Manager, TSSB (2011)
- Head of Projects, TSSB (2014)

### Present Directorship(s) in other Public/Listed Companies:

Mr. Sia Ah Piew does not hold any directorship in other public company or listed company

### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

### Disclosure of Conflict of Interests with the Company:

Nil

### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

# BOARD OF DIRECTORS' PROFILE



## TEO LAY LEE

Non-Independent Non-Executive Director

- **Age:** 44 years old
- **Nationality:** Malaysian
- **Gender:** Male
- **Date of Appointment:** 20 February 2020  
(3 years 2 months)

Board Committee(s) served on

Nil

Board meeting attended



As of 31st December 2022

### Academic / Professional Qualification(s) / Recognition:

- Bachelor of Engineering (Hons) in Civil Engineering, Victoria University of Manchester, United Kingdom (2000)
- Master of Science, University of Manchester Institute of Science and Technology, United Kingdom (2001)

### Working Experience:

- Systems Engineer, Singapore Airlines Limited (2002)
- Senior Systems Engineer, Singapore Airlines Limited (2004)
- Assistant Manager, Singapore Airlines Limited (2009)
- Associate Marketing Consultant, Huttons Asia Pte. Ltd. (2011)
- Associate Senior District Director, Huttons Asia Pte Ltd (2018)
- Associate Group District Director, Huttons Asia Pte Ltd (2022)

### Present Directorship(s) in other Public/Listed Companies:

Mr. Teo Lay Lee does not hold any directorship in other public company and listed company

### Family Relationship with any Director and/or Major Shareholder of the Company:

Mr. Teo Lay Lee is the son of Mdm. Wan Lei Chin (the substantial shareholder) and the brother of Mr. Teo Lay Ban (the substantial shareholder and Managing Director) and Ms. Teo Siew May (the substantial shareholder and Non-Independent Non-Executive Director)

### Disclosure of Conflict of Interests with the Company:

Nil

### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil



# BOARD OF DIRECTORS' PROFILE



## TEO SIEW MAY

Non-Independent Non-Executive Director

- **Age:** 47 years old
- **Nationality:** Malaysian
- **Gender:** Female
- **Date of Appointment:** 20 February 2020  
(3 years 2 months)

Board Committee(s) served on

Nil

Board meeting attended



As of 31st December 2022

### Academic / Professional Qualification(s) / Recognition:

- Bachelor of Science (Hons) in Accounting and Finance, University of Warwick, United Kingdom (1998)
- Fellow of the Institute of Chartered Accountants in England and Wales (2013)
- Member of Institute of Singapore Chartered Accountants (2013)

### Working Experience:

- Trainee Chartered Accountant & Assistant Manager, Foo Kon Tan Grant Thornton (now known as Foo Kon Tan LLP) (1998- 2004)
- Finance and Administration Manager & Group Financial Controller, ShareInvestor Pte. Ltd. (2005-2012)
- Assistant Vice President, Finance, Singapore Press Holdings Ltd. (2013-2018)
- Finance Director & Chief Financial Officer, ShareInvestor Pte. Ltd. (2019-todate)

### Present Directorship(s) in other Public/Listed Companies:

Ms. Teo Siew May does not hold any directorship in other public company and listed company

### Family Relationship with any Director and/or Major Shareholder of the Company:

Ms. Teo Siew May is the daughter of Mdm. Wan Lei Chin (the substantial shareholder) and the sister of Mr. Teo Lay Ban (the substantial shareholder and Managing Director) and Mr. Teo Lay Lee (the substantial shareholder and Non-Independent Non-Executive Director)

### Disclosure of Conflict of Interests with the Company:

Nil

### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

## BOARD OF DIRECTORS' PROFILE



### ANNANDAN A/L CHANDRAN

Independent Non-Executive Director

- **Age:** 69 years old
- **Nationality:** Malaysian
- **Gender:** Male
- **Date of Appointment:** 10 October 2019  
(3 years 6 months)

#### Board Committee(s) served on

- Chairman of the Remuneration Committee
- Member of the Audit Committee
- Member of the Risk Management Committee
- Member of the Nominating Committee

#### Board meeting attended



As of 31st December 2022

#### Academic / Professional Qualification(s) / Recognition:

- Diploma in Management Programme, Malaysian Institute of Management (1988)
- Masters of Business Administration, University of Hull, United Kingdom (1994)
- Diploma in Banking and Financial Services, Institute Bank- Bank Malaysia (1999)
- Certified Financial Planner (2003)
- Registered Financial Planner (2006)

#### Working Experience:

- Junior Officer, United Asian Bank Berhad (now known as CIMB Bank Berhad) (1974), promoted to Officer, Credit Department (1978)
- Assistant Vice President, Bank of Commerce (M) Berhad (now known as CIMB Bank Berhad) (1993), promoted to Branch Manager (1996)
- Hub Branch Manager, Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad) (1999), appointed as an Area Sales Manager (Melaka) (2003)
- Commenced own venture as a Certified Financial Planner (2006)
- Area Retail Manager, CIMB Bank Berhad (2007)
- Data Collection, Non-Retail Credit Models Project in Group Risk Management, AmBank (M) Berhad (2009)
- Registered a sole proprietorship named CA Consultancy (2020)

#### Present Directorship(s) in other Public/Listed Companies:

Mr. Annandan does not hold any directorship in other public company or listed company

#### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

#### Disclosure of Conflict of Interests with the Company:

Nil

#### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

## BOARD OF DIRECTORS' PROFILE



### MADELINE LEE MAY MING

Independent Non-Executive Director

- **Age:** 54 years old
- **Nationality:** Malaysian
- **Gender:** Female
- **Date of Appointment:** 10 October 2019  
(3 years 6 months)

#### Board Committee(s) served on

- Chairperson of the Nominating Committee
- Member of the Audit Committee
- Member of the Risk Management Committee
- Member of the Remuneration Committee

#### Board meeting attended



As of 31st December 2022

#### Academic / Professional Qualification(s) / Recognition:

- Bachelor of Laws from Queen's University of Belfast, United Kingdom (1991)
- Masters of Laws from Queen's University of Belfast, United Kingdom (1992)
- Called to the Bar of England and Wales and a member of Gray's Inn, United Kingdom (1993)
- Called to the Singapore Bar (1995) and to the Malaysian Bar (2001)

#### Working Experience:

- Pupil Barrister, Chambers of 4 Brick Court, London (1993 – 1994)
- Associate, Palakrishnan and Partners, Singapore (1994 – 1996)
- Associate, Helen Yeo & Partners (now known as Dentons Rodyk) (1996-1999)
- Associate, Raslan Loong (2000-2003)
- Partner, Mazlan & Associates (2003-2014)
- Founding Partner, Ilham Lee (2015- present)

#### Present Directorship(s) in other Public/Listed Companies:

- Icon Offshore Berhad

#### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

#### Disclosure of Conflict of Interests with the Company:

Nil

#### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

# BOARD OF DIRECTORS' PROFILE



## FOO YIT LAN

Independent Non-Executive Director

- **Age:** 64 years old
- **Nationality:** Malaysian
- **Gender:** Female
- **Date of Appointment:** 10 October 2019  
(3 years 6 months)

### Board Committee(s) served on

- Chairperson of the Audit Committee
- Chairperson of the Risk Management Committee
- Member of the Remuneration Committee
- Member of the Nominating Committee

### Board meeting attended



As of 31st December 2022

### Academic / Professional Qualification(s) / Recognition:

- Diploma in Commerce (Business Management), Kolej Tunku Abdul Rahman (now known as TAR University College) (1982)
- Obtained a professional qualification in Company Secretarial course from The Institute of Chartered Secretaries and Administrators (ICSA) (1982)
- Completed professional studies with the Association of Chartered Certified Accountants ("ACCA") (1990)
- A registered chartered accountant with the Malaysian Institute of Accountants (1994)
- A Fellow Member of ACCA (1998)
- A Certified Financial Planner (2003)

### Working Experience:

- Tax Assistant, SGV-KC Taxation Services Sdn. Bhd. (now known as Deloitte Tax Services Sdn. Bhd.) (1982)
- Tax cum Audit Assistant, Goonting & Chew (now known as C. P. Chew and Co.) (1983)
- Assistant Accountant, Nalin Industries Sdn. Bhd. (1989)
- Accountant, Kemayan Corporation Berhad (1990) and promoted to Group Financial Controller (1993)
- Managing Director, Rigel Consulting Sdn. Bhd. (2011)

### Present Directorship(s) in other Public/Listed Companies:

Ms. Foo Yit Lan does not hold any directorship in other public company and listed company

### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

### Disclosure of Conflict of Interests with the Company:

Nil

### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

## KEY SENIOR MANAGEMENT PROFILE



### NG MIH FERN

Financial Controller

- **Age:** 41 years old
- **Nationality:** Malaysian
- **Gender:** Female
- **Date of Appointment:** 18 June 2018

#### Academic/ Professional Qualification(s):

- Bachelor of Accounting, Multimedia University (2003)
- A registered Chartered Accountant with the Malaysian Institute of Accountants (2010)
- A Fellow Member of ACCA (2013)

#### Working Experience:

- Audit Assistant, P.S. Tan & Co (2003)
- Audit Assistant & Senior Associate, Howarth (Melaka Office) (now known as Crowe Malaysia PLT) (2006-2010)
- Accountant, Assistant Finance Manager & Finance Manager, Kotak Malaysia (KOM) Sdn. Bhd. (2010-2018)
- Financial Controller, Teladan Setia Sdn. Bhd. (2018)

#### Present Directorship(s) in other Public/Listed Companies:

Ms. Ng Mih Fern does not hold any directorship in other public company and listed company.

#### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

#### Disclosure of Conflict of Interests with the Company:

Nil

#### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil



### TONG SIOK MENG

Head of Marketing

- **Age:** 46 years old
- **Nationality:** Malaysian
- **Gender:** Female
- **Date of Appointment:** 1 May 2011

#### Academic/ Professional Qualification(s):

Obtained a Certificate in Third Level Accounting and Business Statistic from LCCI (1998)

#### Working Experience:

- Sales, Administration and Accounting Executive, Tong Yeng Realty Sdn. Bhd. (1995)
- Sales & Administration Executive, Seyhuat Sdn. Bhd. (2000)
- Sales Officer, Teladan Setia Sdn. Bhd. ("TSSB") (2003)
- Senior Sales Executive, TSSB (2008)
- Assistant Marketing Manager, TSSB (2009)
- Head of Marketing, TSSB (2011)

#### Present Directorship(s) in other Public/Listed Companies:

Ms. Tong Siok Meng does not hold any directorship in other public company and listed company.

#### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

#### Disclosure of Conflict of Interests with the Company:

Nil

#### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

# KEY SENIOR MANAGEMENT PROFILE



## GOH FONG KIM

Accounts Manager

- **Age:** 55 years old
- **Nationality:** Malaysian
- **Gender:** Female
- **Date of Appointment:** 1 June 2015

### Academic/ Professional Qualification(s):

- Systematic Diploma in Business Studies, Systematic Business Training Centre (1991)
- A Third Level Group Diploma in Cost Accounting from LCCI (1991)

### Working Experience:

- General Clerk, Syarikat Kojaya (1987)
- Accounts Clerk, Pok Brothers Sdn. Bhd. (1989)
- Accounts Clerk, Bright Compu Typesetting Centre (1990)
- Accounts Assistant, Binanusa Sdn. Bhd. (1994)
- Accounts Officer & Acting Accounts Executive, MBf Property Services Sdn. Bhd. (1995-1997)
- Acting Accounts Executive, MBf Country Homes & Resorts Sdn. Bhd. (1998)
- Accounts Executive, Olympic Cable Company Sdn. Bhd. (2000)
- Accounts Executive, Embun Tuah Sdn. Bhd. (2005)
- Accounts Executive, Teladan Setia Sdn. Bhd. ("TSSB") (2011)
- Accounts Manager, TSSB (2015)

### Present Directorship(s) in other Public/Listed Companies:

Ms. Goh Fong Kim does not hold any directorship in other public company and listed company

### Family Relationship with any Director and/or Major Shareholder of the Company:

Nil

### Disclosure of Conflict of Interests with the Company:

Nil

### Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end:

Nil

## CHAIRMAN'S STATEMENT

***"FY2022 marks a significant turning point for Malaysia's economy as we return to normalcy after two pandemic-affected years. As the country shows steady signs of recovery, we are encouraged to see the property market regaining its momentum."***

---

**DEAR VALUED  
SHAREHOLDERS,**

**ON BEHALF OF THE  
BOARD OF DIRECTORS  
("BOARD"), IT IS MY  
HONOUR TO PRESENT  
TO YOU THE ANNUAL  
REPORT OF TELADAN  
SETIA GROUP BERHAD  
("TELADAN SETIA" OR  
THE "GROUP") FOR THE  
FINANCIAL YEAR ENDED  
31 DECEMBER 2022  
("FY2022").**

**ROY THEAN CHONG YEW**

Chairman/Independent Non-Executive Director



# CHAIRMAN'S STATEMENT



*Figure 1* Taman Desa Bertam in Tanjong Minyak, Melaka

## ECONOMIC LANDSCAPE

The beginning of FY2022 was marked with much enthusiasm as the global economy was gradually recovering from the disruptions caused by the COVID-19 pandemic. Nevertheless, growth impetuses were subsequently dampened with the emergence of global economic uncertainties such as geopolitical tensions induced by the Russia-Ukraine war, global supply chain disruptions, inflationary pressures, and interest rate hikes. The World Bank downgraded its global growth forecast from 3.0% to 1.7% in January 2023 due to these concerns.

Amid these global economic headwinds, the Malaysian economy is showing steady signs of recovery. Following the easing of COVID-19 restrictions and the subsequent reopening of most major economies around the world, the country has transitioned towards normalcy. Malaysia's resilient domestic demand with a healthy level of household spending has also propelled an encouraging economic growth of 8.7% in 2022, as compared to 3.1% in the previous year. Yet, we have remained vigilant in managing the macroeconomic setbacks in this ever-changing business landscape.

## THE PROPERTY DEVELOPMENT MARKET

Fuelled by normalising economic activities, the property development market in Malaysia is gaining traction with the pent-up demand for residential properties as well as the increase in tourism activities. Stimulated by the continued recovery in the labour market and the realisation of the government's multi-year investment projects, the property development industry also saw pockets of recovery opportunities.

According to the National Property Information Centre ("NAPIC"), the property market recorded a 34.5% year-on-year ("YoY") increase in total property transaction volume to 188,002 transactions and a 36.1% YoY increase in the value of properties transacted to RM84.4 billion in the first half of 2022. However, challenges such as elevated inflation and interest rate hikes continue to dampen consumer sentiments and purchasing power. With that, the Group is proactively managing the expected challenges with well-strategised property rollouts that cater to the market needs.



# CHAIRMAN'S STATEMENT

## BUSINESS AND FINANCIAL OVERVIEW

With decades of track record in the industry and a profound understanding of the Melaka market, we managed to deliver satisfactory performance for the year amidst the challenges faced in the property development market. To better adapt to consumer demands and market conditions, we have carefully strategised the timing of our property rollouts.

During the year, the Group launched new property projects with an accumulated Gross Development Value (“**GDV**”) of RM282.1 million, resulting in an increase in property sales to RM276.7 million from RM162.7 million reported in the previous financial year (“**FY2021**”).

Driven by the resurgence of economic activities and a rebound in property demand, Teladan Setia has delivered an improved set of financial results in FY2022, with the Group’s revenue increasing by 28.6% YoY to RM253.1 million. The improved performance can also be attributed to the higher sales of our ongoing and newly launched projects.

In terms of profitability, we are pleased to share that the Group’s profit after tax and non-controlling interests (“**net profit**”) climbed to RM35.3 million in FY2022, translating into a 7.8% increase as compared to FY2021.

As a token of appreciation to the shareholders, the Board has declared dividends of 0.7 sen per share and 0.6 sen per share on 21 March 2022 and 17 August 2022, respectively.

In FY2022, the Group successfully completed the acquisition of five (5) leasehold land parcels accumulating to 338.3 acres in Melaka, bringing our total undeveloped landbank to 983.4 acres. This move was motivated by the low residential property overhang rate in the state, and it positions us to undertake further developments in the near future as we strive to strengthen our brand presence in Melaka. By proactively acquiring strategic land banks that hold potential commercial value for future development, this will pave the way for exciting new opportunities in the years ahead.

To further expand our market share and solidify our footing in the industry, we have launched a new brand identity, signifying the start of a new era for Teladan Setia. As part of the Group’s rebranding effort, our strategic intent is to accumulate more land banks in Melaka and to develop housing projects that appeal to the younger demographics. Our fundamental principles of excellence, enrichment, and empowerment will serve as important levers for us to expand within our home ground in Melaka and to establish our presence nationwide.



**GROUP'S REVENUE YoY  
IN FY2022 INCREASED BY**

**28.6%**



**Figure 2** Lakeside garden park at Taman Impiana Kesang, Melaka

# CHAIRMAN'S STATEMENT

## PROSPECTS FOR FY2023

Looking ahead, the weaker-than-expected growth in major economies caused by elevated cost pressures, higher interest rates, and tightening in financial market conditions may weigh down the economic growth back home in Malaysia. According to Bank Negara Malaysia (“**BNM**”), the Malaysian economy is projected to slow down to between 4.0% to 5.0% in 2023, while inflation rates are expected to moderate but remain at elevated levels.

On a brighter note, positive labour market conditions, coupled with the realisation of large infrastructure projects and the reopening of economies and international borders, could help the property market to sustain its growth momentum.

In 2023, Teladan Setia is planning to expand our property development projects beyond Melaka with the launch of our first project in Selangor, a high-rise serviced apartment project with a projected GDV of RM574.5 million.

With our prudent management, ample land bank inventory, and strategically planned property development rollouts, the Group is confident to navigate ahead and maintain a healthy financial performance in FY2023.



**Figure 3** Teladan first project outside Melaka will be situated at Seri Kembangan, Selangor, as Teladan has acquired new land near Serdang railway station and Mines Shopping Center.

## BUILDING A SUSTAINABLE FUTURE

Placing high emphasis on the sustainability of our business operations and goals, the Group strives to undertake a holistic approach to maximise shareholder value and to consider the externalities that impact our stakeholders. With that, we are committed to establishing a robust Environmental, Social, and Governance (ESG) framework that tracks key metrics and drives continuous improvement in the years ahead.

To learn more about our sustainability initiatives, kindly refer to our Sustainability Report.

## CORPORATE GOVERNANCE

At Teladan Setia, we are committed to adhering to high standards of corporate governance. We take this approach starting from the highest level of leadership, and therefore our Board comprises members from diverse backgrounds with a balanced representation of both genders. Additionally, to ensure that all stakeholders' needs are being met, we have appointed four independent directors, accounting for 50% of the Board's composition. This ensures that we have a wide range of perspectives and expertise to guide our decision-making process and oversee our operations.

The Group is upholding the standards set by Bursa Malaysia's ACE Market Listing Requirements (“**ACE LR**”) and the Malaysian Code on Corporate Governance (“**MCCG**”). Taking our responsibility seriously, we believe that good corporate governance is not just about compliance, but it is also about committing to the principles of integrity, accountability, and transparency, as well as setting high ethical standards in all our business dealings.



**4 INDEPENDENT  
DIRECTORS APPOINTED,  
MAKING UP BOARD  
COMPOSITION OF**

**50%**

# CHAIRMAN'S STATEMENT

## APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to the management team and all Teladan Setia employees for your hard work and commitment to our company's success during the past year. Despite the challenges brought about by the lingering effects of the pandemic, your dedication has resulted in another successful financial year in 2022.

I would also like to extend our gratitude to our stakeholders, including our shareholders, customers, business associates, bankers, lawyers, and contractors for your unwavering support. Your assistance and trust in Teladan Setia have enabled us to achieve our goals and drive our growth forward.

Lastly, I want to thank my fellow Board members for your valuable insights and guidance. Your leadership has been critical to Teladan Setia's continued success, and I look forward to working closely with the management team and Board members to drive our company's growth and success even further in the coming year.

**Roy Thean Chong Yew**

Independent Non-Executive Chairman



**Figure 4** Taman Bertam Heights in Taman Bertam Intan, Melaka

# MANAGEMENT DISCUSSION & ANALYSIS

**DEAR SHAREHOLDERS,**

**I AM PLEASED TO PRESENT TO YOU  
THE MANAGEMENT DISCUSSION AND  
ANALYSIS REPORT FOR THE FINANCIAL  
YEAR ENDED 31 DECEMBER 2022  
("FYE 2022") ON BEHALF OF THE  
MANAGEMENT.**

## **STRATEGIC REVIEW**

### **Economic Outlook**

Despite the reopening of major economies worldwide, the lingering effects of the COVID-19 pandemic continue to impact global recovery and growth. The sluggish economic recovery was further compounded by decreased business activities and geopolitical tensions, which exacerbated the slowdown.

Nevertheless, the Malaysian economy is slowly making a comeback, having expanded by 7.0%\* in the fourth quarter of 2022. The encouraging growth was mainly attributed to steady household spending, continued investment activity, resilient demand for the electrical and electronic sector, and recovery in tourism activities. Additionally, the labour market steadily improved in the fourth quarter under review with declining unemployment and underemployment rates.

\* With reference to Bank Negara Malaysia's Quarterly Bulletin Vol. 37 No. 4 (Fourth Quarter 2022)

**RICHARD TEO LAY BAN**  
Managing Director



# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC REVIEW (CONT'D)

### Market Trends and Events

Despite the general optimistic consumer outlook, the economic recovery of Malaysian households has been slow. We believe the demand for properties nationwide may be tempered by various challenges, including inflationary pressures, potential interest rate hikes, and supply chain constraints.

Having said that, we believe that the measures laid out during the re-tableting of Budget 2023 will help to alleviate the economic pressures faced by many Malaysians. We are particularly encouraged by the property-related policies that have been updated to support our industry and are already bearing fruits.

Description	Authority/Agency	Effective Date	Impact/ Prospect
Real Property Gains Tax ("RPGT")	Ministry of Finance ("MOF")	1 January 2022	Exemption is applicable to property disposals by individual owners in the sixth year after the date of acquisition (reduced from 5%).
Malaysia My Second Home ("MM2H")	Ministry of Home Affairs ("MOHA")	21 January 2022	Programme was relaunched with new conditions, including RM1.5 million in liquid assets, RM40,000 in monthly offshore income (up from RM10,000), RM1 million in a Malaysian fixed deposit and an additional RM50,000 per dependent.
Keluarga Malaysia Home Ownership Initiative ("i-MILIKI")	MOF	1 June 2022 – 31 December 2023	First-time homebuyers will receive stamp duty exemption for property priced RM500,000 and below and 50% stamp duty exemption for property priced between RM500,000 and RM1 million.
Premium Visa Programme ("PViP")	MOHA	1 October 2022	A long-term "Residency Through Investment" visa that enables investors and entrepreneurs to live and work in Malaysia for up to 20 years.

**Table 1:** Major Policy Updates

Source: Real Estate Market Outlook 2023 by CBRE | WTW Research

We saw a pick up in interest and purchase of our properties, especially those meeting the sweet spot under i-MILIKI as the potential savings is attractive for first time home buyers and those looking to upgrade their property.

### Material Sustainability Matters

Material sustainability matters were issues that have a significant impact on our ability to deliver sustainable value to our stakeholders. Our corporate strategies and strategic decisions have taken into account the material sustainability matters identified.

We have conducted yearly materiality assessment to identify sustainability topic that were of significant relevance to our business and stakeholders. Based on the outcome of the above assessment, the following material sustainability matters were identified and ranked for FYE 2022:-

- Customer Experience;
- Brand Reputation and Data Privacy;
- Economic Performance;
- Corporate Governance and Transparency;
- Occupational Health and Safety; and
- Talent Management.

# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC REVIEW (CONT'D)

### *Material Sustainability Matters (cont'd)*

To indicate the priority of the Material Sustainability Matters, a Materiality Matrix has been created in accordance to the impact to business and influence on our stakeholders' assessments and decisions. You may refer to Materiality Matrix as published in Page 44 in our Sustainability Report in this Annual Report

### *Key Business Risks and Mitigating Factors*

Teladan Setia recognises the dynamic nature of the business environment and is committed to proactively identify and mitigate business risks. These risks are closely monitored and managed to ensure that they do not exceed our predetermined tolerance limits. Our commitment to robust risk management practices enables us to minimise the impact of these risks and safeguard the long-term success of our business.

Key Risks	Material Development	Mitigating Factors
<b>Market Risk</b>	<b><i>Economic landscape of Melaka</i></b>  As a company with the majority of our projects located in Melaka, our success is inextricably linked to the strength of the local economy. Tourism plays a pivotal role in driving economic growth in the state, and its sustained success is critical to our business. A thriving tourism sector directly impacts the purchasing power of locals, which in turn drives demand for homes in the area. Therefore, in the absence of a strong tourism industry, our business may face challenges due to reduced demand for properties.	<b>Our approach</b>  Our approach to <b>monitoring property trends</b> in our operating markets and <b>tailoring our developments</b> to meet current demand has proven effective. By <b>offering a diverse range</b> of residential products that cater to different needs and budgets, and <b>phasing our developments</b> according to market conditions and demands, we have been able to achieve positive sales results. Our ability to adapt to changing market conditions has allowed us to remain competitive and sustain our growth in the property market.
<b>Regulatory Risk</b>	<b><i>Government policies</i></b>  Government policies play a significant role in shaping the property market. Policies such as taxes, affordable housing schemes, and changes in the overnight policy rate (" <b>OPR</b> ") can greatly impact the demand for properties. For instance, a restrictive monetary policy resulting in higher OPR can negatively affect housing demand by increasing loan rates and lowering loan-to-value ratios. On the other hand, policies such as the provision of affordable housing schemes can increase the demand for properties in the lower and middle-income segments.	<b>Our approach</b>  We prioritise compliance with government policies and <b>closely monitor</b> any changes in regulations to ensure that our <b>internal policies and best practices are aligned accordingly</b> . By doing so, we strive to maintain high levels of transparency, accountability, and ethical business practices. Additionally, we <b>actively engage with relevant government agencies</b> to provide feedback and support the formulation of effective policies that benefit both the industry and the public.

*Table 2: Key Business Risks and Mitigating Factors*

# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC REVIEW (CONT'D)

### *Key Business Risks and Mitigating Factors (cont'd)*

Key Risks	Material Development	Mitigating Factors
<b>Industry Risk</b>	<b>Operating costs</b>  The Property industry has encountered substantial challenges over the past couple of years, primarily due to cost pressures related to the COVID-19 pandemic. Additionally, geopolitical tensions have further intensified the already challenging business environment, resulting in higher total development costs. While building material prices have generally recovered in early 2023, the industry may face headwinds from rising energy prices and manpower costs.	<b>Our approach</b>  Owing to <b>strong business relationships</b> cultivated with our contractors and suppliers over the years, we are able to work together to find mutually beneficial solutions to ease cost pressures. Rather than simply passing on price increases to our customers, we engage in <b>productive negotiations with our contractors to explore possibilities of costs sharing</b> . We credit our mutual commitment to collaboration and communication for delivering high-quality products without compromising quality.
<b>Operational Risk</b>	<b>Health and safety at the workplace</b>  Our Group relies on physical manpower for its day-to-day operations. Therefore, ensuring safety at the workplace is crucial, particularly at construction sites, as it can lead to timely project completion, avoid unnecessary penalties, and maintain a positive reputation, all of which contribute to our overall financial health.	<b>Our approach</b>  We prioritise the safety and well-being of our employees, contractors, and other stakeholders at all our operational sites. To achieve this, we have <b>implemented well-defined health and safety policies and procedures</b> that are communicated to both internal and external parties. Furthermore, all <b>new employees are required to undergo thorough onboarding that includes familiarization with our health and safety policies</b> to ensure strict compliance.

**Table 2:** Key Business Risks and Mitigating Factors

### *Business Opportunities*

The prevailing soft property market has provided us with a unique window of opportunity to expand our landbank by acquiring properties at more affordable prices. By leveraging this advantage, we are able to extend the benefit of low land cost to our potential homebuyers without compromising on the quality and comfort of our properties. This approach helps us to stay true to our commitment to excellence, while also providing a more competitive price point for our customers, thereby enhancing their overall experience with us.

We saw a pick up in interest and purchase of our properties, especially those meeting the sweet spot under i-MILIKI as the potential savings is attractive for first time home buyers and those looking to upgrade their property.

We also hold a positive view on the Malaysian Government's initiatives to enhance accessibility to home ownership through the 2.0% reduction in personal tax rate for the M40 group. Those who earn between RM35,000 to RM100,000 annually are anticipated to have their monthly disposable income raised through the minimisation of tax-related deductions. It enables the Rakyat to invest their disposable income in value-accretive assets such as properties.

# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC REVIEW (CONT'D)

### *Business Opportunities (cont'd)*

Another initiative is the guaranteeing of loans worth up to RM5.0 billion by Syarikat Jaminan Kredit Perumahan Berhad (“**SJKP**”). This measure is expected to aid 20,000 borrowers who do not have a fixed income, including gig and freelance workers, independent business owners and small traders.

### *Our History and Corporate Strategies*

#### (i) **Teladan Setia at a Glance**

Over the course of more than two decades, we have successfully established ourselves as a prominent player in the Malaysian property development industry. From the humble beginnings of our first project in Taman Seri Selendang, Batu Berendam in 1997, we have since completed a total of 21 developments with a combined Gross Development Value (“**GDV**”) of RM2.6 billion.

Each project is a testament to our unwavering dedication to excellence, and sustainability. We are proud to have contributed to the growth and development of the communities in which we operate in.



#### (ii) **Our Teladan Strategy 1 – Sustainable Townships and Communities**



We are great proponent of **United Nations Sustainable Development Goal (“UNSDG”) 11 – Sustainable Cities and Communities**.

#### **Good accessibility**

At Teladan Setia, our properties are developed within the suburbs with good access to the city, offering a great balance between urban convenience and suburban tranquillity. They are ideal for families, young professionals and others that are looking for affordable yet high-quality homes that cater to their needs.

#### **Safe community living – Gated and Guarded (“G&G”) Township Development**

With a commitment to delivering quality properties that cater to the diverse needs of our customers, Teladan Setia has established its reputation as a trusted and established developer. Our portfolio boasts a range of residential and mixed-use developments that have been well-received by our customers. As pioneers of the G&G township concept in Melaka, we are proud to be the developer of one of the largest townships in the state - Taman Bertam Heights.

#### **Digital connectivity**

As the modern day apparatus and household items being “digitalised”, connectivity became an essential requirement to operate those apparatus and items, therefore a “must-have” feature in a livable township.



# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC REVIEW (CONT'D)

### *Our History and Corporate Strategies (cont'd)*

#### (ii) Our Teladan Strategy 1 – Sustainable Townships and Communities (cont'd)

##### Digital connectivity (cont'd)

Rather than taken the backseat approach to await for the last mile fibre connectivity to our new G&G township, we have taken the proactive approach. In 2022, we collaborated with Maxis Berhad (“Maxis”) to provide fibre connectivity to more than 2,100 residents within Taman Bertam Heights. We are thrilled to be working with Maxis to deliver excellent home internet experience. With high-speed fibre connectivity, our residents will enjoy faster internet speeds and a range of digital services that will improve their daily community lives.

#### (iii) Our Teladan Strategy 2 – Refresh our Brand for a new beginning

We have celebrated our 25 years of history journey of in year 2022. To mark our 25th anniversary in 2022, we initiated a rebranding campaign and unveiled a new logo. The new logo features an accented “E” which represents our group’s core values of excellence, enrichment, and empowerment. Our goal is to create a fresh and modern image that resonates with younger generations, both within our organisation as we plan for succession and externally as we expand our market share among younger demographics.

#### (iv) Our Teladan Strategy 3 - Market expansion

As part of our risk mitigation strategy to address the single market risk, we have strategise for market expansion.

We are planning to launch our maiden development outside of Melaka in FYE 2023. Located in Seri Kembangan, Selangor, the high-rise serviced apartment project is in close proximity to a train station and a shopping mall. The development is slated to have a GDV of RM574.5 million. This project, alongside others that were launched in FYE 2022, will contribute positively to our top and bottom lines in the next 3 years.

Having said that, Melaka will always remain as our mainstay market. Over the years, we have developed a strong network and reputation in the State, and we want to continue serving the market.

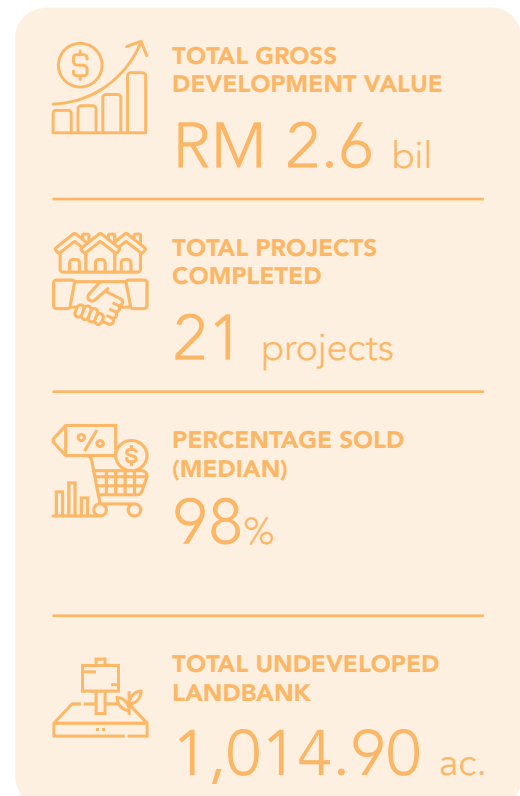
#### (v) Our Teladan Strategy 4 – Landbanking

This Strategy is essential support our Teladan Strategy 3.

To date, the Group has focused all its development efforts in Melaka, particularly in the central region. Given the State’s low residential property overhang rate, we remain optimistic about its prospects and have actively acquired land to expand our presence there.



**Figure 5** Signing ceremony between Maxis and Teladan Setia on 2022 to provide fibre connectivity to more than 2,100 residents within Taman Bertam Heights.



# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC REVIEW (CONT'D)

### *Our History and Corporate Strategies (cont'd)*

#### (v) Our Teladan Strategy 4 – Landbanking (cont'd)

In May 2022, we successfully completed the acquisition of five leasehold parcels of land measuring a total of 338.3 acres in Ayer Panas, Jasin, Melaka for RM117.9 million. These strategically located lands sit between the Tiara Melaka Golf & Country Club and the Orna Golf and Country Club, immediately beyond the north-eastern boundary of Central Melaka. We plan to develop gated and guarded townships on these lands.

In January 2023, Teladan Setia announced its plan to acquire a 7.54-acre leasehold land in the Central Melaka District for RM48.5 million. The land is earmarked for the development of a health and wellness centre and residential service apartments, as part of our strategy to diversify our developments and serve various market environments and demands. The land is strategically located in the heart of Melaka Town, opposite Mahkota Medical Centre and within walking distance of popular tourist spots such as Jonker Street.

In March 2023, we announced the proposed acquisition for a 17.3 acres land in Seremban, Negeri Sembilan for RM24.1 million. Although still in the preliminary stages of planning, we intend to utilize the land for mixed development purposes.

At present, the Group holds a total of 1,014.9 acres of undeveloped landbank, of which only 4.9 acres is located in Seri Kembangan, Selangor and 17.3 acres in Seremban, Negeri Sembilan, while the remaining land is in Melaka.

Location	Size (acres)	Estimated GDV
Melaka Tengah	102.2	RM213.0 mil.
Alor Gajah	32.4	RM363.1 mil.
Jasin	858.10	RM2,124.6 mil.
<b>Total Melaka Landbank</b>	<b>992.70</b>	<b>RM2,700.7 mil.</b>
Seri Kembangan	4.9	RM574.5 mil.
<b>Selangor Landbank</b>	<b>4.9</b>	<b>RM574.5 mil.</b>
Seremban	17.3	n.a.
<b>Negeri Sembilan Landbank</b>	<b>17.3</b>	<b>n.a.</b>
<b>Total Landbank</b>	<b>1,014.90</b>	<b>RM3,275.2 mil.</b>

Table 3: Undeveloped Landbank

## FINANCIAL PERFORMANCE REVIEW

### *Revenue at a Glance*

**REVENUE FY2022**  

**RM253.1 mil**  
 FYE2021 RM196.9 mil

**GROSS PROFIT FY2022**  

**RM67.9 mil**  
 FYE2021 RM61.8 mil

**PROFIT BEFORE TAX  
FY2022**  

**RM48.1 mil**  
 FYE2021 RM 44.3 mil

**NET PROFIT FY2022**  

**RM35.3 mil**  
 FYE2021 RM 32.7 mil



Figure 6 Double storey house in Taman Bertam Heights, Melaka

# MANAGEMENT DISCUSSION & ANALYSIS

## FINANCIAL PERFORMANCE REVIEW (CONT'D)

### Income Statement

The Group achieved commendable growth in FYE 2022, with top-line revenue increasing by 28.6% to reach RM253.1 million, up from RM196.9million in FYE 2021. This growth was fuelled by the recovery of economic activities and a rebound in property demand. Our FYE 2022 revenue was mainly contributed by the now completed developments of Taman Desa Bertam Phase 2 and Bali Residences and ongoing projects, namely Taman Bertam Heights Phase 1B, Taman Desa Bertam Phases 3B1 and 3B2, as well as Taman Impiana Kesang Phase 1A.

We registered a gross profit (“GP”) of RM67.9 million in FYE 2022, 9.9% higher than RM61.8 million that was recorded in FYE 2021.

However, GP margin was lower at 26.8% in FYE 2022 when compared to 31.4% in FYE 2021. The increase in building material costs and manpower shortages were attributable to the decline in margin.

We ended the year with sustained improvement in profit before tax (“PBT”) of RM48.1 mil, a 8.7% increase from the previous year’s RM44.3 million.

In tandem with the increase in PBT, net profit also improved by 7.8% to RM35.3 million in FYE 2022 from RM32.7 million in the previous year.

### Balance Sheet Strength

In FYE 2022, Teladan Setia saw growth in total assets to RM865.3 million, a 16.0% increase from RM746.0 million in FYE 2021. The increase can be attributed to higher cash and cash equivalents of RM132.7 million, as compared to RM83.5 million in the previous year.

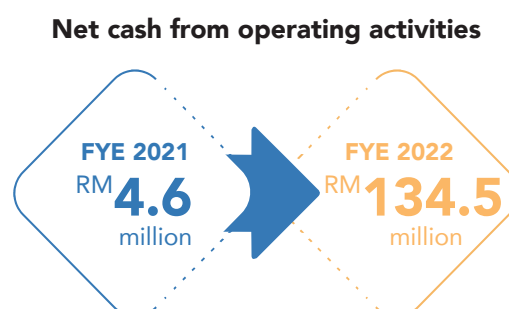
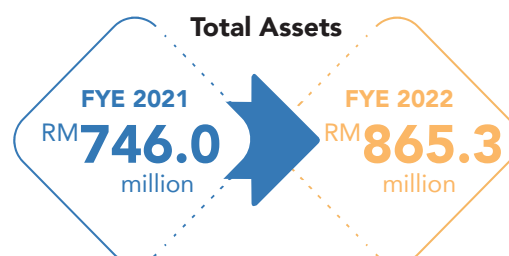
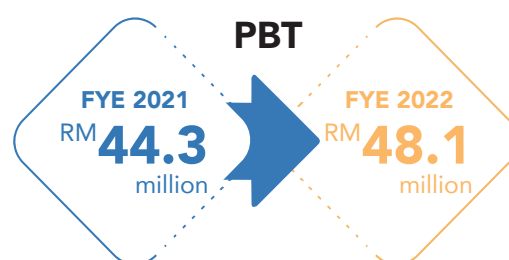
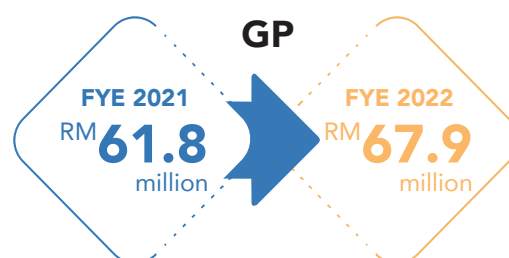
Total liabilities increased to RM369.8 million in FYE 2022 from RM276.5 million in FYE 2021, mainly due to rise in borrowing activities to acquire more lands to expand our landbank. As a result, total borrowings also increased from RM232.9 million in the previous year to RM302.7 million in FYE 2022. Nevertheless, our financial health remained sound as net gearing was 0.3 and 0.4 times in the respective financial years.

### Strong Cash Flow

Throughout the year, the Group was able to generate a substantial increase in net cash from operating activities, reaching RM134.5 million. This marks a significant improvement from the RM4.6 million generated during FYE 2021.

### Dividend Payout

The availability of free cash flow enables the Company to reward its shareholders accordingly.



# MANAGEMENT DISCUSSION & ANALYSIS

## FINANCIAL PERFORMANCE REVIEW (CONT'D)

### Dividend Payout (cont'd)

During the financial year, the Group declared dividends of 0.7 sen/share and 0.6 sen/share on 21 March 2022 and 17 August 2022, respectively, resulting in a total dividend distribution of RM10.5 million. This payout represents 29.8% of the Group's net profit, well exceeded our Dividend Policy of paying at least 20% of our annual audited consolidated Profit After Taxation attributable to our shareholders, as stated in our Prospectus dated 23 February 2021.

## OPERATIONAL REVIEW

### Development Status

In FYE 2022, the Group was busy with a total of 7 development projects. This included 4 projects that were carried forward from previous years, as well as 3 new projects with a total gross development value ("**GDV**") of RM282.1 million.

Our Group experienced a positive response to these new projects, with an encouraging take-up rate that reflects a rebound in consumer sentiment following the challenges posed by the pandemic. As a result, we achieved a substantial increase in property sales, generating RM276.7 million in FY2022, which represents a remarkable year-on-year ("**YoY**") growth of 70.1% compared to RM162.7 million in the previous year.

During the year, we successfully completed 2 projects, namely Bali Residences, which features high-rise serviced apartments with resort-like amenities, and Taman Desa Bertam Phase 2. These projects had a cumulative GDV of RM439.7 million.

By the end of 2022, the total projects under development stood at RM456.4 million, and our unbilled sales amounted to RM250.1 million.

Developments	Launched	Gross Development Value	Construction Completion Rate
<b>Completed in FYE 2022</b>			
Bali Residences	FYE 2019	RM298.6 million	100.0%
Taman Desa Bertam Phase 2	FYE 2020	RM141.1 million	100.0%
		<b>RM439.7 million</b>	
<b>On-going as at end 2022</b>			
Taman Desa Bertam Phase 3A	FYE 2021	RM132.9 million	83.6%
Taman Desa Bertam Phase 3B2	FYE 2021	RM41.5 million	39.8%
Taman Desa Bertam Phase 3B1	FYE 2022	RM78.5 million	38.8%
Taman Bertam Heights Phase 1B	FYE 2022	RM146.8 million	15.5%
Taman Impiana Kesang Phase 1A	FYE 2022	RM56.7 million	8.0%
		<b>RM456.4 million</b>	

*Table 4: Completed and Ongoing Projects.*

*Note: Status as at 31 December 2022.*

# MANAGEMENT DISCUSSION & ANALYSIS

## OPERATIONAL REVIEW (CONT'D)

### *Market Outlook and Prospects*

The transition from pandemic to endemic has gradually spur the development activities in Malaysia. We hold a positive view on the Malaysian Government's initiatives to enhance accessibility to home ownership through the 2.0% reduction in personal tax rate for the M40 group. Those who earn between RM35,000 to RM100,000 annually are anticipated to have their monthly disposable income raised through the minimisation of tax-related deductions. It enables the Rakyat to invest their disposable income in value-accretive assets such as properties.

Further, the loan guarantee scheme initiated by the Government of Malaysia for the guarantee of loans worth up to RM5.0 billion by SJKP would assist with the purchase of properties in Malaysia. This measure is expected to aid 20,000 borrowers who do not have a fixed income, including gig and freelance workers, independent business owners and small traders.

## FORWARD LOOKING STATEMENT

Leveraging on Teladan Setia's sufficient landbank inventory, strategic rollouts of property development, and prudent management, the Group is optimistic about maintaining a healthy financial performance in FYE 2023. Our team remains vigilant and nimble, adjusting our strategies as necessary to navigate the current economic climate.

## NOTE OF APPRECIATION

On behalf of the Management, I would like to express my gratitude to our stakeholders, our Board of Directors, employees, vendors, service providers, regulators, and not forgetting, the purchasers of our properties and subscribers to our UNSDG 11 smart G&G township concept.

### **TEO LAY BAN**

**Managing Director**



**Figure 7** Backlane garden at Taman Bertam Heights, Melaka

# SUSTAINABILITY REPORT



## BOARD STATEMENT & ASSURANCE

Dear Shareholders,

**The Board is pleased to present Teladan Setia Group Berhad (“Teladan”)’s 2022 Sustainability Report. The Group is pleased to share the significant progress that we have made and will continue to make in integrating sustainability into every facet of our organisation and operations. The Group’s goal is to create lasting value for all stakeholders and to remain focused on our vision of HHH – Home Harmony Healthy, which stands for ‘from House to Home, from the Home we care about your Harmony & Health.’ We take a comprehensive approach to sustainability throughout our projects, from initial planning to design, construction, and beyond, and we are committed to pushing the boundaries of innovation while maintaining our high standards of excellence.**

After battling the pandemic for two (2) years, countries are now shifting towards endemicity as vaccination rates increase. In April 2022, Malaysia began its own transition phase, with restrictions lifted and economic activities resuming. Despite this, the Group remains vigilant in adhering to all Covid-19 Standard Operating Procedures (SOPs) to ensure compliance. With the high vaccination rates and eased containment measures, the Group’s operations have remained stable, enabling business activities to continue as usual. The Group is ready to face any challenges that may arise with agility and resilience.

The Group is committed to integrating sustainability and business continuity plans into our operations. This statement explains how we identify and manage economic, environmental, social, and governance (EESG) issues that are important to us and our stakeholders.

The Board plays a critical role in selecting and reviewing EESG factors that are material to the Group and oversees management and performance relating to these factors. At the same time, we recognize the importance of striking a balance between our sustainability efforts and our economic goals, which are critical to building a strong foundation for our business and upholding our ESG principles.

# SUSTAINABILITY REPORT

## INDEPENDENT ASSURANCE

The ESG performance data presented in this report have been primarily sourced from the Group's internal information systems and original records to ensure their accuracy. The Group did not seek external assurance for this sustainability report but instead relied on sustainability Management Team's verification to ensure the accuracy of the data.

## SCOPE AND BOUNDARY

Teladan's corporate Main Office is located at Batu Berendam, Melaka, Malaysia, with operations in Selangor and Melaka.

### Main Office

**TELADAN**

No. 8 & 10, Tingkat Bawah, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, Batu Berendam, 75350 Melaka.

## ON-GOING PROJECTS



**Figure 8** Taman Desa Bertam (Phase 3)



**Figure 9** Taman Bertam Heights (Phase 1B)



**Figure 10** Taman Impiana Kesang

## SUSTAINABILITY INITIATIVES

Teladan is committed to addressing climate change concerns by reducing both embodied and operational carbon emissions. According to the Malaysian government, the nation is aiming to attain zero emissions by 2050 with the assistance of global initiatives such as United Nations Climate Change Conference (“**COP26**”) and the Twelfth Malaysia Plan (“**RMK-12**”). To track our progress, we have adopted the Task Force on Climate-related Financial Disclosures (“**TCFD**”) guidelines for reporting and established both short term and long term greenhouse gas (**GHG**) emission reduction targets for our operation. As part of our ongoing efforts to raise environmental awareness, we collaborated with two (2) schools, SJKC Pay Yap and Pay Fong Middle School, to organise a tree planting event. This initiative involved planting a total of 157 plants in both schools' nurseries, aiming to cultivate a greener and more sustainable environment for future generations.



**Figure 11-13** Teladan staffs planting trees in the school

# SUSTAINABILITY REPORT

## SUSTAINABILITY INITIATIVES (CONT'D)

To promote and oversee sustainability matters, we have formed a dedicated committee comprising five (5) members. This committee sets a high standard for sustainability practices and continuously strengthens our efforts to embed sustainability into our management and daily operations. As a result, the Board is more confident that we are effectively integrating broader considerations regarding corporate governance and social responsibility into our decision-making processes as part of our overall Sustainability Governance.

At Teladan, our success is built on the foundation of our team. The Group acknowledge our duty to prioritise the safety, health, and overall well-being of our staff while fostering their professional growth. As part of our dedication to safety, we have set a yearly objective of zero work-related fatalities. In FYE 2022, we accomplished this goal with zero fatalities at work. To ensure the safety of our workforce on construction sites, we enforce the use of appropriate personal protective equipment (PPE) and provide it to both employees and contractors.

In FY2022, the Group reinforced our commitment to cultivating an inclusive workplace by enhancing our Equality, Diversity, and Inclusion Policy. We firmly believe that investing in our team is crucial to our ongoing success and strive to create a positive work environment that fosters productivity, engagement, and fulfillment. To this end, we have implemented various programs to provide learning and development opportunities for our staff, resulting in a total of 1,300 training hours for employees and directors.

The Group has been actively engaging Sox Nox Asia Sdn. Bhd. since 2017 to conduct periodic Odour Diary assessments using the Nasal Ranger Sdn. Bhd. Field Olfactometer at our ongoing developments and surrounding communities in Melaka. The Group has allocated a total of RM158,106.65 for this effort and has been beneficial for both our consumers and the local communities, helping to mitigate and reduce residual odours from nearby sources. Additionally, this year, the Group also actively participates in other CSR initiatives, such as contributing to old folks' homes, orphanages, and homes for the handicapped. As part of our commitment to CSR, the Group donated RM256,452.85 to support various charitable programmes and sponsorships.

We strive to integrate sustainability and business continuity into our operations. This report details how we identify and manage economic, environmental, social, and governance (EESG) issues that are important to our stakeholders and us. We will continue to report on our sustainability journey as we continue to create sustainable value for our stakeholders in the coming years.

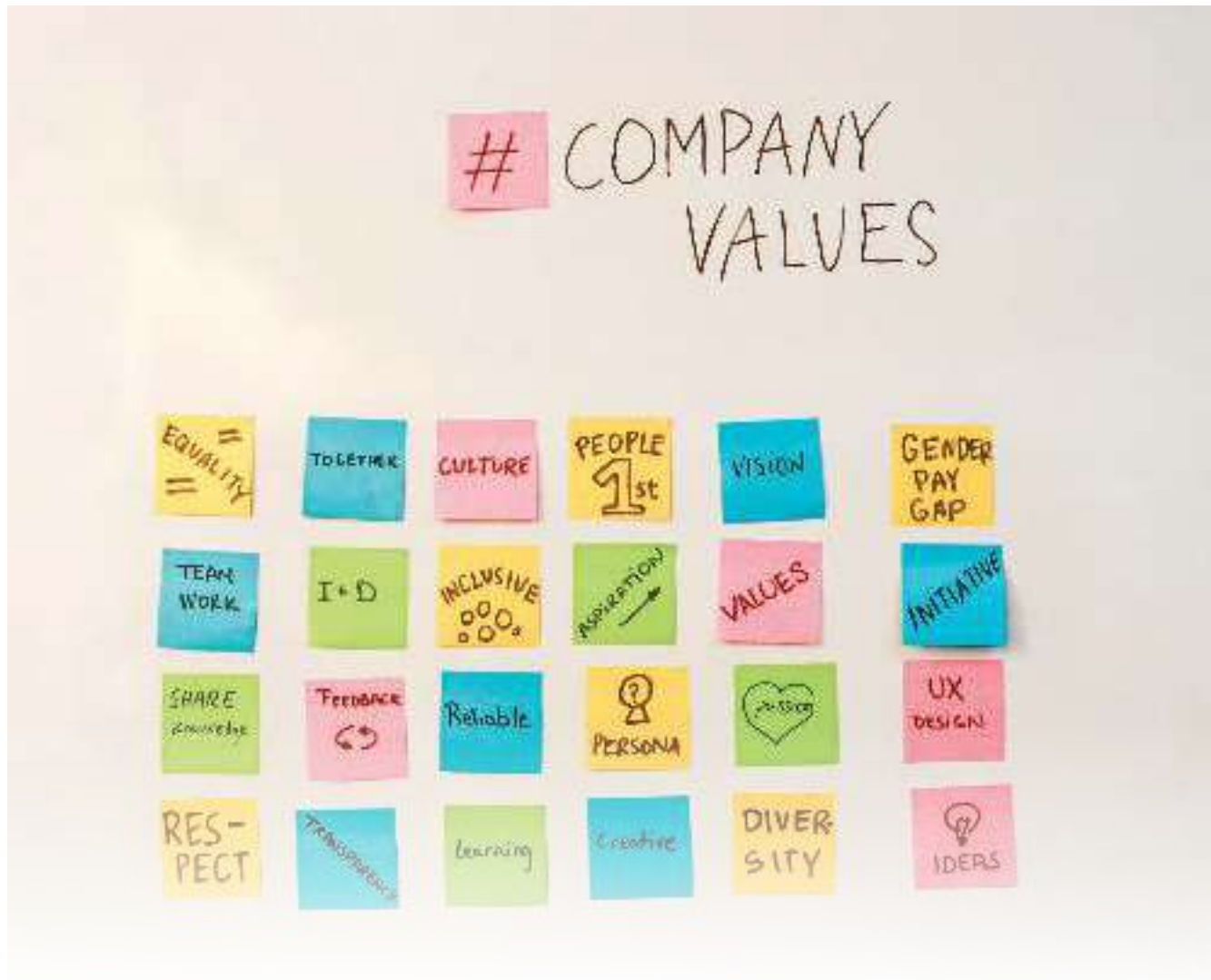


Figure 14 Concept of teamwork





# SUSTAINABILITY REPORT



## ABOUT THIS REPORT

Teladan is believe in striving for excellence and quality, in enriching lives and empowering communities, and the significance of sustenance for a brighter future moving forward. This Statement demonstrates the best practices, effort and initiatives that the Group had undertaken to address our organisation's impacts on the local economy, society, environment and governance.

## PERIOD AND REPORTING SCOPE

The reporting period aligns with our financial year from 1st January 2022 to 31st December 2022 and focuses on the activities of our operations and on-going as well as future projects which contributed 100% of the Group's revenue in the financial year ended 31 December 2022 ("FYE 2022").

## REPORTING FRAMEWORK

The Group prepared Sustainability Report in accordance with the Bursa Malaysia Securities Berhad's Sustainability Reporting Guide 3rd Edition. The format adopted is in line with the internationally recognised Integrated Reporting (IR). The Group also decided to adopt the TCFD recommendations and Sustainable Development Goals (SDGs) as part of the report as well.

# SUSTAINABILITY REPORT

## DEFINING OUR SUSTAINABILITY STRATEGY

Teladan places strong emphasis on “House to Home, Home to Harmony & Healthy” and strives to deliver top-quality and innovative residences, services, and content through sustainable business practices. As such, we continuously seek opportunities to incorporate sustainability into our Group’s long-term growth and development goals.

To address the fast-changing environmental and business landscape, Teladan decided to embrace the framework by the International Integrated Reporting Council (“IIRC”) to make business sense of sustainability performance via the Six Capitals model in the year 2022. This model has reinforced our sustainability strategy, policies, and practices

and is aligned to global best standards including the UN SDGs.

The Group has formulated a comprehensive sustainability policy that sets the course for our sustainability strategy. The Board has given approval for the Sustainability Policy, which provides guidance on how we fulfill our ESG commitments as a Group. As part of our efforts to stay up-to-date with sustainability-related regulations and trends, the policy undergoes periodic review and is revised when deemed necessary.

The six (6) capital model are defined as per below:

### Financial Capital

Funds available to firm from operations and financing

### Financial Highlight

Resources to support the Group’s operation and implement other Capitals

### Intellectual Capital

Trade Mark, Patent  
R&D, innovation, human resources and external relationships, which can determine the organisation’s competitive advantage.

### Marketplace

Implementing sustainability through Home, Harmony, Healthy

### Governance Capital

Governance, Internal control system and procedures

### Governance

Board engagement on strategy, internal control to enhance the sustainability initiative

### Natural Capital

Renewable and non-renewable natural elements, and the eco-system, used as inputs by the firm now or in the past or future, and impact of firm on them

### Environment

Improving our environment by utilising greener alternatives.

### Social Capital

Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate

### Community

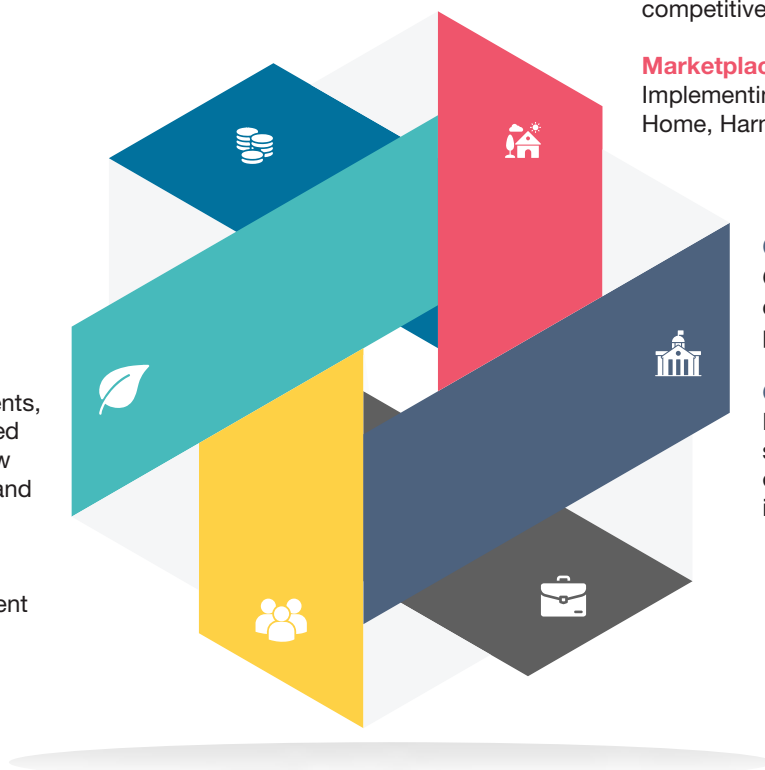
Contributing to local community development

### Human Capital

Skills, motivation, alignment with organisational goals

### Workplace

Creating a safe and supportive working environment, training and self-development



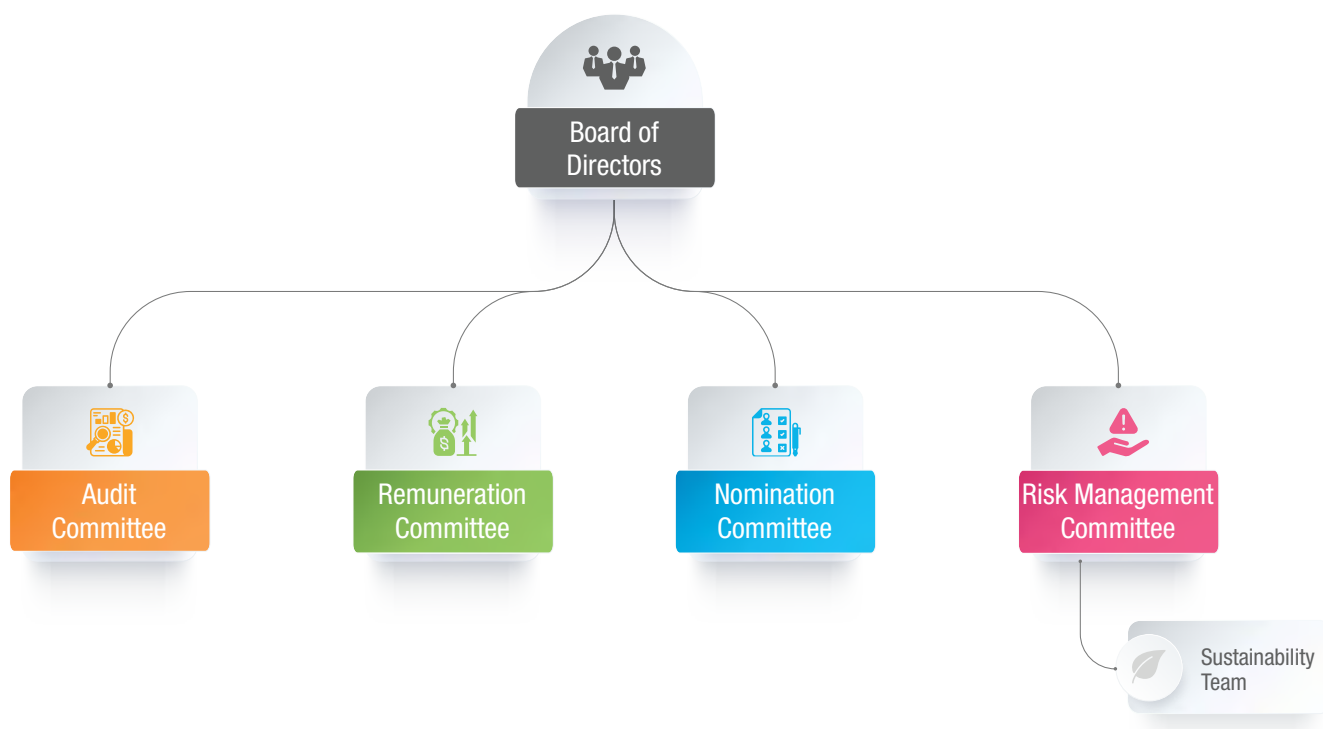
# SUSTAINABILITY REPORT

## SUSTAINABILITY GOVERNANCE

Teladan views sustainability as an important aspect in our Group. The Group has established a systematic and comprehensive governance structure to ensure successful attainment of all our sustainability targets and goal.

Sustainability is an inherent element of our organizational strategy and is spearheaded by top-level management. The Board of Directors is instrumental in promoting sustainability throughout the organisation, and they receive support from the Executive Management team in this endeavour. Their duties involve supervising the implementation of our sustainability strategy and ensuring that significant objectives are attained.

The Board recognises the crucial role of risk management and internal control in our Group's corporate governance. Therefore, the Board takes responsibility for creating a robust risk management framework and internal control system, ensuring they are appropriate and efficient. To evaluate the adequacy and effectiveness of the risk management framework and internal control system, the Board has delegated the task to the Risk Management Committee. Additionally, the Audit Committee, Nomination Committee, and Remuneration Committee assist in tracking the performance of the Group.



A dedicated Management-level Sustainability Management Team (“SMT”), headed by the Executive Director, has been formed to assist the Board on the following sustainability duties:-

- Stakeholders’ engagement
- Materiality assessment & identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities, and targets as well as performance against targets to internal and external stakeholders

The composition of SMT is as follows:-








Name	Membership	Office Designation
Mr. Sia Ah Piew	Team Lead	Executive Director
Ms. Ng Mih Fern	Member	Financial Controller
Ms. Goh Fong Kim	Member	Accounts Manager
Ms. Tong Siok Meng	Member	Head of Marketing
Ms. Wu Yen Loo	Member	Human Resource Executive
Ms. Loh Wan Xin	Member	Finance Executive

# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT TABLE

As part of our commitment to build sustainable business, we strive to build good relationships with our stakeholders as they offer valuable insights into the business, allowing us to identify areas and opportunities for improvement. Therefore, it is important for us to engage them on a regular basis in order to gather their feedback and address any concerns they may have.

We have identified our key stakeholder groups and seek to engage them through various methods and channels, which are summarised in the table below:

Stakeholder	Interest/Expectation	Engagement methods (Frequency)
 Shareholders and Investors	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate governance</li> <li>Corporate developments</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings (Annually)</li> <li>Annual reports (Annually)</li> <li>Quarterly interim financial reports (Quarterly)</li> <li>Corporate website</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Best practices in product pricing</li> <li>Quality products</li> <li>Customer service and experience</li> <li>Property design features</li> <li>Defect rectification</li> </ul>	<ul style="list-style-type: none"> <li>Roadshows and show room demo</li> <li>Social media and company (On-going)</li> <li>Advertisements and marketing promotions</li> <li>Conduct Customer Satisfaction Survey</li> <li>Marketing events and workshops at sales galleries</li> <li>Handing over briefing to consumers</li> </ul>
 Investors	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Risk management</li> <li>Growth trajectory</li> <li>Sustainability performance and tracking</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Establish internal policies such as ABC policy, whistleblowing policy (annually)</li> <li>Report relevant ESG aspects of performance</li> </ul>
 Local Communities and public	<ul style="list-style-type: none"> <li>Reaching out to communities</li> <li>Transparent and quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>Donations (Ad hoc)</li> <li>Corporate Social Responsibility programmes (Annually)</li> <li>Sustainability and related awareness</li> </ul>
 Regulatory and Statutory Agencies	<ul style="list-style-type: none"> <li>Compliance</li> <li>Fair labour practices</li> <li>Policy matters concerning public, health and safety</li> <li>Environmental management and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Site Inspection by local authority (Annually)</li> <li>Annual report (Annually)</li> <li>General meeting between management and regulators (Ad hoc when required)</li> <li>Direct meetings (Ad hoc)</li> </ul>
 Suppliers / Contractors / Vendor	<ul style="list-style-type: none"> <li>Transparent procurement practices</li> <li>Payment schedule</li> <li>Pricing of services</li> <li>Timely delivery of products</li> <li>Anti-Bribery</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation and performance (Annual supplier review)</li> <li>Contract negotiation (Ad hoc, when applicable)</li> <li>Vendor registration (Ad hoc, upon vendors' appointment)</li> <li>Anti-Bribery commitment</li> <li>Meeting to enable both parties to obtain each other's feedback (Ad hoc)</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Workplace health and safety</li> <li>Work-life balance</li> <li>Career development</li> <li>Training</li> <li>Value diversity and equal opportunity</li> <li>Remuneration and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Training programmes (Ongoing)</li> <li>Employee appraisal for mutual feedback (Annually)</li> <li>Employee appreciation awards (Annually)</li> <li>Sales Staff Performance Report (Annually)</li> <li>Whistleblowing policy</li> <li>Comprehensive benefits and competitive remuneration packages</li> </ul>

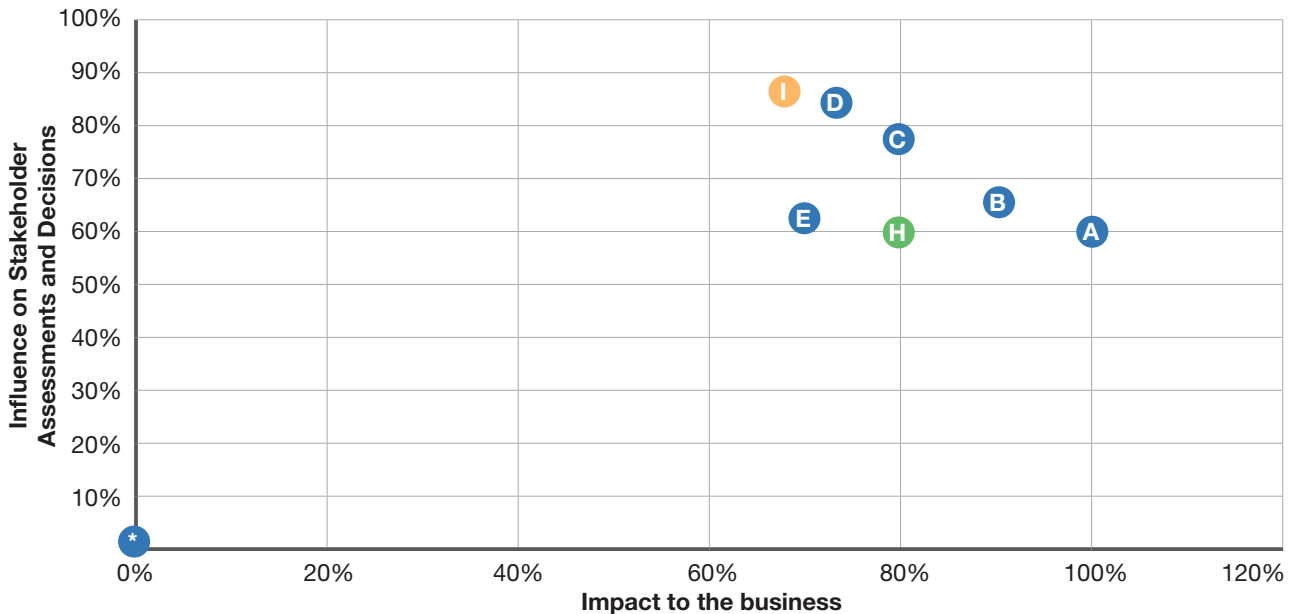
# SUSTAINABILITY REPORT

## MATERIALITY MATRIX

We conducted materiality assessment to identify sustainability topic that were of significant relevance to our business and stakeholders. While conducting the review, we examined trends and developments within the industry as well as global and local sustainability issues.

We also undertook an internal reassessment of the material matters to more closely align our perspectives with that of our external stakeholders. Based on the outcome of the reassessment, Customer Experience, Brand Reputation and Data Privacy, Economic Performance, Corporate Governance and Transparency, Occupational Health and Safety and Talent Management continued to be ranked as the top seven material sustainability matters for FYE 2022.

**Materiality Matrix**



Social Capital	Relevant Stakeholders
<b>A</b> Customer Experience	Investors and Customers
<b>B</b> Brand Reputation	Investors/Suppliers / Vendors / Contractors and Customers
<b>C</b> Data Privacy	Employees
<b>D</b> Corporate Governance & Transparency	Regulatory Agencies and Local Communities
<b>E</b> Talent Management	Employees and Regulatory Agencies Regulatory Agencies and Local Communities
<b>F</b> Community Development	Investors and Customers
<b>G</b> Social Contribution	Investors

Human Capital	Relevant Stakeholders
<b>D</b> Corporate Governance & Transparency	Regulatory Agencies and Local Communities
<b>H</b> Occupational Health and Safety	Regulatory Agencies and Local Communities

Financial Capital	Relevant Stakeholders
<b>I</b> Economic Performance	Investors and Customers

# SUSTAINABILITY REPORT

## FINANCIAL HIGHLIGHT

Resources to sustain the Group's operations and implement other capital

In FYE 2022, the Group generated a revenue of RM 253.15 million, which is a 28.56% increase from the previous year's corresponding period (FYE 2021: RM 196.91 million). This revenue growth can be attributed to the recovery of the market and economy, as well as increased sales from ongoing and newly launched projects. The Group launched properties with a total Gross Development Value (GDV) of RM 282.1 million, which contributed significantly to the stronger performance of the Group. Despite positive consumer sentiments, the demand for properties nationwide may be affected by inflationary pressures, the current upcycles in interest rates, and supply chain constraints. The Group is committed to proactively identifying and addressing evolving market demands by providing a diverse array of products that cater to different lifestyle requirements and financial capacities. Nonetheless, the Group remains proactive in managing these expected challenges by strategising their property rollouts.

## ENVIRONMENT

Improving our environment by utilising greener alternatives.

### Energy Efficiency & CO2 Emission

As climate change has been elevated as a significant environmental, social, and governance (ESG) issue that must be addressed by Teladan Group, monitoring, and managing emissions have become imperative. Teladan's business operations have the potential to generate high levels of greenhouse gas (GHG) emissions, primarily derived from energy consumption resulting from the direct combustion of fossil fuels, such as diesel, petrol, and liquefied petroleum gas (Scope 1), and purchased electricity (Scope 2). This is normal as construction and property development, are generally energy intensive entities.

Scope 1 emissions refer to the direct GHG emissions caused by the Group's vehicle fuel consumption. In FYE 2022, Teladan recorded total emissions of approximately 101.79 tonnes of CO<sub>2</sub>e from fuel consumption (Scope 1), which increased compared to the previous year due to the greater mobility of our operations as COVID-19 restrictions were largely eased in 2022.

In addition, Teladan began collecting electricity data from its construction sites, sales galleries, and offices in the Northern and Southern regions in FYE 2022. The corresponding Scope 2 emissions contributed from purchased electricity were 288 tCO<sub>2</sub>e.

The rise in consumption can be attributed to Malaysia's transition from the pandemic phase to endemicity, where restrictions were lifted, and economic activities resumed. Additionally, our employees returned to the office to work, resulting in increased energy usage. We recognise the importance of reducing our energy consumption and are exploring ways to increase energy efficiency while maintaining our business operations. In the coming year, we plan to invest in more sustainable energy solutions to reduce our environmental impact and lower our energy costs.

### SCOPE 1 GHG EMISSIONS



ENERGY CONSUMPTION (PETROL & DIESEL)

31,511.81L

FY2021 20,033.45 Litre



GHG EMISSIONS

101.79 tCO<sub>2</sub>e

### SCOPE 2 GHG EMISSIONS



ENERGY CONSUMPTION (ELECTRICITY)

602,932 kWh

FY2021 583,493 kWh



GHG EMISSIONS

288 tCO<sub>2</sub>e

# SUSTAINABILITY REPORT

## ENVIRONMENT (CONT'D)

Improving our environment by utilising greener alternatives. (cont'd)

### Water

Malaysia is fortunate to have abundant water resources, and our Group's projects are not situated in water-stressed areas. However, water supply disruptions and pollution remain major concerns in Malaysia, with water cuts becoming increasingly frequent. The situation is further exacerbated by excessive water consumption and unregulated construction site runoff, which can negatively impact the environment and communities. To address these challenges, we are committed to implementing efficient water management measures at our project sites. Our goal is to ensure a consistent water supply while minimising our water footprint, contributing to the sustainable management of this critical resource.

In FYE 2022, our total water consumption amounted to 77,747m<sup>3</sup>, resulting in 45,870.73 kgCO<sub>2</sub>e of emissions. In Teladan, we recognise the importance of water conservation and are committed to reducing our total water consumption. Despite our relatively low water usage, we understand that every effort to conserve this precious resource is critical. Therefore, we have implemented various strategies to promote water saving within our organisation, including the adoption of water-efficient technologies and processes, as well as raising awareness among employees about the importance of water conservation. By reducing our water consumption, we hope to contribute to the preservation of water resources and the protection of local ecosystems and communities.

### Effluent and Waste

The property development industry generates millions of tonnes of construction waste annually, contributing to global construction waste that is projected to exceed 3.4 billion metric tonnes by 2050 if the current rate of consumption of construction materials continues. This trend negatively impacts natural ecosystems, depletes resources, and causes soil degradation and compromised water quality due to uncontrolled landfill runoff. As a Group that prioritises environmental sustainability, we recognise our responsibility to reduce waste output and prolong the lifespan of the materials we use. Therefore, we have adopted a hierarchy-based waste management framework as the foundation of our circular economy activities.

Our first priority is to reduce the amount of materials used in our operations, aiming to minimise waste. Secondly, we adopt the 6R approach, which entails reusing, reducing, repairing, refusing, recycling, and reimagining in line with the principles of the circular economy. Finally, we prioritise enhancing our employees' awareness of the importance of sustainable waste management.

In FYE 2022, we generated a total of 793,385kg of waste. To comply with the Department of Environment's (DOE) Environmental Quality (Scheduled Wastes) regulation 2005, we adhere to record-keeping and monitoring practices, ensuring proper storage and disposal by licensed contractors at designated landfills.

We strongly advocate for reducing, reusing, and recycling, particularly in our office and sales gallery spaces, to promote efficient waste management practices. By effectively and responsibly managing our scheduled waste, we strive to minimise our operations' impact on the environment while contributing to the preservation of natural resources and the protection of human health. Our commitment to sustainable waste management reflects our dedication to corporate responsibility and environmental stewardship.



WATER CONSUMPTION

77,747m<sup>3</sup>



GHG EMISSIONS

45,870.73 kgCO<sub>2</sub>e



WASTE GENERATED

793,385kg

# SUSTAINABILITY REPORT

## ENVIRONMENT (CONT'D)

Improving our environment by utilising greener alternatives. (cont'd)

### Environmental management & Pollution Prevention

At Teladan, we take our responsibility to prevent and reduce pollution seriously. We recognise that our construction activities have the potential to impact air, water, noise, and ground quality. As such, we have implemented stringent monitoring procedures to ensure compliance with environmental regulations at all our project sites.

Our monitoring activities include evaluating our impacts on water quality, air quality, noise, and vibration. To control dust emissions and air pollution, we ensure watering construction access points and vehicles' tires both in and out of our sites. Additionally, we incorporate noise dampening control measures during construction to minimise disturbance to neighbouring communities.

We also prioritise protecting water habitats and preventing pollution of water catchment areas. To that end, we monitor effluent, surface runoffs, silt, and other discharges into water bodies. We also conduct regular checks on our machinery for oil leaks and place drip plates below them to prevent spills to the ground.

By taking proactive steps to prevent and reduce pollution, we are committed to safeguarding the environment and promoting sustainable construction practices.

## INTELLECTUAL

Empowering Quality in Every Part of Life

**Our Group's philosophy is rooted in a commitment to fostering sustainable eco-living and generating positive economic, social, and environmental impacts. We strive to achieve our vision of "From House to Home, From Home to Healthy" by leveraging our Teladan DNA, which prioritises excellence and integrity, to deliver high-quality products and services to our customers and the wider community.**

### Supply Chain Management

At Teladan, we recognise that a reliable and sustainable supply chain is essential to support our business operations, which rely on a network of upstream and downstream suppliers and vendors. Despite the various social and governance risks that come with engaging with suppliers and vendors, we remain committed to sound governance by embedding sustainability considerations throughout our supply chain.



**Figure 15** Sound barrier is used as part of the noise dampening control to minimise disturbance to neighbouring communities.



**Figure 16** Construction materials, machinery and labors from various sources are used in the construction of The Atlantis condominium



# SUSTAINABILITY REPORT

## INTELLECTUAL (CONT'D)

Empowering Quality in Every Part of Life (cont'd)

### Supply Chain Management (cont'd)

To achieve our goal of ensuring high quality standards in our supply chain, Teladan conducts annual reviews of our critical suppliers. The reviews are based on factors such as monetary value, volume, unique deliverables, and impact on Teladan. It is mandatory for all our suppliers to comply with relevant laws, regulations, and standards at the federal, state, and municipal levels, as well as industry standards and limits for environmental and social impacts, including Health, Safety, and Environment (HSE) aspects. We expect our suppliers to commit to environmental protection by preventing pollution such as noise and waste. To carry out these assessments effectively, we have developed a business associate due-diligence checklist for contractors to fill out during the tendering process. Through this process, we strive to ensure that our suppliers maintain high standards of quality and sustainability, thereby reducing risks, enhancing our reputation, and contributing to the achievement of our long-term business goals.

We also ensure that they have a good track record, such as requiring our main contractors to have CIDB certification. We prioritise local suppliers and conduct our procurement procedures in an ethical and transparent manner. By supporting local suppliers, we not only contribute to the development of the local economy but also reduce our carbon footprint as transport needs are greatly reduced.

Through local procurement, Teladan stands to benefit from several factors, such as:



Figure 17 Main contractors now requires CIDB certification in order to carry out construction services with Teladan.

# SUSTAINABILITY REPORT

## INTELLECTUAL (CONT'D)

Empowering Quality in Every Part of Life (cont'd)

### Green Construction in Future

We are committed to providing sustainable and environmentally friendly services in our future projects. One way we plan to do this is by promoting the use of chargeable stations in our future projects. For our condo projects, we will provide at least one (1) chargeable station, and for corporate offices, we will provide six (6) bays for EV parking with three (3) units of EV chargers. This initiative will help mitigate the carbon footprint and encourage the use of electric vehicles.

In addition to the chargeable stations, we will also offer solar panels as an option for our customers in our high-end projects. This will provide our customers with an opportunity to reduce their carbon footprint and generate renewable energy for their homes or offices.

As we contribute to developing sustainable cities, we continuously keep ourselves up to date with the latest market innovations and solutions. To that end, we are actively seeking Green Certification for our future projects. This certification will not only ensure that our buildings meet the highest environmental standards but also enable us to reduce embodied carbon using green materials and building solutions.

The new corporate offices will be a green building (GBI certified), designed and constructed to minimise its overall impact of the built environment on its surroundings. The building focuses on increasing the efficiency of resource use which is energy, water and materials, while reducing building impact on human health and the environment during the building's lifecycle, through better siting, design, construction, operation, maintenance and removal. Overall, the decision to design the new corporate offices as a green building demonstrates a commitment to reducing the environmental impact and promoting sustainability in the workplace.

We believe that sustainability is essential to our business and society, and we are committed to doing our part in protecting the environment for future generations.

### Key Development of Green Construction



#### New EV parking and charging Stations

- 1 charging station at condominium
- 6 bays of EV parking with 3 EV chargers at Teladan new corporate office

**Solar Panel installations** will be offered optionally in high-end projects

**Green building (GBI certified)** will be awarded to Teladan new corporate office.



Figure 18 EV parking with charging station concept



Figure 19 Teladan new corporate office



Figure 20 Solar panel installation at home concept

# SUSTAINABILITY REPORT

## INTELLECTUAL (CONT'D)

Empowering Quality in Every Part of Life (cont'd)

### Teladan Quality Merit System

Although adhering to industry standards and regulatory requirements is important, Teladan is committed to advancing quality standards even further. Our commitment to quality is reflected in our comprehensive quality assessment system to assess the quality of our products and services. We have defined quality criteria that include industry regulations and additional quality standards that we aim to achieve. There will be regular assessments at different stages of the development process and compared to other projects within the Group. This enables us to recognise and share the best practices of projects and identify areas for improvement in projects. By continuously striving for quality improvement, we ensure that our development projects meet the highest possible standards and deliver value to stakeholders. Our quality assessment system is an important part of our sustainability strategy and helps us to achieve our goal of developing sustainable, high-quality properties.

### Product Quality and Safety Management

At Teladan, we recognise that maintaining a robust quality management framework is crucial to our journey of value creation and long-term business growth. Our commitment to meeting high quality standards across our organisation and products/services results in improved customer satisfaction, market value, reputation, risk mitigation in project delivery, and an empowered workforce to achieve excellence.

We take pride in benchmarking our products and services against the best industry standards and leverage industry-leading assessment tools, including our Teladan Quality Merit System, to maintain our mark of quality and superiority. Moreover, we ensure compliance with relevant industry regulations and voluntary codes, with no incidents of non-compliance in health and safety impacts of our products reported in FYE 2022. This achievement is a testament to our dedication to quality and our ability to consistently deliver safe, sustainable, and high-quality products and services to our stakeholders.



### Certificate



**THE EDGE-PEPS Value  
Creation Excellence Award  
2022 (Residential Category)  
Honorary Mention**

for the  
**Taman Desa Bertam (Phase 1)**

awarded by  
**THE EDGE - PEPS**

### Customer Satisfaction Survey

In our bid for continuous improvement, we value feedback received from our clients and consultants. To this end, we conduct a Consultant Satisfaction Survey (CSS) annually to assess their satisfaction and discover potential areas of improvement within our operations and/or deliverables.

**Figure 21** Teladan staffs receiving The Edge-PEPS Value Creation Excellence Award in 2022 for the Taman Desa Bertam (Phase 1).

# SUSTAINABILITY REPORT

## WORKPLACE

Creating a safe and supportive working environment

The Group always place health and safety of our employees as top priority. Our employees are the backbone of Teladan’s continued success, and we consider their well-being and overall satisfaction a key criterion in our management strategy.

### Employment

Teladan is committed to providing an inclusive and non-discriminatory working environment for all employees, regardless of their background. This commitment includes actively supporting underrepresented groups such as women, minorities, veterans, and people with disabilities, and striving to empower all employees to achieve their full potential. As of FYE 2022, the Group had a total of 61 employees, with 21 male and 40 female. The Group made efforts to hire and develop local talent, as well as ensure diversity and inclusion in its hiring process.

Throughout the year, the Group hired 16 new employees, with 7 male and 9 female employees replacing those who had resigned. However, the Group also experienced 6 resignations during the year. The Group remains committed to its values of diversity, equity, and inclusion in all aspects of its operations, including recruitment, training, and career development. The Group recognises that a diverse and inclusive workforce not only strengthens the organisation but also contributes to its overall success. Teladan will continue to foster a workplace culture that values and respects diversity and promotes equal opportunity for all employees.

### Diversity and Equal Opportunity

In line with our commitment to fostering diversity and equality, we recognise that creating an inclusive workplace culture requires ongoing effort and engagement. We have established internal policies and practices to promote diversity and equal opportunities, including anti-discrimination and anti-harassment policies, as well as diversity training programs. Our aim is to provide an environment where employees of all backgrounds feel welcome, valued, and able to contribute their best work.

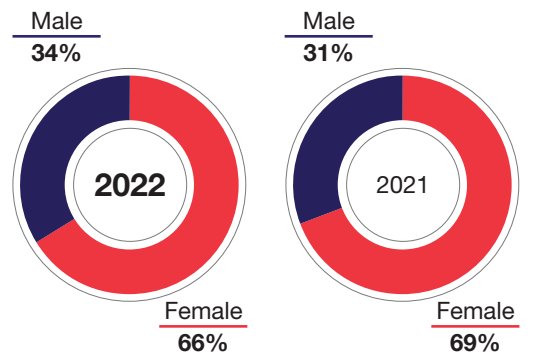
We also strive to promote equal opportunities for career advancement and leadership positions. Our talent management process includes regular skills assessments and career development planning for all employees, regardless of their gender, race, religion, age, or other personal characteristics. We believe that by providing equal opportunities for professional growth, we can attract and retain the most talented individuals, and enhance our overall business performance.

As part of our commitment to diversity, we regularly review our workforce data to identify areas for improvement and ensure we are making progress towards our goals. In 2022, we are proud to report that the gender distribution of our workforce is 66% female and 34% male. While we recognize that there is still room for improvement, we are committed to ongoing efforts to increase diversity, equity, and inclusion across all aspects of our operations.

Total Number of Employees



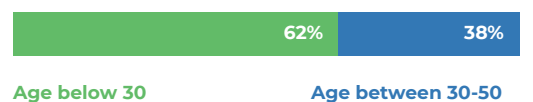
Distribution by Gender



Distribution by Age as of FYE 2022



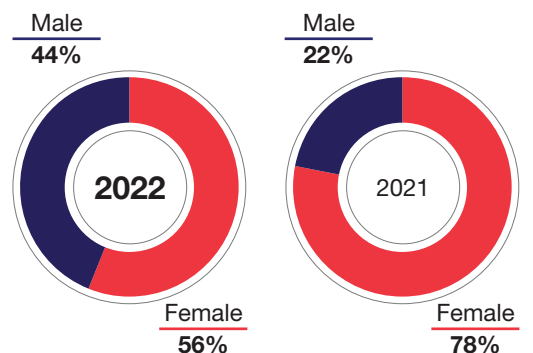
Rates of New Hires by Age as of FYE 2021



Total Number of New Hires



Distribution of New Hires by Gender



# SUSTAINABILITY REPORT

## WORKPLACE (CONT'D)

Creating a safe and supportive working environment (cont'd)

### Rewarding and Retaining Talent

Teladan is committed to the development and well-being of our employees, as evident in our adherence to regulatory compliance and our comprehensive initiatives. Our employees are integral to our success, and we seek to support and empower them through remuneration and benefits that go beyond basic requirements. For instance, we provide comprehensive insurance and healthcare coverage to ensure our employees have access to quality medical care when needed. Our salary structure and staff benefits are also reviewed annually to ensure they remain competitive with industry standards. Looking to the future, we are planning to provide medical health screening for our employees to ensure their ongoing health. We strive to attract and retain top talent through our initiatives, which aim to reward and retain our employees and foster a dynamic and progressive workforce. Ultimately, our goal is to continue leading the way in civil construction and digital innovation, supported by a capable and motivated workforce that reflects our commitment to excellence.

### Benefits offered by Teladan to employees



**Comprehensive insurance and healthcare coverage**



**Revision of salary structure and staff benefits**



**Medical health screening**



**Staff retention via initiatives program**



**Figure 22** Teladan 25th Anniversary Dinner at Hatten Hotel Melaka on 30 September 2022.

# SUSTAINABILITY REPORT

## WORKPLACE (CONT'D)

Creating a safe and supportive working environment (cont'd)

### Employee Wellbeing, Health & Safety

As a progressive and dedicated employer, Teladan recognises the importance of maintaining the mental and emotional well-being of our workforce. In line with this, we are committed to providing a safe, comfortable, and harmonious working environment that promotes a healthy work-life balance and social camaraderie through our corporate activities.

Our roster of activities, including the celebration of festivals and outdoor excursions, adds fun and healthy physical activities to our calendar while also cultivating a culture of community engagement and social responsibility. To further support the well-being of our workers, we are planning to open a gym in our upcoming office.



Figure 23 Teladan first badminton tournament in December 2022.

Fostering a culture of active living is crucial to promoting the health and well-being of our workers and contributing to a positive workplace culture. To this end, we plan to cooperate with our main contractor and sub-contractor to hold a 'HARI PEKERJA ASING' once a year for all workers in construction sites. We will prepare a festive buffet and organize some activities or games for bonding and relaxation from work. Moving forward, we also planning to build sport and recreation facilities in construction worker's accommodation areas. These facilities will include basketball or badminton courts, providing opportunities for workers to engage in physical activity and relaxation during their free time.

Building a sense of community and camaraderie among our workers is important to us, and we believe that providing opportunities for social interaction and team-building activities will contribute to a positive and productive work environment. We remain dedicated to providing a safe, healthy, and supportive workplace to all employees.

### Wellbeing benefits offered by Teladan



Work-life balance



Corporate activities



Festival celebrations



Outdoor excursions



Physical activities



Foreign Labors Day



Festival buffet

### Sports facilities to be offered by Teladan



Gym



Basketball court



Badminton court

# SUSTAINABILITY REPORT

## WORKPLACE (CONT'D)

Creating a safe and supportive working environment (cont'd)



**Figure 24** Teladan 25th Anniversary Dinner at Hatten Hotel Melaka on 30 September 2022

### Training and Development

The Group is committed to investing in its human capital to support employee development and meet the changing business needs. The Group provides various learning opportunities throughout employees' careers to ensure they develop the necessary skills to perform their responsibilities. We recognise that its people play an important role in achieving operational and safety excellence.

To ensure that employees are equipped with relevant skills to perform their jobs, they receive training from both internal and external sources. Training is provided on a mandatory or voluntary basis. In 2022, employees and directors received a total of 1300 hours of training.

By investing in the human capital, the Group can attract and retain top talent, which in turn helps to improve the Group's bottom line. Additionally, providing employees with the necessary skills and knowledge to perform their jobs safely and efficiently contributes to operational and safety excellence.



**HOURS TRAINED IN 2022**

**1,300 hours**

# SUSTAINABILITY REPORT

## COMMUNITY

Contributing to local community development

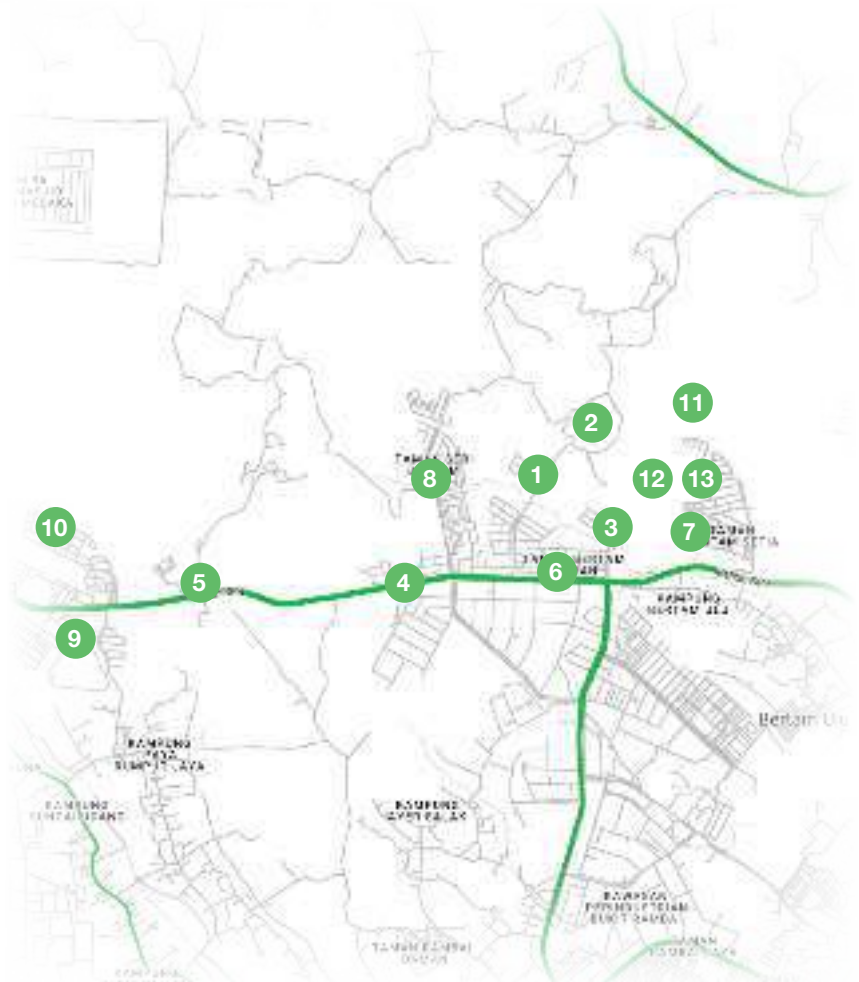
**Maintaining customer satisfaction is of utmost importance in building a positive brand image and reputation. At Teladan, we strive to deliver exceptional services and products, ensuring that our properties are designed and built to the highest standards, and that homeowners are satisfied with the handover process. We maintain regular communication with our customers to assess their level of satisfaction with our services.**

### Mindful Development

While construction can potentially disrupt surrounding communities, we believe that a considerate approach to sustainable development, which involves engaging proactively with nearby populations, can help us effectively mitigate such issues and encourage communities to appreciate the value our new buildings and infrastructure can bring. By listening to the community and gathering feedback, we can optimise our construction activities to protect their living environments and make informed decisions to support enrichment programs that promote their progress and development.

For example, there have been complaints from the local community about the presence of unpleasant odours emanating from our construction sites. To this end, the Group has been actively engaging Sox Nox Asia Sdn. Bhd. since 2017 to conduct periodic Odour Diary assessments using the Nasal Ranger Sdn. Bhd. Field Olfactometer at our ongoing developments and surrounding communities in Melaka. The Group has allocated a total of RM158,106.65 for this effort and has been beneficial for both our consumers and the local communities, helping to mitigate and reduce residual odours from nearby sources. The table and pictures below show the locations involved in periodic odour diary assessments:

- 1 Taman Desa Bertam development show unit
- 2 At water tank of Taman Desa Bertam development
- 3 At the edge of Phase 4 of Taman Desa Bertam development
- 4 Taman Bertam Putra development
- 5 Junction leading to Sanitary Landfill
- 6 Taman Bertam Impian
- 7 Taman Bertam Setia
- 8 Taman Seri Bertam
- 9 Taman Keris Satria
- 10 Taman Indah
- 11 Ayer Salak
- 12 Taman Bertam Heights development show unit
- 13 Taman Bertam Heights development club house
- 14 Fasa 1A of Taman Bertam Heights development





# SUSTAINABILITY REPORT

## COMMUNITY (CONT'D)

Contributing to local community development (cont'd)

### Customer Services & Satisfaction

Understanding our customers is our highest priority. As a result, we regularly conduct Customer Satisfaction Surveys which enable homebuyers to evaluate our performance. The findings of these surveys are analysed to identify service gaps and rectify them to better serve our customers. Our surveys are issued at seven (7) phases of the purchasing process, beginning with buyer registration and concluding with handover. This enables us to enhance not only our products and services but also the purchasing experience for our customers.

At Teladan, we are committed to ensuring our customers have the best possible experience. To achieve this, we take a proactive approach in engaging with our customers and addressing any concerns they may have. Prior to property handover, we conduct a thorough briefing with customers to explain the handover process and after-sales service. During this briefing, we also provide customers with important information about their new homes, such as maintenance and warranty details. In addition, we offer customers the opportunity to inspect their new homes in the company of our representatives during the handover process. This allows them to identify any potential defects or issues, which we will strive to resolve as soon as possible. Our goal is to ensure that our customers are fully satisfied with their new homes and that they feel confident in the quality of our workmanship.



Figure 25 Briefing for handover process

We believe that communication and transparency are key to ensuring our customers have the best possible experience. As such, we remain in constant contact with our customers throughout the handover process and beyond, providing them with regular updates and addressing any concerns they may have. Our ultimate goal is to exceed our customers' expectations and establish long-term relationships built on trust and quality service.

We are proud to announce that we have achieved a 100% resolution rate for customer complaints, and a consistently high level of customer satisfaction. This accomplishment is a testament to our unwavering commitment to providing exceptional products and services, as well as our relentless pursuit of continuous improvement. We remain dedicated to maintaining this high standard and ensuring that every customer has a positive experience with us.

### Process between buyer registration and handover



Figure 26 A happy customers after handover process

**RESOLUTION RATE**  
 100 %

# SUSTAINABILITY REPORT

## COMMUNITY (CONT'D)

Contributing to local community development (cont'd)

### Community Engagement

As a responsible corporate citizen, we recognise the importance of supporting the local community and giving back to society. We are committed to engaging with the community through various initiatives and programmes, such as online product demonstrations and talks, as well as donations and sponsorships through charity bodies.

In 2022, the Group is actively participating in CSR initiatives, such as contributing to old folks' homes, orphanages, and homes for the handicapped. As part of our commitment to CSR, the Group donated RM256,452.85 to support various charitable programmes and sponsorships.

As part of our ongoing efforts to raise environmental awareness, we collaborated with two (2) schools, SJKC Pay Yap and Pay Fong Middle School, to organize a tree planting event. This initiative involved planting a total of 157 plants in both schools' nurseries, aiming to cultivate a greener and more sustainable environment for future generations.

We also have a collaboration with several universities that offer students the opportunity to visit our sites. This program allows students to gain practical experience and a clearer understanding of the concepts they study in their courses. It also provides a platform for students to apply their knowledge in a real-world context and enhance their skills, such as problem-solving, critical thinking, and communication.

Our team works closely with university faculties to design and tailor the visit to meet the students' learning objectives and expectations. We ensure that the program aligns with the course curriculum and provides a valuable learning experience. Our visits are not limited to just observing the operations; students are encouraged to interact with our staff, ask questions, and engage in discussions.

Through this collaboration, we aim to contribute to the education sector and help bridge the gap between academic knowledge and practical skills. We believe that this program can create opportunities for students to apply their theoretical knowledge in a practical setting and better prepare them for their future careers. We are committed to providing a safe and supportive learning environment for all students. Our team adheres to the highest safety standards and guidelines to ensure a secure visit for everyone.

We believe that our contributions not only benefit the community directly, but also help to create a positive relationship between our Group and the community. Going forward, we will continue to seek out opportunities to support community initiatives and programs that align with our values and mission.



Figure 27 Distribution of gifts to children at orphan.



Figure 28 Tree plantation at SJKC Pay Yap



Figure 29 University students make site visits to the construction sites.

# SUSTAINABILITY REPORT

## GOVERNANCE

Board engagement on strategy, internal control to enhance the sustainability initiatives

At Teladan, we place great emphasis on practicing good governance. The board understands the crucial role that a robust risk management framework and internal control system play in promoting sound corporate governance. By disclosing pertinent sustainability-related information, we aim to increase the transparency of our management, thereby instilling greater confidence among our customers, stakeholders, and the wider public.



### Business Ethics & Compliance

Our organisation has established an Anti-Bribery and Corruption Policy and a Whistleblowing Policy, which are available on our website. These policies offer a direct avenue for stakeholders to report any acts of misconduct that contravene our Code of Business Ethics or any other non-compliance offenses. The policies safeguard the anonymity and confidentiality of individuals reporting such incidents and protect them against retaliation.



To reinforce our commitment to ethical business practices, we have adopted a zero-tolerance approach towards fraud, bribery, corruption, money laundering, and terrorism financing in all forms. In line with Section 17(A) of Malaysian Anti-Corruption Commission (Amendment) Act, 2018, all staff across the Group received communication on the Group's anti-corruption practices. These measures not only enhance the transparency of our group but also create an environment that fosters better governance.

Please also refer to SUSTAINABILITY GOVERNANCE, STAKEHOLDER ENGAGEMENT TABLE & MATERIALITY MATRIX.

### Product Quality

The Group places significant emphasis on maintaining and continuously improving the quality of our products and services. To achieve this goal, we carry out regular inspections during the construction phase to identify potential issues and rectify any detected errors promptly. These inspections not only ensure that our projects meet high-quality standards but also help to minimize delays and ensure timely delivery.

Additionally, we conduct quarterly checks on a random selection of units to assess the quality of workmanship during the development phase. For any post-handover defects, new homeowners can report concerns within the 24-month defect liability period, and we aim to resolve any complaints within 30 days of receiving them. Our performance target is to rectify all raised complaints within this timeframe. Overall, our commitment to quality assurance is evident throughout our processes, from construction to handover and beyond, as we strive to provide our customers with exceptional products and services.

## LOOKING FORWARD

As a publicly listed Group, we are committed to operating our business with transparency and integrity. This Sustainability Report serves as an important avenue for us to communicate with our stakeholders and share information about our sustainability practices. In line with this commitment, we have implemented policies such as the Anti-Bribery and Corruption Policy and the Whistleblowing Policy. We maintain a zero-tolerance approach towards fraudulent activities, bribery, corruption, money laundering, and the financing of terrorism. By upholding these values and principles, we aim to build trust and confidence with our stakeholders and continue to operate as a responsible corporate citizen.

As we look ahead to the future, we are optimistic about the recovery from the pandemic and the opportunities it presents. Malaysia's transition towards endemicity marks a significant milestone, and we are committed to supporting this transition and helping to rebuild the economy. We recognise that the pandemic has brought about new challenges and opportunities for businesses and society. Moving forward, we will continue to prioritise the health and safety of our employees, customers, and communities while working to adapt and innovate in response to changing circumstances.

# SUSTAINABILITY REPORT

## LOOKING FORWARD (CONT'D)

Going forward, the management plan to focus on enhancing our digital capabilities to better serve our customers' needs and promote sustainable practices across our operations. We will also continue to focus on sustainability, building on the progress we have made in reducing our environmental footprint and engaging with our stakeholders on social and ethical issues. Teladan believe that by continuing to work together with our stakeholders and embracing innovation, we can emerge from this pandemic stronger and more resilient than ever before.

## RELATIONSHIP WITH SDGs

SDGs	Main Activity	Detailed information
 <b>1. No Poverty</b>	Home, Harmony, Healthy initiative	Governance
 <b>2. Zero Hunger</b>	Home, Harmony, Healthy initiative	Governance
 <b>3. Good Health and Well-being</b>	Teladan provide safe working environment	Governance Capital, Marketplace, Workplace
 <b>4. Quality Education</b>	Training and development for staff	Workplace
 <b>5. Gender Equality</b>	Employment policy of no discrimination	Workplace
 <b>6. Clean Water and Sanitation</b>	Promoting water saving	Marketplace
 <b>7. Affordable and Clean Energy</b>	Using LED & Solar power system	Environment
 <b>8. Decent Work and Economic Growth</b>	Quality control and management	Marketplace
 <b>9. Industry, Innovation, and Infrastructure</b>	Design innovation	Marketplace, Intellectual
 <b>10. Reducing Inequality</b>	Employment policy of no discrimination	Workplace
 <b>11. Sustainable Cities and Communities</b>	Community relationship and engagement	Community
 <b>12. Responsible Consumption and Production</b>	Promise to deliver of Quality, safety product	Marketplace, Community
 <b>13. Climate Action</b>	Reduce CO2 emission	Governance, Environment
 <b>14. Life Below Water</b>	Home, Harmony, Healthy initiative and Water management	Environment
 <b>15. Life On Land</b>	Home, Harmony, Healthy initiative	Environment
 <b>16. Peace, Justice, and Strong Institutions</b>	Home, Harmony, Healthy initiative	Community, Environment
 <b>17. Partnerships for the Goals</b>	Sustainability report initiative	Governance, Environment

# SUSTAINABILITY REPORT

## TCFD - ALIGNED DISCLOSURES

TCFD Recommendation	Teladan Disclosure	Reference
<b>Governance – Disclose the organisation’s governance around climate-related risks and opportunities</b>		
a) Describe the Board’s oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>- Risk management Board skills and experience – climate change</li> <li>- Sustainability Management Team– role and focus</li> </ul>	Governance
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>- Risk management Climate change – managing risk and opportunity</li> <li>- Sustainability Management Team – role and focus <b>FY 2022</b></li> </ul>	Governance
<b>Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material</b>		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>- Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> <li>- Climate change – managing risk and opportunity</li> </ul>	Reporting Framework Governance
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>- Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> <li>- Climate change – managing risk and opportunity</li> </ul>	Reporting Framework Governance
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> <li>- Climate change – evaluating the resilience of our portfolio</li> </ul>	Reporting Framework Governance

# SUSTAINABILITY REPORT

## TCFD - ALIGNED DISCLOSURES (CONT'D)

TCFD Recommendation	Teladan Disclosure	Reference
<b>Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks</b>		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	- Risk management	Materiality Matrix Governance
b) Describe the organisation's processes for managing climate-related risks.	- Risk management – Risk factors (climate change, greenhouse gas emissions and energy)	Materiality Matrix Governance
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.	- Risk management Non-financial KPIs – sustainability KPIs - Risk management – Risk factors (climate change, greenhouse gas emissions and energy)	Stakeholder Engagement Materiality Matrix Governance
<b>Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	- Non-financial KPIs – sustainability KPIs - Climate change – operational emissions - Climate change – Scope 3 emissions	Environment Capital Energy Efficiency & CO2 Emission
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	- Non-financial KPIs – sustainability KPIs - Climate change – operational emissions performance - Climate change – Scope 3 emissions performance Climate change data	Environment Capital Energy Efficiency & CO2 Emission
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	- Non-financial KPIs – sustainability KPIs - Climate change – operational emissions performance FY2022 performance outcomes	Environment Capital Energy Efficiency & CO2 Emission

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**“Corporate governance is the system of rules, practices and processes by which a company is directed and controlled.”**

The Chartered Governance Institute UK & Ireland

The Board of Directors (“**the Board**”) of the Teladan Setia Group Berhad (“**Teladan**”) have subscribed to the recommendation of The Chartered Governance Institute UK & Ireland that good corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders (shareholders, employees, suppliers, customers and the community) are balanced.

The Board acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“**MCCG**”). In line with this, the Board is committed to the policy of managing the affairs of the Company and subsidiaries (“**the Group**”) with transparency, integrity and accountability by ensuring that a sound framework of the best corporate practices is in place. The ensuing paragraphs describe the extent the Group has applied and complied with the practices and guidance as set out in the MCCG. This Corporate Governance Overview Statement (“**this Statement**”) is to be read with the Corporate Governance Report 2022 (“**CG Report**”), which is made available on the Company’s website at

<https://teladan.my/investor-relations/investor-centre-reports/>

Where a specific Principle or Practice of the MCCG has not been observed during the financial year, the non-observation, including reasons thereof, and the alternative practice adopted, if any, is mentioned in the CG Report.

The Board is pleased to present this Statement to provide the investors with an overview of the extent of compliance with three (3) Principles as set out below in MCCG under the stewardship of the Board for the financial year ended 31 December 2022 (“**FYE 2022**”) and/or up to the date of this CG Statement (where applicable) (“**Applicable Period**”):



## Principle A

Board Leadership & Effectiveness



## Principle B

Effective Audit & Risk Management



## Principle C

Integrity in Corporate Reporting  
& Meaningful Relationship with  
Stakeholders

This Statement is presented pursuant to Rule 15.25(1) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Teladan's Key CG Focus Area

The Board is pleased to provide below a snapshot of the key CG focus areas during the Applicable Period for information:-

MCCG Practices	Applications by Teladan
<p><b>Practice 1.1</b></p> <p>Key Responsibilities of the Board</p>	<ul style="list-style-type: none"> <li>• Strategic planning and direction to Managing Director (“<b>MD</b>”) and his management team.</li> <li>• Business overview on consumer trends and the Group’s financial performance oversight.</li> <li>• Risk Management oversight vide the Risk Management Committee (“<b>RMC</b>”) – a dedicated Board Committee.</li> <li>• Internal Control and compliance – ensure robustness, adequate and with integrity.</li> <li>• Stakeholders’ communication – designated spokesperson for external parties and general public.</li> <li>• Human resources planning and remuneration – ensure Executive Management retain key senior management personnel and management with integrity and competence.</li> </ul>
<p><b>Practice 4.1</b></p> <p>The Board and management take responsibility for the governance of sustainability in the company</p>	<p><b>Environmental, Social and Governance (“ESG”) considerations</b></p> <ul style="list-style-type: none"> <li>• The Board has been proactively raising sustainability awareness, in particular the ESG issues during Board meetings.</li> </ul>
<p><b>Practice 5.2</b></p> <p>At least half the Board comprises independent directors</p>	<p><b>50%</b> - Independent Non-Executive Directors (“<b>INEDs</b>”)  <b>25%</b> - Non-Independent Non-Executive Directors (“<b>NINEDs</b>”)  <b>25%</b> - Executive Directors (“<b>EDs</b>”)</p>
<p><b>Practice 5.8</b></p> <p>Nominating Committee is chaired by an independent director or Senior Independent Director</p>	<ul style="list-style-type: none"> <li>• Ms. Madeline Lee May Ming (“<b>Ms. Madeline Lee</b>”), the Senior Independent Non-Executive Director (“<b>SINED</b>”) is the Chairperson of the NC.</li> </ul>
<p><b>Practice 6.1</b></p> <p>Formal and objective evaluation on Board, its Committees and each individual director</p>	<ul style="list-style-type: none"> <li>• Facilitated by the Company Secretary, the Directors have been completing the assessment forms at their convenience and the results were compiled by the Company Secretary for review and analysis.</li> <li>• Ms. Madeline Lee, as the Chair of the NC led the annual review of board effectiveness, ensuring the performance of each director, the Board Committees as well as the Board as a whole were duly assessed by the NC and documented by the Company Secretary.</li> </ul>



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Teladan's Key CG Focus Area (cont'd)

The Board is pleased to provide below a snapshot of the key CG focus areas during the Applicable Period for information (cont'd):-

MCCG Practices	Applications by Teladan
<p><b>Step Up Practice 10.3</b></p> <p>The Board establish a Risk Management Committee, which comprises a majority of independent directors to oversee the company's risk management framework and policies</p>	<ul style="list-style-type: none"> <li>The Board has established a dedicated RMC to assist with the oversight of the Company's risk management framework and policies.</li> <li>To ensure the completeness and robustness of the Group's risk management framework, the RMC has engaged an external risk facilitator to assist Management with the establishment of risk management framework and associated policies.</li> </ul>

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### Part I: Board Responsibilities

#### (1) Board Functions and Activities

The Board has general oversight of the Group and takes full responsibility for the overall performance of the Group by setting strategic directions and objectives, formulating policies and executing key strategic action plans.

The roles and duties of the Board Chairman, Mr. Roy Thean Chong Yew and the MD, Mr. Teo Lay Ban have been clearly identified in the Board Charter and separated to ensure effective operations of the Group.

For the Applicable Period, the Board discharged its responsibilities in the best interests of the Group, as follows:

Responsibilities	Description
Strategy planning	<ul style="list-style-type: none"> <li>The Board provides direction and has in place a strategy planning process, where management presents its recommended strategy and business plans to the Board for review and approval before implementation.</li> <li>During the FY2022, the Board reviewed the sustainability, effectiveness and implementation of the land banking strategy for the year and provided guidance and input to Management.</li> </ul>
Overseeing the conduct of the Group's business	<ul style="list-style-type: none"> <li>The Managing Director ("MD") and the Executive Director are responsible to oversee the day-to-day management of the Group's business and operations. The MD and the Executive Director are assisted by various departmental heads in monitoring daily activities and further supported by the management and other committees established within the Group's management framework. The Management's performance is monitored and assessed by the Board through management reports which are tabled to the Board on a periodic basis. These reports include a brief summary of business operations and comprehensive financial performance.</li> <li>The Board also required regular Management updates of key strategic initiatives and operational issues within the Group.</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (1) Board Functions and Activities (cont'd)

For the Applicable Period, the Board discharged its responsibilities in the best interests of the Group, as follows (cont'd):

Responsibilities	Description
Identifying principal business risks and ensuring the implementation of appropriate systems to manage risks	<ul style="list-style-type: none"> <li>• The Board has established Risk Management Committee (“<b>RMC</b>”), a Board-level Committee to determine and put in place a robust process for identifying, reporting, managing and monitoring potential high risk faced by the Group, apart from reviewing the risk management policies.</li> <li>• RMC would also make feasible recommendation to the Board for establishing adequate and appropriate controls over the organisation, as well as advise the management in executing the appropriate action plan.</li> <li>• During the Applicable Period, the RMC has identified the following key risks which would pose an impact to the Group:-               <ul style="list-style-type: none"> <li>■ Political Risk</li> <li>■ Manpower Risk</li> <li>■ Strategic Risk</li> <li>■ Sustainability Risk</li> <li>■ Interest Rate Risk</li> <li>■ Cash Flow Risk</li> <li>■ Bribery Risk</li> </ul> </li> </ul>
Succession planning	<ul style="list-style-type: none"> <li>• The Board, with the assistance of the Nominating Committee (“<b>NC</b>”), ensures that an appropriate framework and plan for succession within the Group are in place. The unfortunate passing of the late Datuk Teo Poh Boon, the Founder and former Executive Director in year 2020 has not impacted the successful listing of the Company on 16 March 2021, in view that the executive leadership succession has already in place since the recruitment of Mr. Teo Lay Ban, the Managing Director (“<b>MD</b>”) back in year 1997.</li> <li>• The Board has also entrusted the MD with the responsibility to review candidates, compensation packages and oversee development for key senior management personnel.</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (1) Board Functions and Activities (cont'd)

For the Applicable Period, the Board discharged its responsibilities in the best interests of the Group, as follows (cont'd):

Responsibilities	Description
Shareholders' Communication Policy and Activities	<ul style="list-style-type: none"> <li>• The Company recognised the importance of communication to the stakeholders. The objective of such communication proves to forge a quality public performance and increases awareness and confidence of interested parties towards the Company. The Board endeavours to ensure that pertinent information such as annual reports, quarterly reports, and announcements are released on a timely basis via:               <ul style="list-style-type: none"> <li>■ Bursa Securities' website</li> <li>■ Teladan's website</li> <li>■ General Meetings</li> </ul> </li> <li>• In addition, the Board noted company-endorsed press releases would also be released in conjunction of the issuance of quarterly reports and/or to supplement the announcement(s) on corporate activities, in order to furnish stakeholders with accurate reporting and disclosures.</li> </ul>
Reviewing the adequacy and integrity of management information and internal controls system of the Group	<ul style="list-style-type: none"> <li>• The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system.</li> <li>• The Board has established Board-level Committees such as Audit Committee ("AC"), Risk Management Committee with specific terms of reference to assist with the regular oversight and reporting on internal controls and regulatory compliance.</li> <li>• The internal audit function has been outsourced to an independent consulting firm and the AC regularly reviews and scrutinises the audit reports.</li> <li>• For the FYE 2022, details relating to the internal control system and review of effectiveness were available in the Statement on Risk Management and Internal Control as set out in this Annual Report.</li> <li>• For FYE 2022, the Board has met and held 7 meetings in line with the business, operational and compliance needs of the Group. There were established procedures on the agenda, content and presentation of reports for each meeting so that all pertinent information would be included for deliberation.</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (1) Board Functions and Activities (cont'd)

For the Applicable Period, the Board discharged its responsibilities in the best interests of the Group, as follows (cont'd):

Responsibilities	Description
Environmental, Social and Governance ("ESG") initiatives and Sustainability Governance	<ul style="list-style-type: none"> <li>In line with the MCCG 2021, the oversight of ESG initiatives and sustainability governance has been elevated to the Board level.</li> <li>For the FYE 2022, a two-day sustainability training has been organised for employees of the Group to create awareness on ESG initiatives as well as the Sustainability Framework of the Group.</li> </ul>

#### (2) Role of Company Secretaries

##### 2 Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-

- Ms. Chua Siew Chuan, FCIS
- Mr. Cheng Chia Ping, ACIS

##### Qualifications

- Both are members of the Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("**the Act**").
- Both the Company Secretaries have also obtained their practising certificates issued by the Companies Commission of Malaysia pursuant to Section 241(1) of the Act.
- Details of the qualifications and experience of the Company Secretaries are set out in Practice 1.5 of the CG Report, which are available for viewing on the Company's website at <https://teladan.my/investor-relations/investor-centre-reports/>.

##### Unrestricted access to the Company Secretaries

- Every Director has ready and unrestricted access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board.
- The Directors were regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements issued by regulatory authorities and its implications to the Company and the Directors in relation to their duties and responsibilities.
- The Company Secretaries also play a key role to facilitate communication between the Board and Management.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (2) Role of Company Secretaries (cont'd)

##### Continuous Professional Development

- The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, capital market, corporate governance, other pertinent matters and with changes in the same regulatory environment, through continuous training and industry updates.
- During the FYE 2022, the Company Secretaries have attended relevant development and trainings programmes as required by MAICSA for practicing chartered secretaries to enhance their ability in discharging their duties and responsibilities.

##### Salient duties of the Company Secretaries

- Statutory duties as required under the Act, ACE LR of Bursa Securities and Capital Market and Services Act 2007;
- Attending Board meetings and Board Committee meetings;
- Ensuring that Board meetings and Board Committee meetings, respectively are properly convened and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the Management for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;
- Maintaining records for the purpose of meeting statutory obligations;
- Facilitating the provision of information as may be requested by the Directors from time to time and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;
- Assisting the Board with the preparation of announcements for release to Bursa Securities; and
- Rendering advice and support to the Board and Management.

For FYE 2022, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (3) Supply and Access to Information and Advice

For the Applicable Period, the Board has been supplied with appropriate and timely information to enable it to discharge its duties.

Information	Description
Ready access to information	<ul style="list-style-type: none"> <li>The Board may obtain all information pertaining to Teladan from the Management and/or Company Secretaries.</li> </ul>
Notification of Board Meetings	<ul style="list-style-type: none"> <li>The notice of the Board meeting is served at least seven (7) days prior to the Board meeting.</li> </ul>
Dissemination of Board Papers	<ul style="list-style-type: none"> <li>Relevant Board papers were disseminated to all Directors at least seven (7) days prior to the Board meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company.</li> </ul>
Independent Professional Advices	<ul style="list-style-type: none"> <li>The Directors may seek independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively on any matter concerning with the discharge of their responsibilities at the expense of the Company.</li> <li>The Board's right to seek independent advices have been enshrined in the Board Charter.</li> </ul>
Minutes of Board/ Committee Meetings	<ul style="list-style-type: none"> <li>All pertinent issues discussed at the meetings in arriving at decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities. Representatives of Management have also been invited to attend Board meetings to furnish the Group with updates of their respective functions and to discuss on issues that may be raised by the Directors.</li> <li>Minutes of the Board/Board Committees Meetings have been accurately recorded by the Company Secretaries to reflect the deliberations, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.</li> <li>The Minutes was then tabled at the next following Board/Board Committees Meetings for perusal and confirmation. Upon Committee/Directors' confirmation, the Chairman of the Board/Board Committee Meetings signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Act.</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (4) Demarcation of Responsibilities

##### i) Board Charter

- The Board has in place a Board Charter setting out, inter-alia, the roles, duties and responsibilities of the Board and the application of principles and practices of good corporate governance.
- The roles and duties of the Board Chairman, Mr. Roy Thean Chong Yew and the MD, Mr. Teo Lay Ban have been clearly identified in the Board Charter and separated to ensure effective operations of the Group.
- The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendments to the Board Charter can only be approved by the Board.
- The Board Charter is available on the Company's website at <https://teladan.my/investor-relations/corporate-governance/>.

#### (5) Good Business Conduct and Corporate Culture

##### i) Code of Conducts and Ethics

- The Board has in place the Code of Conduct and Ethics ("**the Code**") of the Company which applies to all Directors, management, employees and stakeholders during the conduct of businesses of the Group.
- In addition, all Executive Directors, management and employees of the Group are required to observe and comply with the Code of Conduct for workplace which is issued by the Human Resources Department. All Directors shall be accountable for full compliance of the Code. In the event of any violation of the Code, the Board shall take necessary actions to deter wrongdoings and to promote accountability for adherence to the Code.
- The Code is available on the Company's website at <https://teladan.my/investor-relations/corporate-governance/>.

##### ii) Whistleblowing Policy

- The Board has established a Whistleblowing Policy to uphold the Group's effort and commitment in doing business with ethics of honesty and integrity, henceforth, providing a transparent and confidential process in handling the whistleblowing reports.
- The Whistleblowing Policy aimed to provide a structured mechanism for its employees, Directors and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group and to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith.
- The Whistleblowing Policy is available on the Company's website at <https://teladan.my/investor-relations/corporate-governance/>. The AC has been tasked by the Board to perform the oversight function over the administration of the Whistleblowing Policy.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (5) Good Business Conduct and Corporate Culture (cont'd)

##### ii) Whistleblowing Policy (cont'd)

Anyone with genuine concerns in relation to unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements may forward his report to the designated persons as provided below (where applicable):

Designated Persons	Contact name	E-mail address
For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:		
<b>AC Chairperson</b>	Ms. Foo Yit Lan	foo.yl@teladan.my
For employment-related concerns, one can report directly to the following designated person(s):		
<b>Chairman of the Board</b>	Mr. Roy Thean Chong Yew	roy.thean@teladan.my
<b>Managing Director</b>	Mr. Teo Lay Ban	ricteo@teladan.my
<b>Financial Controller</b>	Ms. Ng Mih Fern	ng.mf@teladan.my
For any concerns from the shareholders/stakeholders and/or whistleblowing, one can email to the following designated Director:		
<b>Senior Independent Non-Executive Director</b>	Ms. Madeline Lee May Ming	madeline@teladan.my

For the FYE 2022, none of the designated persons have received any reports or concerns via the abovementioned communication and feedback channels.

##### iii) Anti-Bribery and Corruption (“ABC”) Policy

- The Board has in place an ABC Policy to prevent corrupt practices and to provide a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.
- The Anti-Bribery and Anti-Corruption Policy is available on the Company’s website at <https://teladan.my/investor-relations/corporate-governance/>.
- Bribery risk has been identified as one of the key risk affecting the Group. For the Applicable Period, the Board noted Management has instituted the following measures to mitigate the risk of Bribery:-
  - Communication of the Company’s ABC policy to business associates;
  - Dissemination of the Company’s Code of Conduct and Ethics and Whistleblowing Policy together with ABC commitment form to business associates;
  - Implementation of control measures as required by ABC Policy (e.g. due diligence requirement) - on gift declaration.
  - Declaration in relation to conflict of interest - duly signed by all employees of the Group.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board Responsibilities (cont'd)

#### (5) Good Business Conduct and Corporate Culture (cont'd)

##### iv) Sustainability risks and opportunities

- Bearing in mind the strategic importance of sustainability to the Group, the Board first adopted the Sustainability Policy on 17 August 2021.
- The Sustainability Policy defined, among others, the Company's fundamental principles, direction and strategies, as well as the scope and governance for its implementation and monitoring. Details of the Group's material sustainability matters and the Company's responses are set out in the Sustainability Report in this Annual Report.

### Part II: Board Composition

#### (6) Board's Objectivity

##### i) Composition of the Board

The Board currently has eight (8) Board members, comprising one (1) Managing Director, one (1) Executive Director, two (2) Non-Independent Non-Executive Directors, one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors, which fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated in Rule 15.02(1) of the ACE LR.

For the Applicable Period, having reviewed the composition of the Board, the Board has concluded:-

- That the presence of INEDs from various fields and background were invaluable and fulfilled the pivotal role in corporate accountability;
- The current size of the Board was optimal and sufficient to oversee the affairs of the Group; and
- During Board and/or Board Committee Meetings, the INED have exhibited unbiased and independent views, provided sound advices and judgements, taking into account of the interests, not only of the Group, but also of the stakeholders.

The profile of each Director is presented in another section of this Annual Report.

##### ii) Board Tenure, Board Diversity and Key Senior Management

###### a) Tenure of INED

Upon review, as at the date of this Statement, none of the INEDs had served the Board as INED for more than nine (9) years.

###### b) Policy of Independent Director's Tenure

The Company observed the good governance practice which limits the tenure of the INED to nine (9) years as stated in the Board Charter.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (6) Board's Objectivity (cont'd)

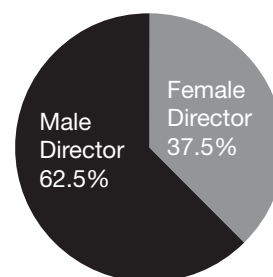
##### ii) Board Tenure, Board Diversity and Key Senior Management

##### c) Diversity of the Board and Key Senior Management

Appointment of the Board and key senior management are based on objective criteria, merit and due regard for diversity in skills, experience, age, cultural background and gender. Please refer to the profile of the Directors and the key senior management in other sections of this Annual Report for further information.

##### d) Boardroom Diversity Policy

- The Board acknowledges the importance of Boardroom diversity, including gender diversity, to the effective functioning of the Board through the adoption of the Boardroom Diversity Policy.
- Currently, the Board comprises three (3) female Directors out of eight (8) Directors, equivalent to 37.5% women representation on the Board, well exceeded the 30% yardstick as recommended by Practice 5.9 of MCGG.



##### iii) NC

- The NC is responsible for making recommendations relating to any new appointment of Director to the Board. Any new nomination received by the NC is to be assessed and reviewed by the NC with appropriate selection criteria and processes and to identify candidates for directorships of the Company, members of the relevant Board Committees and key senior management prior to the recommendation to the Board for their assessment and approval.
- The NC assesses the suitability of the candidates by taking into consideration the mix of skills, knowledge, expertise and experience, competencies, time commitment and professionalism required by the Board.
- In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills and competencies of individual Director and the composition of the various Committees of the Board. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board.
- The Terms of Reference of the NC, outlining the NC's objectives, composition, proceeding of meetings, circular resolution, authority and duties and responsibilities, is available on the Company's website at <https://teladan.my/investor-relations/corporate-governance/>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (6) Board's Objectivity (cont'd)

##### iii) NC (cont'd)

##### a) Composition

The NC consists of four (4) members, all of whom are INEDs and the composition of the NC is as follows:

Members	Designation	Number of NC meetings attended/held during the FYE 2022
Madeline Lee May Ming	Chairperson	2/2
Foo Yit Lan	Member	2/2
Annandan A/L Chandran	Member	2/2
Roy Thean Chong Yew	Member	2/2

##### (b) Chair of NC

- The NC is chaired by Ms. Madeline Lee, a Senior INED. The Chairperson of the NC is responsible to lead the NC to carry out annual review of effectiveness of the Board as a whole, and the Board Committees, as well as the contribution and performance of each individual Director on an on-going basis in terms of contribution, skills, experience and other qualities.

##### (c) Summary of Works

- In compliance with the provision of the Rule 15.08A(3) of the ACE LR of Bursa Securities, the activities of the NC for the FYE 2022 are set out in Practices 5.3, 5.5, 5.6, 5.7 and 5.10 of the CG Report.
- The following works were undertaken by the NC during the FYE 2022:
  - Examined the composition of the Board and Board Committees.
  - Reviewed the required mix of skills, experience, gender diversity and other qualities of the Board.
  - Reviewed the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
  - Reviewed the independence of the Independent Non-Executive Directors and assessed their abilities to bring independent and objective judgement to Board's deliberations and proposals.
  - Assessed the fit and proper, and suitability of the Directors who were standing for re-election at the 4<sup>th</sup> AGM of the Company and recommended the same to the Board for approval.

##### (d) Reinforce Independence: Annual Assessment of Independence of Directors

- The Board adopts the concept of independence in tandem with the definition of INED as prescribed under Rule 1.01 of the ACE LR. The Board also carries out an annual assessment of the independence of its INEDs through the assistance of the NC for the FYE 2022.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (6) Board's Objectivity (cont'd)

##### iii) NC (cont'd)

##### (d) Reinforce Independence: Annual Assessment of Independence of Directors (cont'd)

- Upon review, the Board considers that its INEDs provide an objective and independent view on various issues dealt with at the Board and Board Committees level. All the Independent Non-Executive Directors are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement.

##### (e) Re-election of Directors

##### (i) 1/3 Rotation

In accordance with Clause 21.7 of the Company's Constitution, at every AGM, one-third (1/3) of the Directors will retire from office unless elected or re-elected at the AGM. The Directors retiring will be those longest in office since their appointment or last election. If the Directors were appointed/elected on the same day, the Directors to retire will be either as agreed between those Directors or by lot. If the total number of Directors is not three (3) or a multiple of it, the number nearest to one-third (1/3) will retire. All the Directors shall retire from office at least once in each three (3) years, but shall be eligible for re-election.

- Pursuant to Clause 21.7 of the Constitution of the Company, the following Directors are to retire at the forthcoming 4<sup>th</sup> AGM (hereinafter referred to as "the **Retiring Directors**"):-
  - Mr. Roy Thean Chong Yew;
  - Mr. Teo Lay Lee; and
  - Mr. Annandan A/L Chandran.
- The NC has conducted the following assessment based on the criteria as prescribed by the ACE LR of Bursa Securities ("**Prescribed Criteria**") for the Retiring Directors:-
  - Mix of skills;
  - Character;
  - Experience;
  - Integrity;
  - Competence; and
  - Time commitment to discharge their roles.
- The NC, as guided by the Directors' Assessment Policy and Directors' Fit and Proper Policy, has undertaken a formal assessment of the Retiring Directors using the Prescribed Criteria as well as non-Prescribed Criteria such as the following:-
  - State of participation at the Board Committee(s)/ Board Meeting(s); and
  - Advice/ Guidance rendered to the Board Committee(s) and/or Board based on individual experience and background.

Being satisfied with the performance of the Retiring Directors, the NC and in turn, the Board has recommended to shareholders, their re-election at the forthcoming 4th AGM of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (6) Board's Objectivity (cont'd)

##### iii) NC (cont'd)

##### (e) Re-election of Directors (cont'd)

##### (ii) Casual Vacancy

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM pursuant to Clause 21.11 of the Company's Constitution.

Upon review, the Board noted no Director would be retiring under this category at the forthcoming 4<sup>th</sup> AGM of the Company.

#### (7) Overall Board Effectiveness

##### (i) Annual Evaluation of the Board

The Board, through the NC, and facilitated by the Company Secretaries, would undertake the following assessments annually and the results of the evaluations were presented to the NC and the Board:

- a) Board and Board Committees performance evaluation;
- b) Self-performance evaluation;
- c) AC performance assessment questionnaires; and
- d) Independence of the INEDs.

The independency of the INEDs of the Company had been fulfilled in accordance with the ACE LR and would not impede their independency in carrying out their duties in the respective Board and Board Committees.

##### (ii) Board Meetings

During the FYE 2022, a total of seven (7) Board meetings were held and the details of each Director's attendance at the Board meetings were as follows:

Name of Directors	No. of meetings attended	Percentage
Mr. Roy Thean Chong Yew	7/7	100%
Mr. Teo Lay Ban	7/7	100%
Mr. Annandan A/L Chandran	7/7	100%
Ms. Foo Yit Lan	7/7	100%
Ms. Madeline Lee May Ming	7/7	100%
Mr. Sia Ah Piew	7/7	100%
Mr. Teo Lay Lee	7/7	100%
Ms. Teo Siew May	7/7	100%

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (7) Overall Board Effectiveness (cont'd)

##### (ii) Board Meetings (cont'd)

In the intervals between the Board meetings, Board approvals are obtained via circular resolutions for exceptional matters requiring Board's decision which is supported by the relevant information in order to form an informed decision. In order to facilitate the Directors' planning and time management, an annual meeting calendar is prepared and given to the Directors before the beginning of each financial year.

##### (iii) Time commitment

The Board meets at least quarterly to consider, inter alia all matters relating to the overall control, business performance and strategy, annual business plans and budgets, operational and financial performance reports, quarterly reports, capital expenditure of the Group. Additional meetings will be called as and when necessary.

For FYE 2022, the attendance rate of the Board members for Board and Board Committee Meetings were as follows:-

Board of Directors' Meeting	Audit Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting	Risk Management Committee Meeting
100%	100%	100%	100%	100%

- Upon review, the Board is satisfied with the time commitment rendered by the Directors for FYE 2022.
- In respect of board directorship at public listed companies, all Directors do not hold more than five (5) directorships in public listed companies as stipulated under the ACE LR. If any Director wishes to accept a new directorship in the public listed companies, the Chairman will be informed beforehand together with indication of time that will be spent on the new appointment.
- For FYE 2022, the Company did not receive any such notification from any Director.

##### (iv) Directors' Training

During the FYE 2022, the Directors had attended the following training programmes:

Directors	Training(s) Attended
Mr. Roy Thean Chong Yew	<ul style="list-style-type: none"> <li>• Corporate Liability Updates</li> <li>• ESG Sustainability – Impact to the Company and Board of Directors</li> <li>• MIA International Accountants Conference 2022</li> <li>• Sustainability Report Awareness</li> <li>• Securities Commission's Audit Oversight Board Conversation with Audit Committees</li> <li>• The role of Board in Strategy, ESG &amp; Risk Management Usual Oversight</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (7) Overall Board Effectiveness (cont'd)

##### (iv) Directors' Training (cont'd)

During the FYE 2022, the Directors had attended the following training programmes (cont'd):

Directors	Training(s) Attended
Mr. Teo Lay Ban	<ul style="list-style-type: none"> <li>• Strata Management: Critical issues faced by Developer/JMB/MC</li> <li>• Strata Management Seminar Series 3</li> <li>• Two (2) days Executive Masterclass in Land Development</li> <li>• Sustainability Report – ESG Risk Assessment</li> </ul>
Mr. Annandan A/L Chandran	<ul style="list-style-type: none"> <li>• Bursa Malaysia Programme entitled TCFD Climate Disclosure</li> <li>• ICLIF Executive Education Center- Assessing your Organisational Culture</li> <li>• Star Media Group - Circular Economy Conference</li> <li>• Star Media Group - Greening the Supply Chain</li> <li>• Star ESG Academy - Solar Advancement</li> <li>• Securities Commission's Audit Oversight Board Conversation with Audit Committees</li> <li>• Smart Focus - The Role of Board in Strategy, ESG and Risk Management Usual Oversight</li> </ul>
Ms. Foo Yit Lan	<ul style="list-style-type: none"> <li>• 2022 Budget Seminar</li> <li>• Audit Committee Conference 2022</li> <li>• Sustainability Management &amp; Reporting</li> <li>• Suruhanjaya Syarikat Malaysia National Conference 2022 - Corporate Governance &amp; Sustainability</li> <li>• Securities Commission's Audit Oversight Board Conversation with Audit Committees</li> <li>• FMM webinar on The Employment (Amendment) Act 2022</li> <li>• Bursa Sustain - Corruption and Bribery</li> </ul>
Ms. Madeline Lee May Ming	<ul style="list-style-type: none"> <li>• Sanctions and Financial Instruments</li> <li>• Navigating the Franchise Maze</li> <li>• An Introduction to Cryptocurrency and Blockchain Laws in Malaysia</li> <li>• Employment Act – Latest Amendments 2022</li> <li>• Stamp Duty Chargeable on an Instrument</li> <li>• An afternoon with Bursa Malaysia: ESG – Perspective of a PLC and Regulator</li> <li>• Topical Tax Issues for Legal Practitioners</li> <li>• Company Law and Practice</li> <li>• Restructuring : What You Need to Know</li> <li>• Investment Fraud in Malaysia &amp; Singapore Digital Assets &amp; Investment Schemes</li> <li>• Emergent Themes around ESG</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board Composition (cont'd)

#### (7) Overall Board Effectiveness (cont'd)

##### (iv) Directors' Training (cont'd)

During the FYE 2022, the Directors had attended the following training programmes (cont'd):

Directors	Training(s) Attended
Mr. Sia Ah Piew	<ul style="list-style-type: none"> <li>• Bengkel Keselamatan dan Kesihatan Pekerjaan dalam Industri Pembinaan (Pengurusan) OSHCIM 2022</li> <li>• Regional Housing Conference &amp; Launch of Housing Forward Research</li> <li>• Digital Transformation &amp; PropTech for Developers   Real Estate Digital Summit</li> <li>• Green Build Conference 2022</li> <li>• Seminar Pelaksanaan Penguatkuasaan dalam Pengurusan Bangunan Berstrata "Praktis Pengurusan Berkesan" kepada Pihak Pengurusan JMB / MC Anjuran Majlis Perbandaran Hang Tuah Jaya</li> <li>• Succession Planning Master Class</li> <li>• Sustainability report - ESG Risk Assessment</li> </ul>
Mr. Teo Lay Lee	<ul style="list-style-type: none"> <li>• Latest Directors Liabilities (Foreign &amp; Malaysian Cases) &amp; The Adequate Response to Individual Liability</li> </ul>
Ms. Teo Siew May	<ul style="list-style-type: none"> <li>• Managing Ethical Dilemmas involving Financial Irregularities</li> <li>• Privacy Challenges and Winning Solutions</li> <li>• Inflation, Looming Recession &amp; Climate Change: A Tricky Balancing Act?</li> <li>• Realigning Risk Management and Governance to Changing Business Environment</li> <li>• Impact of Green Energy to Business Environment</li> </ul>

Upon review, the Board noted for the FYE 2022, the Directors have collectively attended 48 development and training programmes in accordance to their individual needs to enhance their ability in discharging their duties and responsibilities more effectively.

#### **2023 Training Needs**

Upon review of the training needs of the Directors for the financial year ending 31 December 2023 and recognising the need to keep abreast with the fast-changing business and regulatory environment, the Board has encouraged its members to attend at least one (1) continuing education programme.

### Part III: Remuneration

#### (8) Remuneration Packages

The remuneration package of the Directors, MD and key senior management are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities assumed in the Board Committees, their attendances, special skills and expertise that they bring to the Board.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part III: Remuneration (cont'd)

#### (9) RC

##### (a) Function

The main function of the RC is to assist the Board in fulfilling its responsibilities on matters relating to the Group's compensation, bonuses, incentives and benefits. The RC assists the Board in assessing the remuneration packages of the Directors, MD and key senior management with a view to ensure that a competitive remuneration package is offered to attract and retain the talented individuals to serve the Group, reviews the Directors' fees and benefits and proposed to the Board for approval and recommendation to the shareholders for approval at the AGM.

##### (b) Composition

The RC consists of four (4) members, all of which are Independent Non-Executive Directors, and the composition of the RC is as follows:

Members	Designation	Number of RC meetings attended/held during the FYE 2022
Mr. Annandan A/L Chandran	Chairman	2/2
Ms. Foo Yit Lan	Member	2/2
Ms. Madeline Lee May Ming	Member	2/2
Mr. Roy Thean Chong Yew	Member	2/2

The Terms of Reference of the RC, outlining the RC's objectives, composition, proceeding of meetings, circular resolution, authority and duties and responsibilities, is available on the Company's website at <https://teladan.my/investor-relations/corporate-governance/>.

#### (10) Directors' Remuneration

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the FYE 2022 are as follows:

##### (a) Group

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
<b>Independent Non-Executive Directors</b>							
Roy Thean Chong Yew	84	10	-	-	-	-	94
Annandan A/L Chandran	48	10	-	-	-	-	58

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part III: Remuneration (cont'd)

#### (10) Directors' Remuneration (cont'd)

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the FYE 2022 are as follows (cont'd):

##### (a) Group (cont'd)

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
<b>Independent Non-Executive Directors (cont'd)</b>							
Madeline Lee May Ming	48	10	-	-	-	-	58
Foo Yit Lan	48	10	-	-	-	-	58
<b>Non-Independent Non-Executive Directors</b>							
Teo Lay Lee	120	3	-	-	-	-	123
Teo Siew May	120	3	-	-	-	-	123
<b>Executive Directors</b>							
Teo Lay Ban	-	-	720	1,320	85	246	2,371
Sia Ah Piew	-	-	372	682	25	134	1,213

##### (b) Company

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
<b>Independent Non-Executive Directors</b>							
Roy Thean Chong Yew	84	10	-	-	-	-	94
Annandan A/L Chandran	48	10	-	-	-	-	58

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part III: Remuneration (cont'd)

#### (10) Directors' Remuneration (cont'd)

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the FYE 2022 are as follows (cont'd):

#### (b) Company (cont'd)

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
<b>Independent Non-Executive Directors (cont'd)</b>							
Madeline Lee May Ming	48	10	-	-	-	-	58
Foo Yit Lan	48	10	-	-	-	-	58
<b>Non-Independent Non-Executive Directors</b>							
Teo Lay Lee	48	3	-	-	-	-	51
Teo Siew May	48	3	-	-	-	-	51
<b>Executive Directors</b>							
Teo Lay Ban	-	-	-	-	-	-	-
Sia Ah Piew	-	-	-	-	-	-	-

#### (11) Remuneration of Top Five (5) Key Senior Management

Upon review, the Board concluded that:-

- the disclosure of the top five (5) key senior management's remuneration will be counterproductive due to the competitive environment for talent in the industry as well as the location that the Group operates in; and
- the key senior management's remuneration disclosed in the Annual Report in the financial statements section would be sufficient, complies with the Malaysian Financial Reporting Standards and achieves the objective that stakeholders are able to assess whether the remuneration of Directors and key senior management commensurate with their individual performance, taking into consideration the Group's performance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part III: Remuneration (cont'd)

#### (11) Remuneration of Top Five (5) Key Senior Management (cont'd)

The top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.00, are as follows:-

Range Remuneration per annum	Number of Senior Management
RM1,450,001 – RM1,500,000	1
RM1,150,001 – RM1,200,000	1
RM500,001 – RM550,000	1
RM400,001 – RM450,000	1
RM250,001 – RM300,000	1

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### (12) AC

#### (a) Composition

- The AC consists of four (4) INEDs which complied with Rule 15.09(1)(b) of the ACE LR whereby the AC shall only consist of Non-Executive Directors and majority of whom are INED.
- The Chairman of the AC, Ms. Foo Yit Lan, is not the Chairman of the Board.
- None of the AC members was a former key audit partner of the Company's auditors. In line with the MCCG, the Board has adopted the terms of reference of the AC that no former key audit partner could be appointed as a member of the AC before observing a cooling-off period of at least three (3) years.

#### (b) Financial Literacy

- Upon review on the performance of the AC for the FYE 2022, the Board noted all members of the AC were financially literate and have the relevant accounting, finance and/or related financial experience and expertise to effectively discharge their duties.
- The qualification and experience of the individual AC members are disclosed in the Directors' Profile in this Annual Report.

#### (c) AC Report

- For detailed information on the AC with regards to its composition, activities and its report, please refer to the AC report in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### (13) Suitability, Objectivity and Independence of the External Auditors

- The AC is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the External Auditors.
- The Board has adopted policies and procedures to assess the suitability, objectivity and independence of the external auditors ("**EA Policy**") which set out the criteria to enable the AC to conduct its evaluation impartially.
- Evaluation of the External Auditors is carried out on a yearly basis to determine its continuance suitability, objectivity and independence via a formal assessment form. The AC remains confident that the objectivity and independence of the External Auditors are not in any way impaired by reason of the non-audit services provided to the Group.
- The Board, through the AC, maintains a formal and transparent relationship with its External Auditors in seeking professional advice.
- The AC met up with the External Auditors without the presence of the Executive Board members and Management twice for FYE 2022 regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.
- For the FYE 2022, the AC and Board have assessed the provision of the non-audit services rendered by the affiliates of the EA.
- The External Auditors confirmed their independence to the AC and that there was no conflict of interest for the audit and non-audit services engagement during the FYE 2022.

### (14) Risk Management and Internal Control

- The Board is responsible for the overall and oversight of risk management of the Group, covering the systems of risk management and internal control for financial, operational and compliance while the Executive Directors together with the key senior management are primary responsible for managing risks in the Group.
- The Statement on Risk Management and Internal Control ("**SORMIC**") is set out in this Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board. The Board has expressed in the SORMIC that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control.
- The Internal Audit Function ("**IAF**") is outsourced to an internal audit consulting firm. Further details of IAF are reported in the AC Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### (15) Corporate Reporting

- In presenting the annual financial statements and quarterly announcements of its results, the Board is committed to provide a balanced, fair and comprehensive assessment of the Group's state of affairs in relation to its financial performance. In order to achieve the above, adequate financial processes are in place, aimed at keeping the Group's accounting records and transactions in accordance with accepted accounting standards.
- The AC assisted the Board by reviewing the financial statements with management and the External Auditors to ensure the accuracy and adequacy of all the information to be disclosed as well as to ensure its compliance with the requirements of the rules and regulations of the regulators and approved accounting standards. The Financial Controller also presented to the AC and the Board the detailed presentations on the financial results.
- The Statement of Directors' Responsibility pursuant to the ACE LR on its responsibilities in preparing the audited financial statements is set out in another section of this Annual Report.

### (16) Communication with Stakeholders

#### (a) Communication Channels

- Information on the Group's business and corporate development, annual reports, circulars, general meetings, press releases, quarterly financial results and timely announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. These form an important channel of communication to reach the stakeholders.

#### (b) Official Spokesperson

- The MD is the designated spokesperson for all matters related to the Group and dedicated personnel were tasked to prepare and verify material information for timely disclosure upon approval by the Board.

#### (c) Corporate Website

- The Company maintains a website at <https://teladan.my/> for shareholders, investors and general public to access information on, amongst others, the Group's corporate profile, products, financial performance announcements published on Bursa Securities' website, Board Charter and Board Committees' terms of reference and corporate information.

### (17) Conduct of General Meetings and Participation at AGM

#### (a) Notice of AGM

- The Notice of the forthcoming 4<sup>th</sup> AGM would be issued not less than twenty-eight (28) days prior to the AGM so as to enable the shareholders to have full information about 4<sup>th</sup> AGM and to facilitate informed decision-making. Full explanation of the effects of proposed resolution(s) of any special business would also be accompanying such Notice.
- Publication of Notice of AGM on corporate website

In addition to the publication on a national daily newspaper, pursuant to Section 320(2) of the Companies Act 2016, a copy of the Notice of AGM together with the proxy form would be made available at the corporate website of Teladan Setia Group Berhad at <https://teladan.my/investor-relations/investor-centre-reports/>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### (17) Conduct of General Meetings and Participation at AGM (cont'd)

#### (b) Directors' Commitment

All Directors of the Company have committed to be present at the Company's 4<sup>th</sup> AGM to answer any questions that the shareholders may ask, be it physical, virtual or hybrid meeting.

#### (c) Poll Voting and remote shareholders' participation

- Notwithstanding the Covid-19 being in an endemic phase, the Board continues to exercise precautions and preventative measures to observe the best practice as advocated by the Malaysian Ministry of Health. These include the option of remote shareholders' participation at the Annual General Meeting.
- For the 3<sup>rd</sup> AGM of the Company held on 20 May 2022, it was conducted on a fully virtual basis vide the online meeting platform hosted on Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution in general meeting.

### Key CG future priority for Financial Year ending 31 December 2023 ("FYE 2023")

Upon review, the Board has outlined its key CG priorities for FYE 2023 as follow:-

- Ensuring the integrity of the Group's financial accounting and reporting process be maintained;
- Continuous monitoring on strategic management of material sustainability matters undertaken by Management; and
- Ensuring the internal and external audit process as well as risk management oversight by the Board be duly maintained; and
- Enhancement to the Sustainability Framework of the Company in compliance with the Sustainability Reporting Framework as laid down by Bursa Securities.

### COMPLIANCE WITH MCCG

The Board is satisfied that during the FYE 2022, the Company has substantially complied with the best practices in MCCG on the application of the principles and best practices in corporate governance, except for the following:

- Practice 1.4: The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee; and
- 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.

The departures of the above practices would be explained in the CG Report.

This Statement and the CG report are made in accordance with a resolution of the Directors passed on 6 April 2023.

# DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the Companies Act 2016 and the applicable approved accounting standards, the Directors are required to prepare annual financial statements that give a true and fair view of the financial position and the results and cash flows of the Group and of the Company for that financial year then ended.

The Directors have reviewed the accounting policies to ensure that they are consistently applied throughout the financial year and are of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. In cases where judgements and estimations were made, they were based on reasonableness and prudence.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect frauds and other irregularities.

This Statement of Directors' Responsibility for preparing the financial statements is approved by the Board of Directors on 6 April 2023.



## ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Rule 9.25 of the ACE LR as set out in Appendix 9C thereto.

### 1. Utilisation of Proceeds

No proceed were raised by the Company from any corporate proposal during the financial year ended 31 December 2022.

### 2. Recurrent Related Party Transactions of a Revenue Nature

During the financial year under review, the Group has not entered into any recurrent related party transactions of a revenue or trading nature.

### 3. Audit and Non-Audit Services

For the financial year ended 31 December 2022 (“**FYE 2022**”), Messrs. RSM Malaysia PLT, the external auditors, has rendered certain audit and non-audit services to the Company and the Group, an actual breakdown of which is listed as below for information:-

	Company (RM)	Group (RM)
<b>Audit services rendered</b>		
Statutory audit in respect of FYE 2022	20,000	128,100
Tax fees in respect of FYE 2022	4,200	29,600
Review of the Statement on Risk Management and Internal Control for Annual Report 2022	3,000	3,000
<b>Total</b>	<b>27,200</b>	<b>160,700</b>

### 4. Material Contracts

There was no material contract entered into by the Group involving the interest of Directors, and major shareholders, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

# AUDIT COMMITTEE REPORT





The Board presents the Audit Committee ("AC") Report to provide insights on the discharge of the AC's functions during the financial year ended 31 December 2022 ("FYE 2022"), in compliance with Rule 15.15(1) of the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2021 ("MCCG").

## AUTHORITY

Pursuant to Clause 5.7.4 of the Board Charter, the Board has established an AC to assist the Board in discharging its statutory duties and responsibilities relating to accounting and practices of the Group. In addition, the AC also assisted in fulfilling the Board's stewardship accountability to its shareholders and financial stakeholders. The AC is committed to its role in ensuring the integrity of the Group's financial reporting process and monitoring the management of risk and system of internal controls, external and internal audit process, and such other matters that may be specifically delegated to the AC by the Board.

## Compliance Dashboard

The AC is pleased to provide below a snapshot of the key CG compliance by the AC for the FYE 2022:-

MCCG Practice	Applications by Teladan	MCCG Practice	Applications by Teladan
<p><b>Practice 9.1</b></p> <p>Chairman of the Audit Committee is not chairman of the Board</p>	<p>Chairman Chairperson of AC</p>  <p><b>Mr. Roy Thean Chong Yew</b>      <b>Ms. Foo Yit Lan</b></p>	<p><b>Step-up Practice 9.4</b></p> <p>The Audit Committee comprises solely of independent directors</p>	 <p>The AC comprises <b>solely of four (4) Independent Non-Executive Directors ("INEDs")</b></p>
<p><b>Practice 9.2</b></p> <p>Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)</p>	<p>Incorporated in the TOR of AC</p>	<p><b>Practice 9.5</b></p> <p>AC Members possess wide range of skills and financially-literate</p>	 <p>AC members with diverse background, experience and skills, being financially-literate and able to understand the financial reporting process</p>
<p><b>Practice 9.3</b></p> <p>Policies &amp; Procedures to assess the suitability, objectivity and independence of external auditors</p>	<p>EA Policy &amp; Procedures established</p>	<p><b>Practice 11.1</b></p> <p>Effective and independent internal audit function</p>	 <p>Appointed outsourced independent internal auditors, Needsbridge Advisory Sdn. Bhd. ("<b>Needsbridge</b>") to undertake internal audit activities</p>

# AUDIT COMMITTEE REPORT

## COMPOSITION

The AC comprises four (4) members, all of whom are Independent Non-Executive Directors. All of the members of the AC satisfied the test of independence under the ACE LR and also met the requirements of the MCCG.

Furthermore, in adopting the **Step-Up Practice 9.4** of the MCCG, the AC comprises solely of Independent Directors.

The current composition of the AC is as follows:-

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Foo Yit Lan	Chairperson	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Senior Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Director

The Chairperson of the AC, Ms. Foo Yit Lan is an Independent Non-Executive Director. In this respect, the Company complies with Rule 15.10 of the ACE LR. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairperson of the AC is not the Chairman of the Board.

In addition, Ms. Foo Yit Lan, is a registered Chartered Accountant with the Malaysian Institute of Accountants (MIA) and fellow member of Association of Chartered Certified Accountants (“**ACCA**”). In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR.

### **Assessment on the Term of Office and Performance of the AC**

The Nominating Committee (“**NC**”) had on 22 February 2023, reviewed the term of office and performance of the AC as well as whether its members have carried out their duties in accordance with the Terms of Reference of AC for the FYE 2022.

Upon review, the NC is satisfied with the overall performance of the AC and its individual members for FYE 2022. The NC had reported the outcome of assessment to the Board of Directors (“**Board**”) for notation.

### **Formal assessment on the External Auditors**

In compliance with Practice 9.3 of the MCCG, the AC has adopted the policies and procedures to assess the suitability, objectivity and independence of the external auditors (“**the EA Policy**”) on annual basis. The EA Policy serves as a guidance for the AC when making recommendation to the Board on whether to seek shareholders’ approval at next AGM for the re-appointment of external auditors for the ensuing year.

The EA Policy sets out the criteria in which the AC would consider in assessing the suitability, objectivity and independence of the external auditors:-

- i) Fees;
- ii) Competence, audit quality and resource capacity;
- iii) Independence;
- iv) Non-audit services, if any; and
- v) Issues of material significance or matters of disagreement with the Management, if any.

The EA Policy also spells out the approval process for the non-audit services rendered by the external auditors or its affiliates, together with the necessary measures to ensure that the objectivity and independence of the external auditors is not impaired.

Upon assessment, the AC is satisfied with Messrs. RSM Malaysia PLT’s technical competency, effectiveness, suitability and independence during the financial year under review and has recommended to the Board for the latter’s re-appointment for FYE 2023. The Board, in turn, has recommended the same for shareholders’ approval at the forthcoming Fourth (4<sup>th</sup>) Annual General Meeting (“**4<sup>th</sup> AGM**”) of the Company.

# AUDIT COMMITTEE REPORT

## MEETINGS AND ATTENDANCES

The AC held a total of five (5) meetings during the FYE 2022 and the attendance of the members during the financial year under review were as below:-

Members	Total no. of meetings attended	Total no. of meetings held during tenure of office	%
Ms. Foo Yit Lan	5	5	100.00
Mr. Annandan A/L Chandran	5	5	100.00
Ms. Madeline Lee May Ming	5	5	100.00
Mr. Roy Thean Chong Yew	5	5	100.00

The lead audit partner of the external auditors responsible for the Group had attended four (4) AC Meetings held in FYE 2022.

The external auditors were encouraged to raise to the AC, any matters they considered important to bring to the AC's attention. For FYE 2022, two (2) private sessions were held between the AC with the external auditors without the presence of the Executive Board members and management personnel.

The Chairperson of the AC also sought information on the communication flow between the external auditors and the Management which is necessary to allow unrestricted access to information for the external auditors to effectively perform their duties.

Notices of the AC Meeting were sent to the members of Audit Committee at least seven (7) days in advance unless there is exceptional case. Upon that, the Company Secretaries would then compile the relevant meeting papers for dissemination to the members of AC by email and/or hand.

All deliberations during the AC Meetings were duly minuted. Minutes of the AC Meetings were tabled for confirmation at every succeeding AC Meeting.

The Chairperson of the AC presented the Audit Committee's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairperson of the AC would convey to the Board, matters of significant concern raised by the internal and external auditors.

## TERMS OF REFERENCE

The Terms of Reference ("TOR") of the AC was last reviewed by the AC and adopted by the Board on 28 February 2022, which is in line with the ACE LR and MCCG.

The TOR of the AC is available for viewing under "Investors" section of the Company's website at <https://teladan.my/investor-relations/corporate-governance/>

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORKS

During the FYE 2022, the summary of works carried out by the AC were as follows:-

### 1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 31 December 2021, 31 March 2022, 30 June 2022 and 30 September 2022 and recommended the same for the Board's approval.
- Reviewed the financial performance and financial highlights of the Group on quarterly basis.
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR on quarterly basis.
- Reviewed the draft audited combined financial statements for the financial year ended 31 December 2021 and recommended the same for the Board's approval.
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

### 2. Oversight of External Auditors

- Reviewed the Audit Planning Memorandum for the FYE 2022 prepared by the external auditors, entailing mainly the key audit matters, overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group.
- Met two (2) times with the external auditors without the presence of the Executive Directors and management personnel.
- Reviewed the effectiveness, suitability and independence of the external auditors vide a formalised "Assessment on External Auditors" and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval.
- Reviewed and discussed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2022, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for FYE 2022 and recommended the same for the Board's approval.
- Received assurance of independence by the engagement partner and his engagement team.

### 3. Oversight of Internal Audit Function

- Received assurance of independence by the engagement partner of NeedsBridge and his engagement team.
- Reviewed the risk-based Internal Audit Plan for the Group prepared by NeedsBridge for FYE 2022.
- Reviewed the Internal Audit Reports for the FYE 2022 and assessed the internal auditors' findings and the management's responses and made the necessary recommendations to the Board for approval.
- Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports.
- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function in respect of FYE 2022.

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORKS (CONT'D)

During the FYE 2022, the summary of works carried out by the AC were as follows (cont'd):-

### 4. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the AC Meetings.
- Review the disclosures in AC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and Corporate Overview Statement for inclusion in the Annual Report 2021.
- Deliberated and noted the key observations of the internal audit function of the Company.
- Received assurance from the Managing Director and Financial Controller on the status of internal control system of the Group for FYE 2022.

### 5. Review of Related Party Transactions

- Reviewed the related party transactions and conflict of interest situation that arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises questions on management integrity.

Having review the works carried out by the AC for FYE 2022, the Board is satisfied that the AC has carried out their responsibilities and duties in accordance with the AC's TOR.

## INTERNAL AUDIT FUNCTION

### (1) Internal Auditors

The internal audit function plays an important role to provide the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

For FYE 2022, the engagement team personnel from NeedsBridge had affirmed to the AC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

### (2) Summary of Works of the Internal Audit Function for FYE 2022

During FYE 2022, the summary of works undertaken by the internal auditors comprised the followings:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- The internal audits performed met the objective of highlighting to the AC the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and

# AUDIT COMMITTEE REPORT

## INTERNAL AUDIT FUNCTION (CONT'D)

### (2) Summary of Works of the Internal Audit Function for FYE 2022 (cont'd)

During FYE 2022, the summary of works undertaken by the internal auditors comprised the followings (cont'd):-

- Presentation of audit findings and corrective actions to be taken by the Management in the quarterly AC Meetings.
- Reviewed and assessed the key observation of the internal audit function of listed issuers as well as the accompanying findings of the thematic reviews and key takeaways, issued by Bursa Securities.

### (3) Total costs incurred for FYE 2022

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2022 was amounted to RM40,000/-.

### (4) Continuing Education Programmes/ Trainings attended by AC

During FYE 2022, members of AC have attended the following continuing education programme/ trainings in furtherance of their knowledge in the area of accounting and financial reporting:-

Training(s) Attended:

- MIA International Accountants Conference 2022
- Securities Commission's Audit Oversight Board Conversation with AC
- MIA Webinar Series: Sustainability Management and Reporting
- MIA 2022 Budget Seminar
- Sustainability Management & Reporting

This AC Report is made in accordance with a resolution passed by the Board of Directors on 6 April 2023.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to paragraph 15.26(b) and Guidance Note 11 of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad in relation to the requirement to prepare a statement about the state of risk management and internal control of the listed corporation as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**the Guidelines**”) and the Malaysian Code on Corporate Governance 2021 (“**MCCG**”), the Board of Teladan Setia Group Berhad (“**TSGB**” or “**the Company**”) (collectively with its subsidiaries, “**the Group**”) is pleased to present the statement on the state of risk management and internal controls of the Group for the financial year ended 31 December 2022. The scope of this Statement includes the Company and its operating subsidiaries.

## BOARD RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining a sound governance, risk management and internal control system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the Group’s mission, vision, core values, strategies and business objectives as well as to safeguard all its stakeholders’ interests and protecting the Group’s assets. The Board is to establish the risk appetite of the Group based on the risk capacity, strategies, internal and external business context, business nature and corporate lifecycle. The Board is committed to the establishment and maintenance of an appropriate control environment that is embedded into the corporate culture, strategies and processes of the Group as well as to articulate the importance of adequate and effective risk management and internal control system. The Board delegates the duty of identification, assessment and management of key business risks and opportunities to the Risk Management Working Group (“**RMWG**”) while the Risk Management Committee (“**RMC**”) and Audit Committee (“**AC**”), through their respective terms of reference approved by the Board, are delegated with the duties to review the adequacy and effectiveness of risk management and internal control system of the Group and to provide assurance to the Board on the adequacy and effectiveness of such risk management and internal control system. Through both the RMC and AC, the Board is kept informed on all significant risks and control issues brought to attention by the RMWG, the internal audit function and the external auditors, and the Board is provided with reasonable assurance that any impact arising from foreseeable future events or situations is properly managed and/or mitigated.

The system of internal control covers, inter-alia, control environment, risk assessment, control activities, information and communication and monitoring activities. However, in view of the limitations that are inherent in any system of internal control, the system of internal control is designed to manage, rather than to eliminate, the risk of failure to achieve the Group’s business objectives. Accordingly, the system of internal control can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

## RISK MANAGEMENT

The Board recognises risk management as an integral part of internal control system and good management practice in the pursuits of its mission, vision, core values, strategies and business objectives. The Board maintains an on-going commitment to identifying, evaluating and managing significant risks and opportunities faced by the Group systematically during the financial year under review. The Board had put in place a formal Group Risk Management Framework, as the governance structure and processes for enterprise-wide risk management, in order to embed risk management practices into all levels of the Group and to manage key business risks faced by the Group as well as to optimise key business opportunities available to the Group adequately and effectively as the second line of defense. Duties for the identification, evaluation and management of the key business risks and opportunities are delegated to the RMWG comprising the Managing Director, Executive Director and Heads of Departments.

The principles, practices and process of the Group Risk Management Framework established by the Board are, in all material aspects, guided by the ISO 31000:2018 – Risk Management Guidelines.

The Group Risk Management Framework established lays down the risk management objectives and processes as well as the governance structure of risk management activities of the Group which is as follows:-



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT (CONT'D)



Clear roles and responsibilities of the Board, AC, RMC, RMWG, Risk Owners and internal audit function are defined in the Group Risk Management Framework. In particular, the roles and responsibilities of the RMWG in relation to risk management are as follows:-

- (a) implement the Group Risk Management Framework as approved by the Board;
- (b) implement the risk management process which includes the identification of key risks and devising appropriate action plan(s) in cases where existing controls are ineffective, inadequate or non-existent and communicate methodology to the risk owners;
- (c) ensure that risk strategies adopted are aligned with the Group's organisational strategies. (e.g. vision/mission, corporate strategies/goals, etc.), Group Risk Management Framework and risk appetite/tolerance;
- (d) continuous review and update of the Key Risk Registers of the Group due to changes in internal business processes, business strategies or external environment and determination of management action plan, if required;
- (e) update the Board, through the RMC, on changes to the Key Risk Registers on periodical basis (at least on annual basis) or when appropriate (due to significant change to the internal business processes, business strategies or external environment) and the course of action to be taken by management in managing the changes; and
- (f) to perform risk identification and assessment in relation to major asset/business acquisition or divestment or business diversification or business consolidation and to report the results of the assessment to the Board for strategic decision making.

In addition, the Risk Owners, within their areas of expertise, are delegated with operational responsibilities with the following roles and responsibilities:-

- (a) manage the risks of the business processes under his/her control;
- (b) continuously identify risks and evaluate existing controls. If controls deemed ineffective, inadequate or non-existent, to establish and implement controls to reduce the likelihood and/or impact.
- (c) to report to the RMWG of the emergence of new business risks or change in the existing business risks on a timely manner
- (d) to assist the RMWG in the development of the management action plans and implement these action plans;
- (e) assist the RMWG with the update (at least yearly) of the changes in the Key Risks Register, management action plans and the status of these plans;
- (f) ensure that staff working under him/her understand the risk exposure of the relevant process under his/her duty and the importance of the related controls; and
- (g) ensure adequacy of training for staff on risk and opportunity management.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT (CONT'D)

Systematic risk management process is stipulated in the Group Risk Management Framework, whereby each step of the risk and opportunity identification, evaluation, control identification, treatment and control activities are laid down for application by RMWG and Risk Owners. Risk and opportunity assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board based on the risk appetite acceptable by the Board. Based on the risk management process, Key Risk Registers were compiled by RMWG and Risk Owners, with relevant key risks and opportunities identified rated based on the agreed upon risk and opportunity rating before being reported to the Managing Director for his review and subsequent reporting to the RMC via the Key Risk Profile. The Key Risk Registers were primarily used for the identification of high residual risks which is above the risk appetite of the Group that require the management and the Board's immediate attention and risk treatment as well as for future risk monitoring. In addition, key opportunities identified were registered in relevant Key Risk Registers for the monitoring of implementation of action plans to ensure its achievement. As an important risks and opportunities monitoring mechanism, the management is scheduled to review the Key Risk Registers of key operating subsidiaries and assessment of emerging risks and opportunities identified at strategic and operational level on an annual basis or on a more frequent basis if circumstances require so and to report to the RMC on the results of the review and assessment.

During the financial year under review, the RMWG conducted a risk assessment exercise whereby existing strategic, governance, financial, fraud and key operational risks as well as opportunities of the Company and all operating subsidiaries were assessed and updated into the Key Risk Registers for on-going risk and opportunities monitoring. Key Risk Profile (included but not limited to, Key Risk Registers, existing control activities for risks mitigation and opportunities optimisation, likelihood and impact rating used and risk management process employed for review and assessment exercise by the management) was compiled and tabled to the RMC for its review and deliberation on the adequacy and effectiveness and thereafter reported the results of review to the Board, which assumes the primary responsibility of risk management of the Group.

At strategic level, business plans, business strategies and investment proposals with risks, opportunities and sustainability consideration are formulated by the Managing Director and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite. In addition, specific strategic and key operational risks and opportunities are highlighted and deliberated by the RMC and/or the Board during the review of the financial performance of the Group in scheduled meetings.

As the first line of defense, the respective Risk Owners are responsible for managing the risks under their responsibilities. Risk owners are responsible for effective and efficient operational monitoring and management by way of maintaining effective internal controls and executing risk and control procedures on a day-to-day basis. Changes in the key risks or emergence of new risks are identified through daily operational management and controls and review of financial and operational reports by the respective levels of management generated by internal management information system supplemented by external data and information collected. The respective risk owners are responsible to assess the changes to the existing risks and emergence of new risks and to formulate and implement effective controls to manage the risks. Material risks are highlighted to the Managing Director for the final decision on the formulation and implementation of effective internal controls and reported respectively to the RMC and the Board by the Managing Director.

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal plan reviewed by the AC.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

References could be made to the Management Discussion and Analysis for the significant risks faced by the Group and the mitigation plans implemented.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are made up of five (5) core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component are as follows:-

- **Board of Directors/Board Committees**

The roles, functions, composition, operation and processes of the Board are guided by the formal Board Charter whereby roles and responsibilities of the Board, individual Directors, the Independent Non-Executive Chairman and the Managing Director (including Executive Director) are specified to preserve the independence of the Board from the management and to enhance oversight roles of the Board.

Board Committees (i.e. AC, RMC, Remuneration Committee and Nominating Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

Meetings of Board of Directors, AC and RMC are carried out on a scheduled basis to review the performance of the Group, from financial and operational perspectives, while meetings of the Remuneration Committee and Nominating Committee are carried out at least once annually or when required. Business plans and business strategies are proposed by the Managing Director for the Board's review and approval, after taking into risk consideration and responses.

- **Integrity and Ethical Value**

The tone from the top on integrity and ethical value are enshrined in the formal Codes of Conduct and Ethics approved by the Board. These codes form the foundation of integrity and ethical value for the Group.

Integrity and ethical value expected from the employees are incorporated in the Employee Handbook whereby the ethical behaviors expected from the employees are stated. Codes of Conduct expected from employees to carry out their duties and responsibilities assigned are also established and formalised in the Employee Handbook.

To further strengthen ethical principles throughout the Group, a formal Anti-Bribery and Corruption Policy had been put in place by the Board to prevent and manage bribery risks and conflict of interest within the Group with a Whistleblowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

The Codes of Conduct and Ethics are monitored via control activity monitoring mechanisms implemented, with non-compliances timely detected and investigated with appropriate corrective action, including but not limited to disciplinary actions, taken to rectify any non-compliances.

- **Organisation Structure, Accountability and Authorisation**

The Group has a well-defined organisation structure in place with clear lines of reporting and accountability, with the Board assuming the oversight role. The Group is committed to employing suitably qualified staff so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and controls are assigned accordingly to competent staff to ensure operational efficiency. The establishment and communication of job responsibilities and accountability of performance and controls for key positions are further enhanced via job functions established by the management.

- **Performance Measurement**

Key performance indicators, including targets, are established for the monitoring of performances of key departments and for reporting to the Managing Director at scheduled intervals.

Annual financial budgets (profit and loss, financial position and cash flow) and forecasts for the Group are presented to and approved by the Board on an annual basis. Actual performances are monitored against budgets to identify significant variances for prompt actions to be taken.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL CONTROL SYSTEM (CONT'D)

- **Succession Planning and Human Resource**

It is the Board's commitment that the Group identifies and satisfies the needs of employees to continuously develop their knowledge, skills and competency for personal development and corporate excellence. Succession planning controls and monitoring are in place to ensure key roles within the Group are supported by competent and proficient second-in-line to reduce the impact of any abrupt departure of key personnel to the minimum possible.

The Group's Employee Handbook, Letter of Appointment and Code of Conduct set out the general employment terms and conditions, the tone for control, consciousness and conducts. They are designed to provide guidelines to employees with the objective of ensuring all employees understand issues and matters during the tenure of their employment. Together with employees' job description, these guidelines clearly defined the Group's values and policies, Group's expectation of employees and employees' expectations towards the Group.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent development and form the basis of the incentives and promotion.

- **Risk Assessment and Control Activities**

Risk assessment, including fraud and bribery risk, is performed by risk owners at scheduled intervals or when there is change in internal and/or business context in accordance with the Group Risk Management Framework. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board, i.e. the risk appetite.

The Group has documented policies and procedures that are regularly reviewed and updated to ensure its relevance and to support the Group's business activities in achieving its business objectives.

- **Information and Communication**

At operational level, clear reporting lines are established across the Group and operation reports are prepared for dissemination of critical information to relevant personnel for effective communication throughout the Group and for timely decision making and execution in pursuit of strategies and business objectives. Matters that require the Board and the Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

The Group puts in place effective and efficient information and communication infrastructures, communication channels (i.e. computerised systems, secured intranet, electronic mail system and modern telecommunication) and processing system, so that operation data and external data can be collected and processed into relevant and adequate information and communicated timely, reliably and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders. Apart from that, relevant financial and management reports are generated for different levels of management and employee for their review and decision making. Management and board meetings are held for effective two-way communication of information at different level of management and the Board.

Communication of policies and procedures of the Group are conducted via written format, electronic mail system and in-house trainings by respective risk or control owners.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL CONTROL SYSTEM (CONT'D)

- **Monitoring and Review**

At operational level, monitoring activities are embedded into the policies and procedures established by the management with incidents of non-compliance and exceptions noted being escalated to the appropriate level of management. Key performance indicators are in place to monitor the performance of key departments, periodic management meetings are held to discuss and review budgets, financial and operational performance of key departments of the Group. The monitoring of compliance with relevant laws and regulations are further enhanced by reviewing specific areas of safety, health and environment by independent consultants engaged by the Group and enforcement bodies.

Apart from the above, quarterly financial statement which contains key financial results is presented to the Board for their review. Financial performance reports are also presented by the Managing Director and Financial Controller during the Board's meeting to assess the financial performance of the Group.

Corrective actions are formulated and implemented for any incidents of non-compliance and exceptions reported with its implementation monitored.

In addition to internal audits, significant control issues highlighted by the External Auditors as part of their statutory audits serve as the fourth line of defense.

## INTERNAL AUDIT FUNCTION

The review of the adequacy and effectiveness of the Group's risk management and internal control system is outsourced to an independent professional firm, NeedsBridge Advisory Sdn. Bhd., which, through the AC, provides the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on risk management and internal control. To uphold the professional firm's independence and objectivity, the outsourced internal audit function reports directly to the AC. At least once annually, the AC will meet with the outsourced internal audit function without the presence of management to promote free flow of information.

The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global. The engagement director, Mr. Lau Min Wei, is a professional member of the Institute of Internal Auditors Malaysia. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) manager, assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the director.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board for the financial year under review. Key terms of the engagement include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team.

On the other hand, the Internal Audit Charter governs the internal audit function by specifying the purpose and mission of internal audit function, its roles, professionalism required, its authorities, the reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring and quality assurance and improvement programme.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of the management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the management or an employee of the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL AUDIT FUNCTION (CONT'D)

The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, the AC and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

Based on the formal evaluation of internal audit function and review of the works performed and deliverables by the outsourced internal audit function during the financial year, the AC and the Board are satisfied:

- that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;
- within the scope of the outsourced internal audit function;
- that the outsourced internal audit function possesses relevant experience, knowledge, competency and authority to discharge its functions effectively, possesses sufficient resources and has unrestricted access to employees and information for the internal audit activities; and
- with the internal audit plan, processes, the results of the internal audit.

A risk-based internal audit plan in respect of the financial year ended 31 December 2022 was drafted by the outsourced internal audit function, after taking into consideration the residual risks with potential high impact per the Key Risk Profile of the Group and the input by the management after taking into consideration the existing business context and economic condition. Such internal audit plan was reviewed and approved by the AC prior to execution. Each internal audit cycles within the internal audit plan are specific with regard to the audit objectives, key risks to be assessed and scopes of the internal control review.

As the third line of defense, the internal control review procedures performed by the outsourced internal audit function were designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk structures, control structures and control processes. Recommendations were formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consisted of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided as well as observations of the functioning of processes in compliance with results of interviews, documented standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance with a predetermined formulation, subject to the nature of testing and verification of the samples.

During the financial year ended 31 December 2022, based on the internal audit plan reviewed and approved by the AC for execution, the outsourced internal audit function had conducted:

- a review of the Group's internal controls on anti-bribery and corruption management in relation to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**") as well as the Guidelines on Adequate Procedures pursuant to the MACC Act;
- a review of the Group's internal controls on sales and marketing management; and
- two (2) follow ups on progress of action plans implementation.

Upon the completion of the internal audit fieldwork during the financial year, the internal audit report was presented to the AC during its scheduled meeting. During the presentations, the internal audit findings, priority levels, risks or potential implications, recommendations, management's responses and action plans, person-in-charge and targeted date of implementation were presented and deliberated with the members of the AC. This is to enable the AC to form an opinion on the adequacy and/or effectiveness of the governance, risk and control of the business process under review. In addition, progress follow ups were performed by the outsourced internal audit function on the management action plans that had not been implemented in the previous internal audit fieldwork by way of verification via physical observation or through verification of sample provided by person-in-charge to substantiate the implementation of the management's action plans. The updates on the status of action plans were presented via the Action Plan Progress Report tabled at the subsequent AC meeting for review and deliberation.

In addition, during the AC meeting, the outsourced internal audit function reported its staff strength, qualification and experience as well as continuous professional education for the AC to review.

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2022 amounted to RM40,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## **ASSURANCE FROM THE MANAGEMENT**

In line with the Guidelines, the Board had received reasonable assurance in writing from the Managing Director and Financial Controller, that the Group's risk management and internal control system have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

## **OPINION AND CONCLUSION**

Based on the review of the results of risk management activities, the results of the internal audit activities, the monitoring and review mechanism stipulated above, coupled with the assurance provided by the management, the Board is of the opinion that the risk management and internal control systems of the Group are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control system in meeting the Group's strategies and business objectives.

The Board is committed towards maintaining an effective risk management and internal control system throughout the Group and, where necessary, putting in place appropriate plans to further enhance the Group's risk management and internal control system and improving the risk maturity in the Group. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to achieve its mission, vision, core values, strategies and business objectives in the current and challenging business environment.

## **ASSURANCE PROVIDED BY EXTERNAL AUDITORS**

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. Based on their review, nothing had come to their attention that caused them to believe this Statement was not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines and Practices 10.1 and 10.2 of the MCCG to be set out, nor that this Statement is factually incorrect.

# FINANCIAL STATEMENTS

104	DIRECTORS' REPORT
109	STATEMENTS OF FINANCIAL POSITION
110	STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
111	STATEMENTS OF CHANGES IN EQUITY
113	STATEMENTS OF CASH FLOWS
115	NOTES TO THE FINANCIAL STATEMENTS
169	STATEMENT BY DIRECTORS AND STATUTORY DECLARATION
170	INDEPENDENT AUDITORS' REPORT



# DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

## FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Net profit for the financial year, attributable to owners of the parent	35,306,124	12,252,060

In the opinion of the directors, the financial results 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.

## DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 31 December 2022:	
First interim single-tier dividend of RM0.007 per ordinary share, paid on 20 April 2022	5,637,086
Second interim single-tier dividend of RM0.006 per ordinary share, paid on 19 September 2022	4,833,333
	<b>10,470,419</b>

The directors do not recommend any final dividend in respect of the financial year ended 31 December 2022.

## RESERVES AND PROVISIONS

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

# DIRECTORS' REPORT

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued ordinary share capital from 805,298,002 shares to 807,693,902 shares through the issuance of 2,395,900 new ordinary shares pursuant to the conversion of Warrants at an exercise price of RM0.50 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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

## WARRANTS

Details of the warrants are disclosed in Note 14 (b) to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## DIRECTORS

The directors who held office during the financial year until the date of this report are:-

Teo Lay Ban  
Teo Lay Lee  
Teo Siew May  
Sia Ah Piew  
Annandan A/L Chandran  
Foo Yit Lan  
Madeline Lee May Ming  
Roy Thean Chong Yew

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

	Number of ordinary shares		
	At 1.1.2022	Acquired	(Disposed) At 31.12.2022
<b>THE COMPANY</b>			
Teo Lay Ban	335,003,762	-	- 335,003,762
Teo Lay Lee	89,478,080	-	- 89,478,080
Teo Siew May	89,478,080	500,000	- 89,978,080
Sia Ah Piew	415,000	-	- 415,000
Annandan A/L Chandran	10,000	-	- 10,000
Foo Yit Lan	60,000	18,000	- 78,000
Roy Thean Chong Yew	50,000	-	- 50,000

# DIRECTORS' REPORT

## DIRECTORS (CONT'D)

	Number of warrants			At 31.12.2022
	At 1.1.2022	Bonus Issue	(Exercised)	
<b>THE COMPANY</b>				
Teo Lay Ban	100,501,128	-	-	100,501,128
Teo Lay Lee	26,843,424	-	-	26,843,424
Teo Siew May	26,843,424	-	(500,000)	26,343,424
Sia Ah Piew	124,500	-	-	124,500
Annandan A/L Chandran	3,000	-	-	3,000
Foo Yit Lan	18,000	-	(18,000)	-
Roy Thean Chong Yew	15,000	-	-	15,000

The terms and conditions of the warrants are disclosed in Note 14 (b) to the financial statements.

By virtue of their interests in the ordinary shares of the Company, the directors are also deemed to be interested in the ordinary shares of all its subsidiaries to the extent the Company has interest.

None of the other director holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from warrants issued by the Company.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown in the notes to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which a director has a substantial financial interest.

## DIRECTORS' REMUNERATION

The amounts of remunerations received or receivable by the Directors of the Company during financial year are as follows:

	GROUP RM	COMPANY RM
Fees	468,000	324,000
Salaries, bonuses and other benefits	3,149,004	46,000
Defined contribution plan	371,280	-
	<b>3,988,284</b>	<b>370,000</b>

## INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditors of the Group and of the Company.

# DIRECTORS' REPORT

## AUDITORS' REMUNERATION

The amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	GROUP RM	COMPANY RM
Audit fees	128,100	20,000

## SUBSIDIARY COMPANIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

## OTHER STATUTORY INFORMATION

- (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 nor any doubtful debts to be provided for; and
  - (ii) to ensure that the current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would require the write off of bad debts or the setting up of provision for doubtful debts in the financial statements of the Group and of the Company; or
  - (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the Group's and the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

# DIRECTORS' REPORT

## AUDITORS

The auditors, RSM Malaysia PLT, have expressed their willingness to continue in office.

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

**TEO LAY BAN**

**SIA AH PIEW**

Melaka

6 April 2023

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2022

	Note	2022 RM	GROUP Reclassified 2021 RM	2022 RM	2021 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	6	19,596,962	8,744,165	-	-
Right-of-use assets	7	923,412	465,868	-	-
Investments in subsidiaries	8	-	-	322,119,000	322,119,000
Inventories	9	392,830,639	242,312,691	-	-
Deferred tax assets	18	1,128,000	-	-	-
		414,479,013	251,522,724	322,119,000	322,119,000
<b>CURRENT ASSETS</b>					
Inventories	9	235,374,852	265,378,145	-	-
Trade and other receivables	10	18,192,866	45,396,248	69,175,352	67,253,579
Contract assets	11	33,991,269	77,959,722	-	-
Contract cost assets	12	30,183,349	21,879,585	-	-
Current tax assets		433,254	391,401	-	-
Cash and cash equivalents	13	132,674,298	83,460,532	8,109,186	7,026,660
		450,849,888	494,465,633	77,284,538	74,280,239
<b>TOTAL ASSETS</b>		<b>865,328,901</b>	<b>745,988,357</b>	<b>399,403,538</b>	<b>396,399,239</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	14	398,243,133	397,045,183	398,243,133	397,045,183
Merger reserve	15	(318,369,000)	(318,369,000)	-	-
Retained earnings/ (Accumulated losses)		415,616,983	390,781,278	1,066,646	(714,995)
<b>TOTAL EQUITY</b>		<b>495,491,116</b>	<b>469,457,461</b>	<b>399,309,779</b>	<b>396,330,188</b>
<b>NON-CURRENT LIABILITIES</b>					
Bank borrowings	16	269,384,076	209,270,052	-	-
Lease liabilities	7	597,783	325,864	-	-
Hire purchase	17	615,846	153,379	-	-
Deferred tax liabilities	18	1,072,921	46,000	-	-
		271,670,626	209,795,295	-	-
<b>CURRENT LIABILITIES</b>					
Trade and other payables	19	62,353,218	40,186,549	46,259	29,051
Contract liabilities	11	1,228,880	-	-	-
Bank borrowings	16	33,308,464	23,605,980	-	-
Lease liabilities	7	392,918	176,052	-	-
Hire purchase	17	338,692	189,279	-	-
Current tax liabilities		544,987	2,577,741	47,500	40,000
		98,167,159	66,735,601	93,759	69,051
<b>TOTAL LIABILITIES</b>		<b>369,837,785</b>	<b>276,530,896</b>	<b>93,759</b>	<b>69,051</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>865,328,901</b>	<b>745,988,357</b>	<b>399,403,538</b>	<b>396,399,239</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	GROUP		COMPANY	
		2022 RM	Reclassified 2021 RM	2022 RM	2021 RM
REVENUE	20	253,146,341	196,905,419	-	-
COST OF SALES	21	(185,277,177)	(135,095,391)	-	-
GROSS PROFIT		67,869,164	61,810,028	-	-
OTHER OPERATING INCOME		2,218,616	2,466,514	13,210,743	9,387,099
OTHER OPERATING EXPENSES		(3,920,676)	(3,323,640)	-	-
ADMINISTRATIVE EXPENSES		(17,265,734)	(16,351,670)	(798,053)	(1,690,291)
FINANCE COSTS	22	(776,159)	(335,217)	-	-
PROFIT BEFORE TAX	23	48,125,211	44,266,015	12,412,690	7,696,808
TAXATION	24	(12,819,087)	(11,528,948)	(160,630)	(40,000)
NET PROFIT, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		35,306,124	32,737,067	12,252,060	7,656,808
Basic earnings per ordinary share (sen):	25	4.38	4.24		
Diluted earnings per ordinary share (sen):	25	3.97	4.16		

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GROUP	< Attributable to equity holders of the Company >					
	Note	Share capital RM	Contributed capital (Note 14(c)) RM	Merger reserve RM	Retained earnings RM	Total equity RM
Balance as at 1.1.2021		2	3,750,000	-	366,097,191	369,847,193
Total comprehensive income for the financial year		-	-	-	32,737,067	32,737,067
Acquisition via merger	33	322,119,000	(3,750,000)	(318,369,000)	-	-
Issuance of ordinary shares for the Public Issue	14(a)	77,308,800	-	-	-	77,308,800
Listing expenses	14(a)	(2,382,619)	-	-	-	(2,382,619)
Dividend	29	-	-	-	(8,052,980)	(8,052,980)
Total transactions with owners of the Company for the financial year ended 31.12.2021		397,045,181	(3,750,000)	(318,369,000)	(8,052,980)	66,873,201
Balance as at 31.12.2021/1.1.2022		397,045,183	-	(318,369,000)	390,781,278	469,457,461
Total comprehensive income for the financial year		-	-	-	35,306,124	35,306,124
Issuance of ordinary shares pursuant to conversion of warrants	14(a)	1,197,950	-	-	-	1,197,950
Dividends	29	-	-	-	(10,470,419)	(10,470,419)
Total transactions with owners of the Company for the financial year ended 31.12.2022		1,197,950	-	-	(10,470,419)	(9,272,469)
Balance as at 31.12.2022		398,243,133	-	(318,369,000)	415,616,983	495,491,116



# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

COMPANY	Note	Share capital RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Balance as at 1.1.2021		2	(318,823)	(318,821)
Total comprehensive income for the financial year		-	7,656,808	7,656,808
Acquisition via merger	33	322,119,000	-	322,119,000
Issuance of ordinary shares for the Public Issue	14(a)	77,308,800	-	77,308,800
Listing expenses	14(a)	(2,382,619)	-	(2,382,619)
Dividend	29	-	(8,052,980)	(8,052,980)
Total transactions with owners of the Company for the financial year ended 31.12.2021		397,045,181	(8,052,980)	388,992,201
Balance as at 31.12.2021/1.1.2022		397,045,183	(714,995)	396,330,188
Total comprehensive income for the financial year		-	12,252,060	12,252,060
Issuance of ordinary shares pursuant to conversion of warrants	14(a)	1,197,950	-	1,197,950
Dividends	29	-	(10,470,419)	(10,470,419)
Total transactions with owners of the Company for the financial year ended 31.12.2022		1,197,950	(10,470,419)	(9,272,469)
Balance as at 31.12.2022		398,243,133	1,066,646	399,309,779

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	48,125,211	44,266,015	12,412,690	7,696,808
Adjustments for:				
Depreciation of property, plant and equipment	964,848	1,012,240	-	-
Depreciation of right-of-use assets	230,718	170,928	-	-
Dividend income	-	-	(12,375,000)	(9,000,000)
Interest expense	682,773	283,866	-	-
Interest expense on lease liabilities	93,386	51,351	-	-
Interest income	(1,095,454)	(1,379,390)	(835,743)	(387,099)
Gain on bargain purchase	(44,406)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(502,483)	722	-	-
Property, plant and equipment written off	4,959	-	-	-
Reassessment of lease liability	(7,563)	-	-	-
<b>Operating profit/(loss) before working capital changes</b>	<b>48,451,989</b>	<b>44,405,732</b>	<b>(798,053)</b>	<b>(1,690,291)</b>
Decrease/(Increase) in inventories	2,491,612	(32,929,743)	-	-
Decrease/(Increase) in trade and other receivables	17,295,436	(1,499,119)	(1,229,006)	(67,083,605)
Decrease/(Increase) in contract assets/liabilities	45,197,333	(30,838,582)	-	-
Decrease in contract cost assets	27,789,781	31,498,094	-	-
Increase/(Decrease) in trade and other payables	8,490,893	3,026,881	17,208	(460,736)
	101,265,055	(30,742,469)	(1,211,798)	(67,544,341)
<b>Cash generated from/(used in) operations</b>	<b>149,717,044</b>	<b>13,663,263</b>	<b>(2,009,851)</b>	<b>(69,234,632)</b>
Interest paid	(682,773)	(283,866)	-	-
Interest received	1,095,454	1,379,390	142,976	387,099
Tax paid	(16,384,375)	(10,129,167)	(153,130)	-
Tax refunded	711,681	-	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>134,457,031</b>	<b>4,629,620</b>	<b>(2,020,005)</b>	<b>(68,847,533)</b>

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to inventories - land held for property development (Note 9(a)(iii))	(26,543,302)	(32,996,165)	-	-
Dividend received	-	-	12,375,000	9,000,000
Proceeds from disposal of property, plant and equipment	527,783	1,500	-	-
Deposits paid for acquisition of development land	(1,881,829)	(11,789,775)	-	-
Purchase of property, plant and equipment (Note 6(c))	(10,720,189)	(2,096,509)	-	-
Placement of fixed deposits	(982,983)	(4,261,341)	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(39,600,520)</b>	<b>(51,142,290)</b>	<b>12,375,000</b>	<b>9,000,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid	(10,470,419)	(8,052,980)	(10,470,419)	(8,052,980)
Interest paid	(11,501,462)	(6,198,784)	-	-
Interest paid on lease liabilities	(93,386)	(51,351)	-	-
Net proceeds from issuance of ordinary shares	1,197,950	74,926,181	1,197,950	74,926,181
Drawdown of bank borrowings	3,521,664	14,339,253	-	-
Payment of transaction costs on borrowings	(567,936)	-	-	-
Repayment of:				
- bank borrowings	(28,268,776)	(20,066,393)	-	-
- hire purchase	(253,120)	(204,176)	-	-
- lease liabilities	(191,914)	(163,250)	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(46,627,399)</b>	<b>54,528,500</b>	<b>(9,272,469)</b>	<b>66,873,201</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>48,229,112</b>	<b>8,015,830</b>	<b>1,082,526</b>	<b>7,025,668</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>64,916,573</b>	<b>56,900,743</b>	<b>7,026,660</b>	<b>992</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 13)</b>	<b>113,145,685</b>	<b>64,916,573</b>	<b>8,109,186</b>	<b>7,026,660</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 8.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of accounting

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

The preparation of the financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5. Although these estimates and assumptions are based on the directors’ best knowledge of events and actions, actual results could differ from those estimates.

#### 3.2 Basis of consolidation

##### (a) Subsidiaries

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity’s relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group’s financial statements incorporate the results, cash flows, assets and liabilities of Teladan Setia Group Berhad and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

Changes in the Group’s ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group’s and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Upon loss of control of a subsidiary, the Group’s profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

Investment in subsidiaries is measured in the Company’s statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.2 Basis of consolidation (cont'd)

##### (b) Business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Under the merger method of accounting, the financial statements of the subsidiary are included in the consolidated financial statements as if the business combination had occurred from the earliest date presented and that the Group has operated as a single economic entity throughout the financial periods presented in the consolidated financial statements.

The Group applies the acquisition method to account for acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by MFRS 3 Business Combinations).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group.

Acquisition-related costs (e.g. finder's fees, consulting fees, administrative costs, etc.) are recognised as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Group's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by MFRS.

The acquisition-date fair value of any contingent consideration is recognised as part of the consideration transferred by the Group in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill. Other changes resulting from events after the acquisition date are adjusted at each reporting date, only when the contingent consideration is classified as an asset or a liability, and the adjustment is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.2 Basis of consolidation (cont'd)

##### (b) Business combinations (cont'd)

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. If any, changes in the value of the Group's equity interest in the acquiree that have been previously recognised in other comprehensive income are reclassified to profit or loss, if appropriate had that interest been disposed of directly.

#### 3.3 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any cost directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Except for freehold land and capital work in progress which are not depreciated, depreciation is calculated so as to write off the cost of the assets, less their estimated residual value, over their useful economic lives as follows:

Leasehold buildings	2%
Site equipment	10%
Office equipment	10%
Renovation	10% to 20%
Furniture and fittings	10%
Motor vehicles	20%

Freehold land is not depreciated. Capital work in progress is not depreciated until the assets are ready for their intended use.

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.4 Inventories

Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes the freehold and leasehold rights for land, amounts paid to contractors for development, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs and non-refundable commission cost.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory properties under development are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once contracted to be sold, the related costs of these inventories would be transferred to cost to fulfil contracts, and subsequently recognised in profit or loss as and when control passes to the respective purchasers. Property development costs of unsold units are transferred to completed development properties once the development is complete.

Completed development properties are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land, direct building costs, related development costs and other costs of bringing the development properties to their present location and condition.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally, no significant development work would have been undertaken on these lands other than project planning, infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to property development costs under current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

#### 3.5 Leases

##### (a) Definition of lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 Leases (cont'd)

##### (a) Definition of lease (cont'd)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

##### (b) Recognition and initial measurement

###### (i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 Leases (cont'd)

##### (b) Recognition and initial measurement (cont'd)

###### (ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

##### (c) Subsequent measurement

###### (i) As a lessee

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	2 to 6 years
-----------	--------------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### (ii) As a lessor

The Group recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of "revenue".

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 Impairment of non-financial assets

The carrying amounts of such assets, other than contract assets, are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs to sell of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit which impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit.

Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

#### 3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits placed with licensed banks and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, fixed deposits with maturities of more than three months and pledged deposits, if any.

#### 3.8 Provisions

Where, at reporting date, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

#### 3.9 Equity instruments

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions cost. Ordinary shares are classified as equity.

When ordinary shares and other equity instruments are issued in a public offering or in a rights issue to existing shareholders, they are recorded at the issue price.

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.9 Equity instruments (cont'd)

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings.

All transactions with owners of the parent are recorded separately within equity.

##### Dividend distribution

Dividends are recognised as liabilities when they are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity). Typically, dividends are recognised as liabilities in the period in which their distribution is approved at the Shareholders' Annual General Meeting.

#### 3.10 Financial instruments

##### (a) Initial recognition and measurement

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the statements of financial position when, and only when, an entity in the Group and the Company become a party to the contractual provisions of the instruments.

If a contract is a host financial liability or a non-financial host contract that contains an embedded derivative, the Group and the Company assess whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group and the Company become a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group and the Company do not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial liability out of the fair value through profit or loss category. Embedded derivatives in host financial assets are not separated.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

For financial instruments subsequently measured at amortised cost and debt instruments subsequently measured at fair value through other comprehensive income, transaction costs are included in the calculation of the amortised cost using the effective interest method, in effect reducing/(increasing) the amount of interest income/(expense) recognised over the life of the instrument.

##### (b) Derecognition of financial instruments

For derecognition purposes, the Group and the Company first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group and the Company transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group and the Company act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group and the Company consider a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.10 Financial instruments (cont'd)

##### (c) Financial assets

For the purpose of subsequent measurement, the Group and the Company classify financial assets into three measurement categories, namely: (i) financial assets at amortised cost ("AC"); (ii) financial assets at fair value through other comprehensive income ("FVOCI"); and (iii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follows:

##### (i) Financial assets at AC

A financial asset is measured at amortised cost if: (a) it is held within a business model whose objective is to hold the financial asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at FVOCI

A financial asset is measured at FVOCI if: (a) it is held within a business model whose objective is to hold the financial asset both to collect contractual cash flows and selling the financial asset, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iii) Financial assets at FVPL

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the conditions specified for the AC or FVOCI model.

Other than financial assets measured at FVPL, all other financial assets are subject to review for impairment in accordance with Note 3.10(g).

##### (d) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

- (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.
- (iii) 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. Financial guarantees issued are initially measured at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, they are measured at higher of: (a) the amount of the loss allowance; and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.10 Financial instruments (cont'd)

##### (e) Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 3.19.

##### (f) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or loss are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

##### (g) Impairment of financial assets

The Group and the Company apply the expected credit loss ("ECL") model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12-month ECL is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group and the Company have availed the exception to the 12-month ECL requirement to recognise only lifetime ECL.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications: (a) a 12-month ECL is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and (b) credit risk is considered to have increased significantly if payments are more than 30 days past due if no other borrower-specific information is available without undue cost or effort.

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions. The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidence of impairment), the lifetime ECL is determined individually.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.10 Financial instruments (cont'd)

##### (g) Impairment of financial assets (cont'd)

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

#### 3.11 Contract assets and contract liabilities

A contract asset is the right of the Group to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9 *Financial Instruments*.

A contract liability is the obligation of the Group to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and downpayments received from customers and other amounts where the Group has billed before the goods are delivered or services are provided to the customers.

#### 3.12 Contract costs

##### (a) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

##### (b) Cost to fulfil a contract

The Group recognises a contract cost that relates directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group that will be used in satisfying performance obligations in the future and it is expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.12 Contract costs (cont'd)

##### (b) Cost to fulfil a contract (cont'd)

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

#### 3.13 Revenue recognition

The Group's revenue comprises revenue from property development projects.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

For a portfolio of property development contracts with customers, when control of the promised good or service is transferred over time to the customer (and hence the performance obligation is satisfied over time), revenue is recognised in profit or loss over time or progressively by reference to the stage of completion in a performance obligation. The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

When the outcome of a portfolio of property development contracts cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from sales of completed properties is recognised at a point in time upon delivery of properties where the control of the properties has been passed to the buyers.

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

Rental income is recognised on a straight-line basis over the term of an ongoing lease.

Management fees are recognised when services are rendered.

Dividend income is recognised when the rights to receive payment is established.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.14 Borrowing costs

Interest on borrowings to finance the purchase and development of a self-constructed qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) is included in the cost of the asset until such time as the assets are substantially ready for use or sale. Such borrowing costs are capitalised net of any investment income earned on the temporary investment of funds that are surplus pending such expenditure.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

#### 3.15 Employees benefits

##### (a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absence such as paid annual leave is recognised when services are rendered by employees and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

##### (b) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund ("EPF"). The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employees render their services. Once the contributions have been paid, the Group has no further payment obligations.

#### 3.16 Income taxes

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only to the extent that the Group and the Company consider that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's and the Company's intention is to settle the amounts on a net basis.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.16 Income taxes (cont'd)

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

#### 3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year for the effects of conversion of all dilutive potential ordinary shares into ordinary shares.

#### 3.18 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### 3.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group and the Company use market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group and by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and by the Company at the end of the reporting period during which the change occurred.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.20 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

#### 4.1 Amendments to MFRSs adopted

For the preparation of the financial statements, the following amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2022:

- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018–2020

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and the Company.

#### 4.2 Amendments to MFRSs not yet effective

The following are amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group's and the Company's financial statements but have not been adopted by the Group and the Company:

##### Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONT'D)

#### 4.2 Amendments to MFRSs not yet effective (cont'd)

The following are amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group's and the Company's financial statements but have not been adopted by the Group and the Company (cont'd):

##### **Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024**

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*

##### **Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned amendments will be adopted by the Group and the Company when they become effective.

The initial application of amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and the Company.

#### 4.3 MFRSs and Amendments to MFRSs not applicable

- MFRS 17 *Insurance Contracts*, Amendments to MFRS 17 *Insurance Contracts*, and Amendment to MFRS 17 *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 Financial Instruments – Comparative Information* are not expected to be applicable to the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group and the Company periodically monitor such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### 5.1 Recognition of property development profits

The Group recognises property development revenue and expenses in the profit or loss by using an input method which is based on the actual cost incurred to date on the property development projects as compared to the total estimated cost for the respective development projects.

Significant judgement is required in determining the extent of property development costs incurred and the total estimated costs of property development, which is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, the Group relies on its industry knowledge, past experience and work of specialists.

#### 5.2 Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is written down to their estimated realisable value when their cost may no longer be recoverable such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realisable value represents the best estimate of the recoverable amount, is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. In general, such an evaluation process requires significant judgement and may materially affect the carrying amount of inventories at the end of the reporting period. Carrying amount of inventories are as disclosed in Note 9.

#### 5.3 Income tax and deferred tax estimation

Management's judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be different from the initial estimate.

The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits being available in the future. Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Group and the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset and liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold buildings RM	Site equipment RM	Office equipment RM	Renovation RM	Furniture and fittings RM	Motor vehicles RM	Capital work in progress RM	Total RM
<b>Cost</b>									
As at 1.1.2021	770,603	1,300,187	28,624	516,653	1,701,308	497,582	4,478,957	-	9,293,914
Additions	4,649,299	-	-	48,253	9,620	2,986	348,749	376,303	5,435,210
Disposals	-	-	-	(16,123)	-	-	-	-	(16,123)
As at 31.12.2021/ 1.1.2022	5,419,902	1,300,187	28,624	548,783	1,710,928	500,568	4,827,706	376,303	14,713,001
Additions	-	-	3,940	544,236	64,750	7,602	2,310,604	8,767,907	11,699,039
Transfer from completed development properties	-	148,865	-	-	-	-	-	-	148,865
Disposals	-	-	-	(5,955)	-	-	(1,290,970)	-	(1,296,925)
Written off	-	-	-	-	-	(9,757)	-	-	(9,757)
As at 31.12.2022	5,419,902	1,449,052	32,564	1,087,064	1,775,678	498,413	5,847,340	9,144,210	25,254,223
<b>Accumulated depreciation</b>									
As at 1.1.2021	-	205,983	11,869	308,705	1,185,607	273,046	2,985,287	-	4,970,497
Charge for the financial year	-	26,005	2,862	40,249	252,085	43,948	647,091	-	1,012,240
Disposals	-	-	-	(13,901)	-	-	-	-	(13,901)
As at 31.12.2021/ 1.1.2022	-	231,988	14,731	335,053	1,437,692	316,994	3,632,378	-	5,968,836
Charge for the financial year	-	26,985	3,059	76,331	153,943	44,290	660,240	-	964,848
Disposals	-	-	-	(3,172)	-	-	(1,268,453)	-	(1,271,625)
Written off	-	-	-	-	-	(4,798)	-	-	(4,798)
As at 31.12.2022	-	258,973	17,790	408,212	1,591,635	356,486	3,024,165	-	5,657,261
<b>Net carrying amount</b>									
As at 31.12.2021	5,419,902	1,068,199	13,893	213,730	273,236	183,574	1,195,328	376,303	8,744,165
As at 31.12.2022	5,419,902	1,190,079	14,774	678,852	184,043	141,927	2,823,175	9,144,210	19,596,962

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

- (a) The following property, plant and equipment of the Group stated at net carrying amount are charged to licensed banks for banking facilities granted to the Group as disclosed in Note 16:

	GROUP	
	2022 RM	2021 RM
Freehold land	5,419,902	5,419,902
Capital work in progress	9,144,210	376,303
	14,564,112	5,796,205

- (b) Included in the net carrying amount of property, plant and equipment of the Group are the following assets which were acquired and partly financed under hire purchase arrangements:

	GROUP	
	2022 RM	2021 RM
Motor vehicles	2,064,872	741,059

- (c) Details of cash outflow on acquisition of property, plant and equipment during the financial year are as follows:

	GROUP	
	2022 RM	2021 RM
Aggregate cost of property, plant and equipment acquired	11,699,039	5,435,210
Amount financed by term loan	-	(3,100,000)
Amount financed by hire purchase arrangements	(865,000)	(150,000)
Borrowing costs capitalised	(113,850)	(88,701)
	10,720,189	2,096,509

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

#### (a) Right-of-use assets

	<b>GROUP</b>	
	<b>Buildings</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
As at beginning of financial year	854,299	831,244
Additions	738,213	395,169
Reassessment of lease liability	(194,252)	-
Derecognition	-	(372,114)
<b>As at end of financial year</b>	<b>1,398,260</b>	<b>854,299</b>
<b>Accumulated depreciation</b>		
As at beginning of financial year	(388,431)	(589,617)
Charge for the financial year	(230,718)	(170,928)
Reassessment of lease liability	144,301	-
Derecognition	-	372,114
<b>As at end of financial year</b>	<b>(474,848)</b>	<b>(388,431)</b>
<b>Net carrying amount as at end of financial year</b>	<b>923,412</b>	<b>465,868</b>

The Group has lease contracts for several commercial properties used in its operations. Leases of commercial properties generally have lease terms between 2 to 6 years (2021: 5 to 8 years). Generally, the Group is restricted from assigning, transferring or subleasing, or creating any charge, lien or trust in respect of or disposing of the commercial properties.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the lease-asset portfolio and align with the Group's business needs. Management exercises judgment in determining whether these extension and termination options are reasonably certain to be exercised.

#### (b) Lease liabilities

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
Lease liabilities	597,783	325,864
<b>Current</b>		
Lease liabilities	392,918	176,052
<b>Total lease liabilities</b>	<b>990,701</b>	<b>501,916</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

#### (b) Lease liabilities (cont'd)

The movements of lease liabilities during the financial year are as follows:

	GROUP	
	2022 RM	2021 RM
As at beginning of financial year	501,916	269,997
Additions	738,213	395,169
Reassessment of lease liability	(57,514)	-
Accretion of interest	93,386	51,351
Payment of:		
- Principal	(191,914)	(163,250)
- Interest	(93,386)	(51,351)
<b>As at end of financial year</b>	<b>990,701</b>	<b>501,916</b>

	GROUP	
	2022 RM	2021 RM
<b>Cash outflows for leases</b>		
<i>Included in net cash from financing activities:</i>		
Interest paid in relation to lease liabilities	93,386	51,351
Repayment of lease liabilities	191,914	163,250
<b>Total cash outflows for leases</b>	<b>285,300</b>	<b>214,601</b>

The Group also had non-cash additions to right-of-use assets and lease liabilities of RM738,213 (2021: RM395,169).

The maturity analysis of lease liabilities is disclosed in Note 32(ii).



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 8. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2022 RM	2021 RM
Unquoted shares, at cost	322,119,000	322,119,000

Details of the subsidiary companies, which are all incorporated in Malaysia, are as follows:

Name	Principal place of business/ Country of incorporation	Interest in equity held by the Company		Principal activities
		2022 %	2021 %	
Teladan Setia Sdn. Bhd.	Malaysia	100	100	Property development and housing developer
<u>Held through Teladan Setia Sdn. Bhd.</u>				
Asal Harta Sdn. Bhd.	Malaysia	100	100	Property development
Midas Dimensi Sdn. Bhd.	Malaysia	100	100	Property developer
Riverwell Resources Sdn. Bhd.	Malaysia	100	100	Property development
Oriview Realty Sdn. Bhd.	Malaysia	100	100	Housing developer
TS Power Sdn. Bhd.	Malaysia	100	100	Other management consultancy activities N.E.C.; operation of generation facilities that produce electric energy; other specialised construction activities, N.E.C.
Pavilion Link Sdn. Bhd.* (1)	Malaysia	100	-	Property development and housing developer for residential and commercial project
Polyintan Sdn. Bhd.* (2)	Malaysia	100	-	Construction of buildings N.E.C.

\* Subsidiaries not audited by RSM Malaysia PLT

(1) Pavilion Link Sdn. Bhd. was incorporated on 8 December 2022 with a paid-up capital of RM100,000 divided into 100,000 ordinary shares.

(2) 250,000 ordinary shares of Polyintan Sdn. Bhd. were acquired on 22 December 2022 for a purchase consideration of RM1,825,954.

The effects of the acquisition of Polyintan Sdn. Bhd. are as disclosed in Note 33.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 9. INVENTORIES

	<b>GROUP</b>	
	<b>2022</b>	<b>Reclassified 2021</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
Land held for property development (Note (a))	392,830,639	242,312,691
<b>Current</b>		
Completed development properties, at cost	50,815,461	33,318,966
Property development costs (Note (b))	184,559,391	232,059,179
	<b>235,374,852</b>	<b>265,378,145</b>

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM8,767,793 (2021: RM8,046,637).

Completed development properties of the Group of RM3,310,010 (2021: RM7,466,446) have been pledged with licensed banks for bank borrowing granted to the Group as disclosed in Note 16.

#### (a) Land held for property development

	<b>Freehold land RM</b>	<b>Leasehold land RM</b>	<b>Development expenditure RM</b>	<b>Total RM</b>
<b>GROUP</b>				
<b>2022</b>				
<b>Cost</b>				
As at beginning of financial year	35,931,819	188,892,389	17,488,483	242,312,691
Additions	9,940,388	126,940,551	18,407,020	155,287,959
Disposals	(3,330,326)	-	(1,439,685)	(4,770,011)
As at end of financial year	42,541,881	315,832,940	34,455,818	392,830,639
<b>2021</b>				
<b>Cost</b>				
At as beginning of financial year	25,505,904	73,620,836	13,274,377	112,401,117
Additions	10,425,915	115,271,553	4,214,106	129,911,574
As at end of financial year	35,931,819	188,892,389	17,488,483	242,312,691

- (i) Included in additions incurred during the financial year are borrowing costs capitalised of RM9,154,882 (2021: RM2,772,409).
- (ii) Land held for property development with carrying amount of RM341,774,551 (2021: RM222,086,964) have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 16.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 9. INVENTORIES (CONT'D)

#### (a) Land held for property development (cont'd)

- (iii) Details of cash outflow on additions to land held for property development during the financial year are as follows:

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Aggregate cost of additions to land held for property development	155,287,959	129,911,574
Acquisition of a subsidiary	(13,500,000)	-
Amount financed by term loan	(94,300,000)	(92,593,000)
Borrowings costs capitalised	(9,154,882)	(2,772,409)
Transfer of deposit paid for acquisition of development land	(11,789,775)	(1,550,000)
	<hr/>	
Cash outflow on additions to land held for property development	26,543,302	32,996,165

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 9. INVENTORIES (CONT'D)

#### (b) Property development costs

	GROUP Reclassified	
	2022 RM	2021 RM
<u>At cost</u>		
Freehold land	148,795,202	152,048,435
Leasehold land	24,510,270	1,927,906
Development expenditure	58,753,707	52,096,438
<b>As at beginning of financial year</b>	232,059,179	206,072,779
<b>Costs transferred to contract cost assets (Note 12)</b>		
Freehold land	(11,801,055)	(13,472,268)
Leasehold land	(762,232)	(386,855)
Development expenditure	(23,080,624)	(19,275,125)
	(35,643,911)	(33,134,248)
<b>Costs incurred during the financial year</b>		
Freehold land	-	10,242,202
Leasehold land	-	22,969,219
Development expenditure	8,707,564	26,102,634
	8,707,564	59,314,055
<b>Cost of land surrendered to authorities</b>		
Freehold land	(111,143)	-
Development expenditure	(195,696)	-
	(306,839)	-
<b>Transfer to completed development properties</b>		
Freehold land	(668,730)	(23,167)
Leasehold land	(778,819)	-
Development expenditure	(18,809,053)	(170,240)
	(20,256,602)	(193,407)
<b>As at end of financial year</b>	184,559,391	232,059,179
<b>Represented by:</b>		
<u>At cost</u>		
Freehold land	136,214,274	148,795,202
Leasehold land	22,969,219	24,510,270
Development expenditure	25,375,898	58,753,707
	184,559,391	232,059,179

- (i) Included in additions incurred during the financial year are borrowing costs capitalised of RM3,062,615 (2021: RM3,338,002).
- (ii) Development lands which consist of freehold and leasehold land of the Group at carrying amount of RM109,493,710 (2021: RM133,763,438) have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 16.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 10. TRADE AND OTHER RECEIVABLES

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Trade</b>		
Third parties	6,494,071	22,942,061
<b>Non-trade</b>		
Other receivables	656,868	344,689
Deposits	10,920,551	21,854,885
Prepayments	40,300	35,300
Interest receivables	81,076	61,719
Amount due from a related party	-	157,594
	11,698,795	22,454,187
<b>Total trade and other receivables</b>	<b>18,192,866</b>	<b>45,396,248</b>
Trade and other receivables (excluding non-financial assets)	18,152,566	45,360,948
Add: Cash and cash equivalents (excluding short-term funds) (Note 13)	125,567,134	39,259,069
<b>Total financial assets at amortised cost</b>	<b>143,719,700</b>	<b>84,620,017</b>
<b>COMPANY</b>		
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Non-trade</b>		
Deposits	1,000	1,000
Amount due from subsidiaries	69,174,352	67,252,579
<b>Total trade and other receivables</b>	<b>69,175,352</b>	<b>67,253,579</b>
Trade and other receivables (excluding non-financial assets)	69,175,352	67,253,579
Add: Cash and cash equivalents (excluding short-term funds) (Note 13)	1,005,476	15,908
<b>Total financial assets at amortised cost</b>	<b>70,180,828</b>	<b>67,269,487</b>

- (a) Included in deposits of the Group are deposits paid amounting to RM1,881,829 (2021: RM11,789,775) for the acquisition of land held for property development as disclosed in Note 30 and Note 37.
- (b) The amount due from a related party refers to a company in which a director of the Company has interest. The amount which arose from advances was unsecured, interest free and recoverable on demand.
- (c) The amount due from subsidiaries represents advances and is unsecured, bears interest at 4.00% (2021: NIL) per annum and is recoverable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 11. CONTRACT ASSETS/(LIABILITIES)

	<b>GROUP</b>	
	<b>Reclassified</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Contract assets from property development	33,991,269	77,959,722
Contract liabilities from property development	(1,228,880)	-
	<b>32,762,389</b>	<b>77,959,722</b>

The movements of contract assets/(liabilities) from property development are as follows:

	<b>GROUP</b>	
	<b>Reclassified</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
As at beginning of financial year	77,959,722	47,121,140
Consideration payable to customers	1,099,575	342,117
Revenue recognised during the year	239,124,210	184,334,821
Progress billings during the year	(285,421,118)	(153,838,356)
As at end of financial year	<b>32,762,389</b>	<b>77,959,722</b>

Expenses borne on behalf of customers (i.e. legal fees and other expenses) are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Sale of development properties	242,999,891	214,815,523

The remaining performance obligations are expected to be recognised within 1 to 3 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 12. CONTRACT COST ASSETS

	<b>GROUP</b>	
	<b>Reclassified</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Costs to fulfil contracts with customers (Note (a))	28,498,267	19,786,163
Costs to obtain contracts with customers (Note (b))	1,685,082	2,093,422
	<b>30,183,349</b>	<b>21,879,585</b>

#### (a) Costs to fulfil contracts with customers

	<b>GROUP</b>	
	<b>Reclassified</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
As at beginning of financial year	19,786,163	17,402,277
Costs transferred from inventories – property development costs	35,643,911	33,134,248
Costs incurred during the financial year	145,135,222	93,337,473
Costs recognised in profit or loss during the financial year	(172,067,029)	(124,087,835)
As at end of financial year	<b>28,498,267</b>	<b>19,786,163</b>

Development lands which consist of freehold and leasehold land with carrying amount of RM19,008,205 (2021: RM6,786,293) have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 16.

#### (b) Costs to obtain contracts with customers

	<b>GROUP</b>	
	<b>Reclassified</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
As at beginning of financial year	2,093,422	2,841,154
Costs incurred during the financial year	4,034,015	2,213,187
Costs recognised in profit or loss during the financial year	(4,442,355)	(2,960,919)
As at end of financial year	<b>1,685,082</b>	<b>2,093,422</b>

Costs to obtain contracts with customers represent sales commission paid to intermediaries which are amortised to cost of sales when the related revenues are recognised.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 13. CASH AND CASH EQUIVALENTS

	GROUP	
	2022 RM	2021 RM
<b>At amortised cost:</b>		
Cash and bank balances	102,916,345	20,346,136
Fixed deposits placed with licensed banks	22,650,789	18,912,933
	125,567,134	39,259,069
<b>At fair value through profit or loss:</b>		
Short-term funds	7,107,164	44,201,463
Balance as stated in the Statements of Financial Position	132,674,298	83,460,532
Less: Bank overdrafts	(1,671)	-
Less: Fixed deposits pledged with licensed banks	(19,388,937)	(18,266,971)
Less: Fixed deposits with maturity periods of more than three months	(138,005)	(276,988)
Balance for Statements of Cash Flows purposes	113,145,685	64,916,573
	COMPANY	
	2022 RM	2021 RM
<b>At amortised cost:</b>		
Cash and bank balances	1,005,476	15,908
<b>At fair value through profit or loss:</b>		
Short-term funds	7,103,710	7,010,752
Balance as stated in the Statements of Financial Position	8,109,186	7,026,660

- (a) Included in cash and bank balances of the Group are amounts of RM79,126,280 (2021: RM12,911,309) held under the Housing Development Accounts (“HDA”) pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. These HDA consist of monies received from purchasers. Withdrawals from the HDA are restricted in accordance with the Housing Developers (Housing Development Account) Regulations 1991.
- (b) Fixed deposits of the Group have maturity periods of 1 to 15 months (2021: 1 to 15 months). The effective interest rates of the fixed deposits are between 1.85% to 2.90% (2021: 1.60% to 2.08%) per annum.
- (c) Fixed deposits with licensed banks of the Group of RM19,388,937 (2021: RM18,266,971) have been pledged with licensed banks for bank guarantee facilities granted to the Group.
- (d) Short-term funds of the Group and of the Company represent money market fund investments managed by licensed financial institutions. These short-term funds are investments in highly liquid money market which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.
- (e) Short-term funds of the Group and of the Company represent total amount of financial assets measured at fair value through profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 14. SHARE CAPITAL AND CONTRIBUTED CAPITAL

#### (a) Share capital

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	Amount
	2022	2021	2022	2021
	Unit	Unit	RM	RM
<b>Issued and fully paid-up</b>				
As at 1 January	805,298,002	2	397,045,183	2
Acquisition of subsidiary via merger	-	644,238,000	-	322,119,000
Conversion of warrants	2,395,900	-	1,197,950	-
Issuance of ordinary shares for the Public Issue	-	161,060,000	-	77,308,800
Listing expenses	-	-	-	(2,382,619)
<b>As at 31 December</b>	<b>807,693,902</b>	<b>805,298,002</b>	<b>398,243,133</b>	<b>397,045,183</b>

During the financial year, the Company increased its ordinary share capital from 805,298,002 shares to 807,693,902 shares through the issuance of 2,395,900 new ordinary shares pursuant to the conversion of Warrants at an exercise price of RM0.50 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

In the previous financial year, the Company has successfully undertaken a public issue of 161,060,000 ordinary shares at an issue price of RM0.48 per ordinary share, representing approximately 20.00% of the enlarged issued share capital of RM397,045,183 comprising 805,298,002 ordinary shares, payable in full upon application in conjunction with the listing and quotation of the entire and enlarged issued and paid-up share capital on the ACE Market of Bursa Malaysia Securities Berhad. The Public Issue Shares have been fully allotted to the new shareholders of the Company on 16 March 2021.

#### (b) Warrants

The movements in these Warrants during the financial year to take up new ordinary shares in the Company are as follows:

	Number of warrants
As at 1.1.2021	-
Issued	241,589,400
<b>As at 31.12.2021/1.1.2022</b>	<b>241,589,400</b>
Converted to ordinary shares	(2,395,900)
<b>As at 31.12.2022</b>	<b>239,193,500</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 14. SHARE CAPITAL AND CONTRIBUTED CAPITAL (CONT'D)

#### (b) Warrants (cont'd)

The main features of Warrants, which were issued on 23 September 2021 and admitted to the Official List and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 27 September 2021 are as follows:

- (i) Each Warrant entitles the Warrant holders, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.50, subject to adjustments in accordance with the provisions set out in Deed Poll dated 3 September 2021;
- (ii) The Warrants may be exercised at any time within a period of five (5) years commencing from and including the date of issuance of the Warrants. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iii) Subject to the provisions of the Deed Poll, the exercise price and/or number of Warrants shall be adjusted by the Board of Directors in consultation with an approved adviser appointed by the Company and certification by the auditors of the Company in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll; and
- (iv) All new ordinary shares to be issued arising from the exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except for such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

#### (c) Contributed capital

Contributed capital represents the issued and paid up share capital of Teladan Setia Sdn. Bhd. pursuant to the acquisition explained in Note 33.

### 15. MERGER RESERVE

In the event where a new company is formed to facilitate a merger exercise, in which the new company itself is not a business, book value accounting is applied. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts as if the restructuring had occurred before the start of the earliest period presented. The other components of equity of the acquired entities are added to the same components within Group equity.

The merger reserve comprises the difference between cost of investment recorded by the Company and the share capital of Teladan Setia Sdn. Bhd. arising from the restructuring exercise as disclosed in Note 33.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 16. BANK BORROWINGS

	GROUP	
	2022	2021
	RM	RM
<b>Non-current</b>		
Term loans	269,474,727	209,270,052
Less: Unamortised transaction costs	(90,651)	-
	269,384,076	209,270,052
<b>Current</b>		
Term loans	33,331,419	23,605,980
Less: Unamortised transaction costs	(24,626)	-
	33,306,793	23,605,980
Bank overdrafts	1,671	-
	33,308,464	23,605,980
<b>Total bank borrowings</b>		
Term loans	302,806,146	232,876,032
Bank overdrafts	1,671	-
Less: Unamortised transaction costs	(115,277)	-
	302,692,540	232,876,032

	GROUP	
	2022	2021
	RM	RM
<b>Unamortised transaction costs:</b>		
As at beginning of financial year	-	-
Incurred during the financial year	567,936	-
Amortisation for the financial year	(452,659)	-
	115,277	-

- (a) Term loans and bank overdrafts of the Group are secured by legal charges over certain property, plant and equipment, land held for development, property development costs and contract cost assets of the Group disclosed in Notes 6, 9 and 12.
- (b) Term loans interest of the Group is payable between 4.27% to 6.97% (2021: 3.27% to 7.91%) per annum. Term loans are repayable by monthly instalments of various amount each, inclusive of interest.
- (c) Bank overdrafts interests are payable at 5.95% (2021: NIL) per annum, repayable on demand for the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 16. BANK BORROWINGS (CONT'D)

(d) Changes in liabilities arising from financing activities

	At 1 January RM	Cash flows RM	New leases RM	Other RM	At 31 December RM
<b>GROUP</b>					
<b>2022</b>					
Non-current and current borrowings excluding bank overdrafts	232,876,032	(36,816,510)	-	106,631,347	302,690,869
Hire purchase	342,658	(253,120)	-	865,000	954,538
Lease liabilities	501,916	(285,300)	738,213	35,872	990,701
<b>Total liabilities from financing activities</b>	<b>233,720,606</b>	<b>(37,388,609)</b>	<b>738,213</b>	<b>107,565,898</b>	<b>304,636,108</b>
<b>GROUP</b>					
<b>2021</b>					
Non-current and current borrowings excluding bank overdrafts	127,910,171	(11,925,924)	-	116,891,785	232,876,032
Hire purchase	396,834	(204,176)	-	150,000	342,658
Lease liabilities	269,997	(214,601)	395,169	51,351	501,916
<b>Total liabilities from financing activities</b>	<b>128,577,002</b>	<b>(12,344,701)</b>	<b>395,169</b>	<b>117,093,136</b>	<b>233,720,606</b>

(e) The undrawn committed borrowing facilities as at the reporting date are as follows:

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Undrawn committed borrowing facilities	16,842,357	362,904

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 17. HIRE PURCHASE

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Future lease payments payable:		
- not later than one year	368,204	203,616
- later than one year but not later than five years	674,244	166,576
<b>Total future minimum lease payments</b>	<b>1,042,448</b>	<b>370,192</b>
Less: Future finance charges	(87,910)	(27,534)
<b>Present value of minimum lease payments</b>	<b>954,538</b>	<b>342,658</b>
The present value of payments are as follows:		
Later than one year but not later than five years	615,846	153,379
Not later than one year	338,692	189,279
	<b>954,538</b>	<b>342,658</b>

The annual effective interest rates of the hire purchase range from 3.80% to 4.53% (2021: 4.49% to 4.86%) per annum.

The corresponding motor vehicles under hire purchase are presented as property, plant and equipment as disclosed in Note 6(b).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 18. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2022 RM	2021 RM
As at beginning of financial year	(46,000)	(46,000)
Recognised in profit or loss	779,000	-
Acquisition of a subsidiary	(677,921)	-
<b>As at end of financial year</b>	<b>55,079</b>	<b>(46,000)</b>
Presented after appropriate offsetting as follows:		
Deferred tax assets	1,128,000	-
Deferred tax liabilities	(1,072,921)	(46,000)
	<b>55,079</b>	<b>(46,000)</b>

The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	GROUP	
	2022 RM	2021 RM
<b>Deferred tax assets</b>		
Property development costs	1,137,000	-
Provision	205,000	-
Lease liabilities	237,000	-
	<b>1,579,000</b>	<b>-</b>
<b>Deferred tax liabilities</b>		
Excess of net book value over tax written down value of property, plant and equipment	(144,000)	(46,000)
Contract assets	(77,000)	-
Contract cost assets	(404,000)	-
Fair value adjustment on business combination	(677,921)	-
Right-of-use assets	(221,000)	-
	<b>(1,523,921)</b>	<b>(46,000)</b>

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 19. TRADE AND OTHER PAYABLES

	GROUP	
	2022 RM	2021 RM
<b>Trade</b>		
Third parties	16,103,035	12,323,075
Retention sums	15,306,169	18,339,805
Accrued development costs	5,594,148	228,675
Provision for affordable housing shortfalls	898,103	-
	37,901,455	30,891,555
<b>Non-trade</b>		
Other payables	8,910,955	7,021,174
Accrued expenses	3,214,274	1,555,720
Deposits received	493,106	718,100
Amount due to a related party	11,833,428	-
	24,451,763	9,294,994
<b>Total trade and other payables</b>	62,353,218	40,186,549
<b>Trade and other payables</b>	62,353,218	40,186,549
Add: Lease liabilities (Note 7(b))	990,701	501,916
Add: Bank borrowings (Note 16)	302,692,540	232,876,032
Add: Hire purchase (Note 17)	954,538	342,658
<b>Total financial liabilities carried at amortised cost</b>	366,990,997	273,907,155

The movement in provision for affordable housing shortfalls is as follows:

	GROUP	
	2022 RM	2021 RM
As at beginning of financial year	-	-
Provision made during the financial year	898,103	-
As at end of financial year	898,103	-
<b>COMPANY</b>		
	2022 RM	2021 RM
<b>Non-trade</b>		
Other payables	25,920	13,077
Accrued expenses	20,339	15,974
<b>Total trade and other payables</b>	46,259	29,051

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

- (i) The amount due to a related party refers to a company in which a director of the Group has interest. The amount is unsecured, interest free and repayable on demand.
- (ii) The normal credit terms granted to the Group range from 30 to 60 (2021: 30 to 60) days.
- (iii) Retention sums are relating to the development projects. Retention sums are repayable upon expiry of the defect liability period of 12 to 48 months (2021: 12 to 60 months).

### 20. REVENUE

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Sale of development properties	239,124,210	184,334,821
Sale of completed development properties	6,278,099	12,570,598
Sale of land	7,744,032	-
<b>Revenue from contracts with customers</b>	<b>253,146,341</b>	<b>196,905,419</b>
Timing of revenue recognition		
- over time	239,124,210	184,334,821
- at a point in time	14,022,131	12,570,598
	<b>253,146,341</b>	<b>196,905,419</b>

Revenue from contracts with customers of the Group includes RM1,994,427 (2021: RM3,864,216) that was included in contract liabilities at the beginning of the financial year.

### 21. COST OF SALES

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Costs to fulfil contracts with customers	172,067,029	124,087,835
Costs to obtain contracts with customers	4,442,355	2,960,919
Cost of completed development properties sold	3,690,943	8,046,637
Cost of land sold	4,770,011	-
Cost of land surrendered to authorities	306,839	-
	<b>185,277,177</b>	<b>135,095,391</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 22. FINANCE COSTS

	GROUP	
	2022 RM	2021 RM
Bank overdraft interest	-	142,181
Term loan interest	662,416	123,519
Interest expense on hire purchase	20,357	18,166
Interest expense on lease liabilities	93,386	51,351
	<b>776,159</b>	<b>335,217</b>

### 23. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration				
- current year	128,100	104,000	20,000	12,000
Depreciation of				
- property, plant and equipment	964,848	1,012,240	-	-
- right-of-use assets	230,718	170,928	-	-
Directors' remuneration				
- fees	468,000	468,000	324,000	228,000
- salaries, bonuses and other benefits	3,149,004	2,398,247	46,000	26,000
- defined contribution plan	371,280	277,200	-	-
Dividend income	-	-	(12,375,000)	(9,000,000)
Gain on bargain purchase	(44,406)	-	-	-
(Gain)/Loss on disposal of				
property, plant and equipment	(502,483)	722	-	-
Interest income	(1,095,454)	(1,379,390)	(142,976)	(387,099)
Interest income from subsidiaries	-	-	(692,767)	-
Property, plant and equipment written off	4,959	-	-	-
Reassessment of lease liability	(7,563)	-	-	-
Staff costs (Note 26)	7,346,854	6,365,634	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 24. TAXATION

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Current financial year				
- income tax	13,608,000	11,378,000	160,000	40,000
- deferred tax	(1,011,389)	-	-	-
	12,596,611	11,378,000	160,000	40,000
(Over)/Under provision in prior financial years				
- income tax	(9,913)	150,948	630	-
- deferred tax	232,389	-	-	-
	12,819,087	11,528,948	160,630	40,000

A reconciliation of income tax expense on the profit before tax with the applicable statutory income tax rate is as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	48,125,211	44,266,015	12,412,690	7,696,808
Taxation at statutory tax rate of 24% (2021: 24%)	11,550,051	10,623,844	2,979,046	1,847,234
Tax effects in respect of:				
Non-allowable expenses	1,044,229	755,854	150,954	352,766
Non-taxable income	(131,194)	-	(2,970,000)	(2,160,000)
Deferred tax assets not recognised	133,525	3,506	-	-
Utilisation of unabsorbed tax losses and unabsorbed capital allowances previously not recognised	-	(5,204)	-	-
(Over)/Under provision in prior financial years				
- income tax	(9,913)	150,948	630	-
- deferred tax	232,389	-	-	-
Total tax expense	12,819,087	11,528,948	160,630	40,000

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 24. TAXATION (CONT'D)

The Group has the following deferred tax assets which are not recognised in the financial statements due to uncertainty in the availability of future taxable income:

	GROUP	
	2022	2021
	RM	RM
Unabsorbed tax losses	229,388	95,863
Unabsorbed capital allowances	191	191
	229,579	96,054

As at 31 December 2022, the Group has unabsorbed tax losses and unabsorbed capital allowances of RM955,780 and RM798 (2021: RM399,433 and RM798) respectively, which are available to be set off against future chargeable income.

With effect from year of assessment ("YA") 2019, the period for unabsorbed tax losses carried forward is limited to 10 consecutive YAs. Any balance of unabsorbed tax losses after the end of the period of 10 consecutive YAs is to be disregarded.

	Unabsorbed tax losses RM	Disregarded from YA
YA 2019	319,236	2030
YA 2020	65,135	2031
YA 2021	15,062	2032
YA 2022	556,347	2033

### 25. EARNINGS PER ORDINARY SHARE

#### (a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	GROUP	
	2022	2021
	RM	RM
Net profit for the financial year	35,306,124	32,737,067
	<b>Number of shares</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares for basic earnings per ordinary share computation	805,687,879	772,644,742
	<b>Basic earnings per ordinary share (in sen)</b>	
	4.38	4.24

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 25. EARNINGS PER ORDINARY SHARE (CONT'D)

#### (a) Basic earnings per ordinary share (cont'd)

The weighted average number of ordinary shares takes into account the weighted average effects of conversion of warrants to ordinary shares during the financial year.

In the previous financial year, the weighted average number of ordinary shares takes into account:

- (i) Issued share capital of 644,238,002 ordinary shares after the completion of the restructuring exercise but before the Public Issue.
- (ii) The weighted average effects of Public Issue of 161,060,000 ordinary shares on 16 March 2021.

The comparative for weighted average number of ordinary shares for basic earnings per ordinary share computation has been adjusted to reflect the correct position.

#### (b) Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	GROUP	
	2022 RM	2021 RM
Net profit for the financial year	35,306,124	32,737,067
	<b>Number of shares</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares for basic earnings per ordinary share computation	805,687,879	772,644,742
Effects of dilution from conversion of warrants to ordinary shares	84,216,825	13,865,654
Weighted average number of ordinary shares for diluted earnings per ordinary share computation	889,904,704	786,510,396
Diluted earnings per ordinary share (in sen)	3.97	4.16

The comparative for weighted average number of ordinary shares for diluted earnings per ordinary share computation has been adjusted to reflect the correct position.

### 26. STAFF COSTS

	GROUP	
	2022 RM	2021 RM
Salaries, bonuses and other benefits	6,640,219	5,815,844
Defined contribution plan	706,635	549,790
	7,346,854	6,365,634

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 27. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company.

The Company has related party relationships with its subsidiaries, related companies and directors.

#### Key management personnel compensation

The key management personnel of the Group and of the Company include executive directors of the Group and of the Company, non-executive directors of the Group and of the Company and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors				
- fees	468,000	468,000	324,000	228,000
- salaries, bonuses and other benefits	3,149,004	2,398,247	46,000	26,000
- defined contribution plan	371,280	277,200	-	-
<b>Total directors' remuneration</b>	<b>3,988,284</b>	<b>3,143,447</b>	<b>370,000</b>	<b>254,000</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 27. RELATED PARTY TRANSACTIONS (CONT'D)

#### Key management personnel compensation (cont'd)

The key management personnel compensation during the financial year are as follows: (cont'd)

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Other key management personnel				
- salaries, bonuses and other benefits	1,311,797	1,120,442	-	-
- defined contribution plan	152,278	119,379	-	-
<b>Total compensation for other key management personnel</b>	<b>1,464,075</b>	<b>1,239,821</b>	<b>-</b>	<b>-</b>

Other key management personnel comprise persons other than the directors of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

#### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Transaction with a director:				
- Progress billing on sale of property	245,000	-		
Transactions with a director's spouse:				
- Progress billing on sale of properties	314,820	37,920		
- Renovation package on sale of properties	30,900	-		
Transactions with a company that director has interest:				
- Progress billing on sale of properties	313,695	37,920		
- Provision of online investor relation services	12,000	-		
Transaction with a company that director has interest:				
- Provision of online investor relation services	12,000	-		

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 28. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment predominantly operates in Malaysia, namely developer which comprise development of residential and commercial properties.

#### Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

### 29. DIVIDENDS

	<b>GROUP AND COMPANY</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
In respect of the financial year ended 31 December 2021:		
First interim single-tier dividend of RM0.01 per ordinary share, paid on 19 April 2021	-	8,052,980
In respect of the financial year ended 31 December 2022:		
First interim single-tier dividend of RM0.007 per ordinary share, paid on 20 April 2022	5,637,086	-
Second interim single-tier dividend of RM0.006 per ordinary share, paid on 19 September 2022	4,833,333	-
	<b>10,470,419</b>	<b>8,052,980</b>

Before the dividends were paid to the shareholders, the directors of the Company had taken reasonable steps to ensure that the Company would be able to pay its debts in full within 12 months after the payment of dividends to shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 30. CAPITAL COMMITMENTS

	GROUP	
	2022 RM	2021 RM
Land held for property development		
- Authorised and contracted for	50,713,151	106,107,979
- Authorised but not contracted for	46,037,713	-
Capital work in progress		
- Authorised and contracted for	16,684,056	-
- Authorised but not contracted for	-	560,655
Acquisition of Polyintan Sdn. Bhd. <sup>(1)</sup>		
- Authorised and contracted for	-	11,467,872

<sup>(1)</sup> On 4 January 2021 and 1 December 2022, the Group entered into a supplemental agreement and second supplemental agreement respectively in respect of the share sale agreement dated 11 November 2020 with Polywell Enterprise Sdn. Bhd. to acquire the entire equity interest of Polyintan Sdn. Bhd. for a total purchase consideration of RM1,825,954 together with an amount of RM9,641,918 payable to Polywell Enterprise Sdn. Bhd.. This acquisition was completed on 22 December 2022.

### 31. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

Trade and other receivables (excluding prepayments) and cash and cash equivalents are categorised as financial assets at amortised cost (Note 10) while trade and other payables, bank borrowings, lease liabilities and hire purchase are categorised as financial liabilities carried at amortised cost (Note 19).

The short-term funds of the Group and of the Company are measured at fair value through profit or loss (Note 13).

### 32. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed mainly to the following risks. Information on the management of the related exposures is detailed below:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers, bank balances and short-term funds.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

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

##### Receivables and contract assets

The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Based on the credit evaluation, the customers are rated into three risk categories, namely low risk, medium risk and high risk.

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables and contract assets that are neither past due nor impaired are stated at their realisable values.

##### Ageing analysis of trade receivables as at the reporting date is as follows:

	Loan RM	Self-finance RM	Total RM
<b>Group</b>			
<b>31 December 2022</b>			
Not past due	3,332,926	762,860	4,095,786
Past due 1-30 days	581,182	-	581,182
Past due 31-120 days	1,337,622	289,374	1,626,996
Past due more than 120 days	136,582	53,525	190,107
	5,388,312	1,105,759	6,494,071
<b>Group</b>			
<b>31 December 2021</b>			
Not past due	10,515,320	710,461	11,225,781
Past due 1-30 days	7,173,810	-	7,173,810
Past due 31-120 days	3,239,846	181,780	3,421,626
Past due more than 120 days	881,588	239,256	1,120,844
	21,810,564	1,131,497	22,942,061

##### Credit risk arising from property development

The Group does not have any significant credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

As the title and vacant possession of the sold properties would be transferred to the customers only upon full payment of the entire sale consideration, the management believes that credit risk inherent in the Group outstanding trade receivable balances and contract assets is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

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

##### **Credit risk arising from property development (cont'd)**

Trade receivables are monitored on an on-going basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does the Group has any major concentration of credit risk related to any financial instruments.

##### **Credit risk arising from deposits with licensed banks**

Concentration of credit risk arising from deposits with licensed banks is limited as bank deposits are held with reputable financial institutions.

##### **Credit risk arising from financial corporate guarantees**

The financial corporate guarantees and undertakings are provided by the Company to banks to secure borrowings of certain subsidiaries. The Company monitors the financial performance (including the ability to service the loans and facilities) of the subsidiaries on an on-going and individual basis.

The maximum exposure to credit risk amounts to RM302,806,146 (2021: RM232,876,032) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit shareholder's fund and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees since the fair value on initial recognition was not material.

##### **Credit risk arising from financial guarantees**

The maximum exposure to credit risk in relation to the financial guarantees given amounts to RM20,542,284 (2021: RM13,726,127) as at the end of the reporting period representing deposits with the housing and local authorities as well as utilities provider.

##### **Inter-company balances**

The Company provides unsecured advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at end of the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. There was no indication that the loans and advances to the subsidiaries are not recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Under 1 year RM	2-5 years RM	More than 5 years RM
<b>31 December 2022</b>						
<b>GROUP</b>						
Trade and other payables	62,353,218	-	62,353,218	43,526,121	18,827,097	-
Bank borrowings	302,692,540	4.27% - 6.97%	368,356,952	48,014,768	187,675,160	132,667,024
Hire purchase	954,538	3.80% - 4.53%	1,042,448	368,204	674,244	-
Lease liabilities	990,701	6.67% - 7.72%	1,129,600	469,400	660,200	-
Financial guarantees	-	-	20,542,284	7,330,301	13,211,983	-
	366,990,997		453,424,502	99,708,794	221,048,684	132,667,024



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

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

#### (iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

#### Interest rate risk

The Group's floating rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP	
	2022	2021
	RM	RM
<b>Fixed rate instruments</b>		
Lease liabilities	990,701	501,916
Hire purchase	954,538	342,658
	1,945,239	844,574
<b>Floating rate instruments</b>		
Bank borrowings	302,692,540	232,876,032

#### ***Fair value sensitivity analysis for fixed rate instruments***

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

#### ***Cash flow sensitivity analysis for variable rate instruments***

At reporting date, if interest rates had been 100 basis points higher or lower, with all other variables held constant, the Group's profit after tax would have been RM2,300,463 (2021: RM1,769,858) lower or higher, arising mainly as a result of higher or lower interest expenses on bank borrowings for the Group. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 33. ACQUISITION OF SUBSIDIARIES

#### Acquisition of a subsidiary – Polyintan Sdn. Bhd.

Pursuant to the Share Sale Agreement dated 11 November 2020, Supplemental Agreement dated 4 January 2021 and Second Supplemental Agreement dated 1 December 2022, the acquisition of the entire issued share capital of Polyintan Sdn. Bhd. by the Company has been completed on 22 December 2022.

The effects of the acquisition of Polyintan Sdn. Bhd. to the financial statements are as follows:

	Carrying amount RM	Fair value RM
<b>Asset</b>		
<b>Non-current asset</b>		
Land held for development	10,675,328	13,500,000
<b>Total asset</b>	<b>10,675,328</b>	<b>13,500,000</b>
<b>Non-current liability</b>		
Deferred tax liability	-	677,921
<b>Current liabilities</b>		
Other payables and accruals	54,135	54,135
Amount due to Polywell Enterprise Sdn. Bhd.	10,007,474	10,007,474
Amount due to Teladan Setia Sdn. Bhd.	890,110	890,110
	10,951,719	10,951,719
<b>Total liabilities</b>	<b>10,951,719</b>	<b>11,629,640</b>
<b>Net identifiable (liabilities)/assets</b>	<b>(276,391)</b>	<b>1,870,360</b>
		<b>2022 RM</b>
Fair value of net identifiable assets, representing Group's interest in		
fair value of net identifiable assets		1,870,360
Gain on bargain purchase		(44,406)
<b>Total purchase consideration</b>		<b>1,825,954</b>

Included in amount due to a related party as disclosed in Note 19 is purchase consideration amounting to RM1,825,954 (2021: NIL) for the acquisition of Polyintan Sdn. Bhd., which is repayable within 12 months from 17 June 2022. Subsequent to the financial year end, the purchase consideration has been fully settled on 31 January 2023.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 33. ACQUISITION OF SUBSIDIARIES (CONT'D)

#### Acquisition of a subsidiary – Teladan Setia Sdn. Bhd.

Pursuant to the Share Sale Agreement dated 24 February 2020, the acquisition of the entire issued share capital of Teladan Setia Sdn. Bhd. (“TSSB”) by the Company has been completed on 5 January 2021. On completion, the Company has satisfied the purchase consideration by allotting 644,238,000 ordinary shares at the issue price of RM0.50 each (the “consideration shares”) in favour of the vendors of TSSB. In consideration of the issuance of the consideration shares, the vendors of TSSB have transferred 3,750,000 ordinary shares to the Company.

On 20 January 2021, the acquisition of subsidiaries was completed for a consideration of RM322,119,000 by way of issuance of 644,238,000 new ordinary shares as follows:

	RM
New shares issued by the Company as consideration for the acquisition of TSSB and its subsidiaries	322,119,000
Reversal of issued and paid-up share capital of TSSB	(3,750,000)
	<hr/>
Merger reserve	318,369,000
	<hr/>

### 34. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables, lease liabilities, hire purchase and bank borrowings approximate at fair values due to the relatively short-term nature of these financial instruments. As term loans were obtained from licensed banks at the prevailing market rate, the carrying value of these financial liabilities approximates their fair value.

### 35. CAPITAL MANAGEMENT

The Group’s objectives when managing capital is to maintain a strong capital base and safeguard the Group’s ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements and debt covenants.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended 31 December 2022 and 31 December 2021.

The debt-to-equity ratios as at 31 December 2022 and at 31 December 2021 were as follows:

	GROUP	
	2022	2021
	RM	RM
Bank borrowings (Note 16)	302,692,540	232,876,032
Hire purchase (Note 17)	954,538	342,658
Lease liabilities (Note 7(b))	990,701	501,916
Less: Cash and bank balances	(132,674,298)	(83,460,532)
	<hr/>	<hr/>
Net debt	171,963,481	150,260,074
	<hr/>	<hr/>
Total equity	495,491,116	469,457,461
	<hr/>	<hr/>
Debt-to-equity ratio	0.35	0.32
	<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 36. COMPARATIVE FIGURES

The changes in certain comparative figures to conform with the current financial year's financial statements presentation of the Group are as follows:

- (i) Statements of financial position as at 31 December 2021

	As previously reported RM	Reclassification RM	As reclassified RM
<b>GROUP ASSETS</b>			
<b>Current assets</b>			
Inventories	285,164,308	(19,786,163)	265,378,145
Contract assets	80,053,144	(2,093,422)	77,959,722
Contract cost assets	-	21,879,585	21,879,585

- (ii) Statements of cash flows for the financial year ended 31 December 2021

	As previously reported RM	Reclassification RM	As reclassified RM
<b>GROUP</b>			
<b>Cash flows from operating activities</b>			
<b>Changes in working capital</b>			
Inventories	(2,180,337)	(30,749,406)	(32,929,743)
Trade and other receivables	(13,199,246)	11,700,127	(1,499,119)
Contract assets	(30,090,850)	(747,732)	(30,838,582)
Contract cost assets	-	31,498,094	31,498,094
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(2,185,210)	88,701	(2,096,509)
Deposits paid for acquisition of development land	-	(11,789,775)	(11,789,775)
Additions to inventories - land held for property development	(32,996,156)	(9)	(32,996,165)

- (iii) Statements of profit or loss and other comprehensive income for the financial year ended 31 December 2021

	As previously reported RM	Reclassification RM	As reclassified RM
<b>GROUP</b>			
Cost of sales	(132,134,471)	(2,960,920)	(135,095,391)
Other operating expenses	(6,284,560)	2,960,920	(3,323,640)



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

### 37. EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

- (i) On 3 January 2023, the Group via its subsidiary, Teladan Setia Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase a parcel of freehold land held under Geram Mukim No. 94, Lot 1141, Mukim Tanjung Minyak, District of Melaka Tengah, State of Melaka for a purchase consideration of RM3,489,156.
- (ii) On 31 January 2023, the Group via its subsidiary, Asal Harta Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase a piece of leasehold land forming part of the Master Land held under PN 56725, Lot 11357, Kawasan Bandar XLII, District of Melaka Tengah, State of Melaka for a purchase consideration of RM48,543,787.
- (iii) On 7 March 2023, the Group via its subsidiary, Pavilion Link Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase a piece of freehold land held under Geran 179151, Lot 14121 Mukim Seremban, District of Seremban, State of Negeri Sembilan for a purchase consideration of RM24,118,249.
- (iv) On 24 March 2023, the Group via its subsidiary, Teladan Setia Sdn. Bhd., entered into a sale and purchase agreement with a third party to dispose a parcel of freehold land held under Individual Geran 4893, Lot 36, Kawasan Bandar III, Daerah Melaka Tengah, Negeri Melaka together with a double storey shop erected known as No. 546, Jalan Tengker, 75200 Melaka for disposal price of RM760,000.
- (v) On 27 March 2023, the Group via its subsidiary, Pavilion Link Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase a piece of freehold land held under Geran 272701, Lot 20317, Mukim Piliin, Daerah Rembau, Negeri Sembilan for a purchase consideration of RM20,651,612.

### 38. OTHER INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.
- (b) The registered office is situated at:  
  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan
- (c) The principal place of business is situated at:  
  
No. 8 & 10, Ground Floor  
Jalan Mutiara Melaka 2  
Taman Mutiara Melaka  
Batu Berendam  
75350 Melaka
- (d) The financial statements are presented in Ringgit Malaysia, which is also the Group' and the Company's functional currency.

### 39. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 6 April 2023.

## STATEMENT BY **DIRECTORS** PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the directors of **TELADAN SETIA GROUP BERHAD Registration No. 201901004975 (1314302-V)** do hereby state that, in the opinion of the directors, the financial statements set out on pages 109 to 168 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2022 and of the results of their operations and the cash flows of the Group and of the Company for the financial year ended on that date.

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

**TEO LAY BAN**

**SIA AH PIEW**

Melaka

6 April 2023

## STATUTORY **DECLARATION** PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **NG MIH FERN (MIA No: 31798)**, being the officer primarily responsible for the financial management of **TELADAN SETIA GROUP BERHAD Registration No. 201901004975 (1314302-V)** do solemnly and sincerely declare that the financial statements set out on pages 109 to 168 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.

**NG MIH FERN**  
(MIA No: 31798)

Subscribed and solemnly declared  
by the abovenamed at Melaka  
in the State of Melaka on

Before me,

Commissioner for Oaths  
Melaka

# INDEPENDENT **AUDITORS' REPORT**

## TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Teldan Setia Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 168.

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

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

### 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 financial 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.

Key audit matters	How our audit addressed the key audit matters
<p data-bbox="161 725 805 786"><u>Revenue and cost of sales in respect of property development activities</u></p> <p data-bbox="161 815 778 842">Refer to Note 20 and Note 21 to the financial statements.</p> <p data-bbox="161 875 805 1312">A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2022, property development revenue from ongoing projects of RM239,124,210 and cost of sales of RM176,509,384 accounted for approximately 94% and 95% of the Group's revenue and cost of sales respectively. For these property development contracts which revenue is recognised over time, the Group uses the input method in determining the percentage of completion, which is based on the actual cost incurred to date on the property development project over the total budgeted cost for the respective development projects, in accounting for the progress towards complete satisfaction of the Group's performance obligation.</p> <p data-bbox="161 1346 805 1603">We identified revenue and cost of sales in respect of property development activities as areas requiring audit focus as significant management's judgement and estimates are involved in estimating the total property development costs to complete the project, which include the common infrastructure costs (which is used to determine progress towards complete satisfaction of the Group's performance obligation and gross profit margin of the property development activities undertaken by the Group).</p>	<p data-bbox="825 725 1305 752">Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li data-bbox="825 786 1471 987">- Reviewed the reasonableness of the management's key judgements used in the estimation of budgeted property development costs including the provisions and allocations of common infrastructure costs for the property development projects by examining documentary evidence such as letter of award issued to contractors.</li> <li data-bbox="825 1021 1471 1133">- Considered the historical accuracy of management's forecasts for similar property development projects in evaluating the estimated total property development costs.</li> <li data-bbox="825 1167 1471 1279">- Evaluated the determination of the progress towards complete satisfaction of the Group's performance obligation by examining supporting evidence such as contractors' progress claims and suppliers' invoices.</li> <li data-bbox="825 1312 1471 1402">- Reviewed the stage of completion of ongoing development projects to assess possible liquidated and ascertained damages ("LAD") and the adequacy of provision for LAD.</li> <li data-bbox="825 1435 1471 1581">- Observed the progress of the property development phases by performing site visit and examine physical progress reports. We also discussed the status of ongoing property development phases with management, finance personnel and project officials.</li> <li data-bbox="825 1615 1471 1727">- Verified the gross development value by examining the signed sales and purchase agreement and intended selling price of the unsold units to the latest transacted selling price.</li> <li data-bbox="825 1760 1471 1839">- Recomputed the calculation of percentage of completion to ascertain there is no mathematical error which may render in the over/understatement of profit recognition.</li> </ul>

# INDEPENDENT **AUDITORS' REPORT**

## TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

### *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 Directors' Report and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections included in the annual report, which are expected to be made available to us after that date. Other information 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 the other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate actions in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing.

### *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 Malaysian Financial Reporting Standards, International Financial Reporting 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 Group's and the Company's ability to continue as a 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.

### *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 International Standards on Auditing 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.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

### *Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

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

- 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.
- 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 the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 Group's or the Company's ability 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.
- 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.
- 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 financial 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 communication.

# INDEPENDENT **AUDITORS'** REPORT

## TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

### **Other Matters**

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.

**RSM Malaysia PLT**  
202206000002 (LLP0030276-LCA) & AF 0768  
Chartered Accountants

**Ronald Teo Ming Keong**  
03674/07/2024 J  
Chartered Accountant

Johor Bahru

6 April 2023

# ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2023

Total Number of Issued Shares	:	808,467,002 Ordinary Shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	1,228
Voting Rights	:	One (1) vote per ordinary share on a poll

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	34	2.77	599	0.00
100-1,000	379	30.86	171,201	0.02
1,001-10,000	461	37.54	2,352,400	0.29
10,001-100,000	234	19.06	8,365,100	1.03
100,001-40,423,349 (*)	115	9.36	297,179,700	36.76
40,423,350 and above (**)	5	0.41	500,398,002	61.89
<b>Total</b>	<b>1,228</b>	<b>100.00</b>	<b>808,467,002</b>	<b>100.00</b>

Remark:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Teo Lay Ban	335,003,762	41.44	-	-
2.	Teo Lay Lee	89,978,080	11.13	-	-
3.	Teo Siew May	89,978,080	11.13	-	-
4.	Wan Lei Chin	89,478,080	11.07	-	-

## DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Teo Lay Ban	335,003,762	41.44	-	-
2.	Teo Lay Lee	89,978,080	11.13	-	-
3.	Teo Siew May	89,978,080	11.13	-	-
4.	Sia Ah Piew	415,000	0.05	-	-
5.	Foo Yit Lan	78,000	0.01	-	-
6.	Roy Thean Chong Yew	50,000	0.01	-	-
7.	Annandan A/L Chandran	10,000	0.00	-	-
8.	Madeline Lee May Ming	-	-	-	-



# ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2023

## THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Teo Lay Ban	181,763,762	22.48
2.	Teo Lay Lee	89,978,080	11.13
3.	Teo Siew May	89,978,080	11.13
4.	Wan Lei Chin	89,478,080	11.07
5.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Teo Lay Ban	49,200,000	6.09
6.	Chiau Beng Teik	26,470,100	3.27
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Teo Lay Ban	24,160,000	2.99
8.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	22,000,000	2.72
9.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. - Pledged Securities Account for Dato' Ong Choo Meng	21,000,000	2.60
10.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	19,300,000	2.39
11.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	18,000,000	2.23
12.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Choon	11,540,100	1.43
13.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	10,500,000	1.30
14.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	10,080,000	1.25
15.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Choon	9,656,000	1.19
16.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Dato' Ong Choo Meng	8,000,000	0.99
17.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Bank Berhad	5,700,000	0.71
18.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chow Kian Hung	4,685,200	0.58
19.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Wai Yee	4,650,000	0.58
20.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Tzu Chuen	4,550,000	0.56
21.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Tzu Chuen	4,000,000	0.49
22.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheong Kong Fitt	4,000,000	0.49
23.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Kah Hoe	4,000,000	0.49
24.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Chiau Haw Choon	3,879,100	0.48
25.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - AmBank (M) Berhad for Ooi Chen Seng	3,398,700	0.42

# ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2023

## THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
26.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Kum Moon	3,185,800	0.39
27.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - AmBank (M) Berhad for Dato' Ong Choo Meng	3,100,000	0.38
28.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Loon	3,064,800	0.38
29.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Choon	3,040,000	0.38
30.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loon Chin Seng	2,830,000	0.35

## ANALYSIS OF WARRANT HOLDINGS AS AT 24 MARCH 2023

Instrument Type	:	Warrants 2021/2026
Total Number of Outstanding Warrants Issued	:	238,420,397 Warrants
Number of Warrant Holders	:	1,095

### DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant holders	%	No. of Warrants	%
1-99	390	35.62	15,787	0.01
100-1,000	256	23.38	107,580	0.05
1,001-10,000	268	24.47	991,620	0.42
10,001-100,000	128	11.69	4,523,830	1.90
100,001- 11,921,018 (*)	49	4.47	52,750,180	22.12
11,921,019 and above (**)	4	0.37	180,031,400	75.51
<b>Total</b>	<b>1,095</b>	<b>100.00</b>	<b>238,420,397</b>	<b>100.00</b>

Remark:

\* Less than 5% of issued warrants

\*\* 5% and above of issued warrants

### DIRECTORS' WARRANT HOLDINGS

No.	Name	Direct No. of shares	(%)	Indirect No. of Shares	(%)
1.	Teo Lay Ban	100,501,128	42.15	-	-
2.	Teo Lay Lee	26,343,424	11.05	-	-
3.	Teo Siew May	26,343,424	11.05	-	-
4.	Sia Ah Piew	124,500	0.05	-	-
5.	Foo Yit Lan	-	-	-	-
6.	Roy Thean Chong Yew	15,000	0.01	-	-
7.	Annandan A/L Chandran	3,000	0.00	-	-
8.	Madeline Lee May Ming	-	-	-	-

# ANALYSIS OF WARRANT HOLDINGS AS AT 24 MARCH 2022

## THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	Warrant holdings	%
1.	Teo Lay Ban	100,501,128	42.15
2.	Wan Lei Chin	26,843,424	11.26
3.	Teo Lay Lee	26,343,424	11.05
4.	Teo Siew May	26,343,424	11.05
5.	Chiau Beng Soo	6,104,100	2.56
6.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Beng Soo	6,050,000	2.54
7.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Chee Lip	4,906,000	2.06
8.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Igen Group Sdn. Bhd.	4,780,000	2.00
9.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Choon	4,160,300	1.74
10.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Chiau Beng Teik	3,034,400	1.27
11.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Beng Teik	2,880,000	1.21
12.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Dato' Ong Choo Meng	2,495,800	1.05
13.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Kum Moon	1,832,400	0.77
14.	Chua Yong Giap	1,698,600	0.71
15.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Pak Yii	1,448,800	0.61
16.	Windvestor Sdn. Bhd.	1,200,000	0.50
17.	Shim Chun Wei	950,000	0.40
18.	Lim Chee Huang	882,900	0.37
19.	Seet Chia Wei	586,900	0.25
20.	Khor Siew Choo	570,600	0.24
21.	Teh Kar Hoon	555,000	0.23
22.	Lim Kian Hin	511,500	0.21
23.	Cheng Lai Hock	451,200	0.19
24.	Lim Kian Hin	450,000	0.19
25.	Hau Yong Bing	420,000	0.18
26.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheng Lai Hock	406,300	0.17
27.	Bong Hon Liong	400,000	0.17
28.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chua Yong Giap	393,080	0.16

## ANALYSIS OF WARRANT HOLDINGS AS AT 24 MARCH 2022

### THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name	Warrant holdings	%
29.	Khor Le Hun	393,000	0.16
30.	Lok Boon Cheng	370,500	0.16

## LIST OF MATERIAL PROPERTIES

No.	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)*
1	No. 8, 8-1, 8-2, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka	3 storey shop office	04.09.2000	0.04	Leasehold of 99 years (expiring on 17 April 2093)	192
2	GM 25, Lot 13253, Mukim Pringgjit, Daerah Melaka Tengah, Melaka	Corporate office land	19.11.2020	1.46	Freehold	13,794
3	No. 546, Jalan Tengker, 75200 Melaka	2 storey shop building	05.08.2015	0.17	Freehold	771
4	C-39-03, 39th Floor, Pangsapuri Atlantis Kota Syahbandar, Jalan KSB 11A, 75200 Melaka	Penthouse	02.04.2018	Not Applicable	Leasehold of 99 years (expiring on 18 May 2105)	850
5	A-07-02, 7th Floor, Tower A, Residensi Mutiara Bali, Kota Syahbandar, Jalan KSB 11A, 75200 Melaka	Penthouse	22.08.2022	Not Applicable	Leasehold of 99 years (expiring on 18 May 2105)	148
6	Taman Desa Bertam in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land under development and held for development	22.02.2013	141.12	Freehold	41,505
7	Taman Bertam Heights Geran 6772 Lot 53, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land under development and held for development	18.09.2018	166.32	Freehold	125,837
8	Geran 55269 Lot 14734, in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land under development and held for development	07.10.2020	116.00	Leasehold of 99 years (expiring on 14.08.2094)	40,046
9	Taman Bertam Putra in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	25.04.2011	1.32	Freehold	4,427

# LIST OF MATERIAL PROPERTIES

No.	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)*
10	Geran 22813 Lot 1137, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	06.12.2016	14.00	Freehold	6,774
11	GM 107 Lot 66, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	22.02.2013	2.48	Freehold	666
12	GM 2565 Lot 24668 (formerly known as Lot 36), in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	22.02.2013	4.82	Freehold	2,072
13	PN 114690 Lot 2030 (formerly known as HS(D) 185534 PT 383), in the Pekan Baru Sungai Besi, District of Petaling, State of Selangor	Land held for development	09.01.2017	3.62	Leasehold of 99 years (exipring on 28 May 2102)	65,524
14	HS(D) 316625 PT 1259 (formerly known as HS(D) 242005 PT 719), in the Pekan Baru Sungai Besi, District of Petaling, State of Selangor	Land held for development	09.01.2017	1.25	Leasehold of 74 years (exipring on 20 March 2091)	29,575
15	Geran 6720 Lot 34, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	11.45	Freehold	5,042
16	GM 150 Lot 37, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	5.49	Freehold	2,452

## LIST OF MATERIAL PROPERTIES

No.	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)*
17	Geran 12906 Lot 39, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	11.95	Freehold	6,499
18	GM 151 Lot 40, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	5.85	Freehold	2,567
19	Geran 4872 Lot 1142, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	09.04.2021	10.08	Freehold	4,736
20	PN 56988 Lot 14560 and PN 56989 Lot 14561, in the Mukim of Telok Mas, District of Melaka Tengah, State of Melaka	Land held for development	11.12.2020	18.80	Leasehold of 99 years (expiring on 11.06.2094)	17,024
21	Geran 4632 Lot 1673 and Geran 4633 Lot 1674, in the Mukim of Machap, District of Alor Gajah, State of Melaka	Land held for development	11.03.2021	22.03	Freehold	5,134
22	PN 26769 Lot 4402, PN 26770 Lot 4403 and PN 31981 Lot 4406, in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land held for development	14.04.2021	519.80	Leasehold of 99 years (expiring on 28.01.2091 & 20.02.2077)	104,137
23	PN 26772 Lot 4672, PN 56855 Lot 14717, PN 56854 Lot 14718, PN 30156 Lot 4674 and PN 30157 Lot 4676, in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land held for development	06.09.2021	338.33	Leasehold of 99 years (expiring on 15.08.2094)	127,115



## LIST OF MATERIAL PROPERTIES

No.	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)*
24	Taman Seri Tuah Permai in the Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka	Completed development units	19.02.2016	0.70	Freehold	4,130
25	Bandar Baru Merlimau in the Mukim of Merlimau, District of Jasin, State of Melaka	Completed development units	30.12.2011	0.11	Leasehold of 99 years (expiring on 27 January 2109)	580
26	Taman Desa Bertam in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Completed development units	26.06.2020	0.23	Freehold	578
27	Atlantis Residences in the Mukim of Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka	Completed development units	02.04.2018	Not applicable	Leasehold of 99 years (expiring on 18 May 2105)	20,393
28	Bali Residences in the Mukim of Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka	Completed development units	22.08.2022	Not applicable	Leasehold of 99 years (expiring on 18 May 2105)	15,952
29	Taman Bertam Putra in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Completed development units	20.12.2018	0.99	Freehold	6,168
30	Taman Bukit Cheng in the Mukim of Cheng, District of Melaka Tengah, State of Melaka	Completed development units	08.06.2022	0.53	Freehold	1,459

\* Amount is inclusive of property, land & equipment, land held for property development, property development costs, completed units and contract cost assets.

# NOTICE OF FOURTH ("4<sup>TH</sup>") ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 4<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held at The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on Friday, 9 June 2023 at 11:00 a.m. for the transaction of the following business:-

## A G E N D A

### Ordinary Business

- |    |  |                              |
|----|--|------------------------------|
| 1. | To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.     | <i>(Refer to Note 2)</i>     |
| 2. | To approve the payment of Directors' fees payable to the Non-Executive Directors of the Group of up to RM468,000/- for the financial year ending 31 December 2024.                             | <i>Ordinary Resolution 1</i> |
| 3. | To re-elect Mr. Roy Thean Chong Yew, a Director who retires in accordance with Clause 21.7 of the Company's Constitution, and being eligible, has offered himself for re-election.             | <i>Ordinary Resolution 2</i> |
| 4. | To re-elect Mr. Teo Lay Lee, a Director who retires in accordance with Clause 21.7 of the Company's Constitution, and being eligible, has offered himself for re-election.                     | <i>Ordinary Resolution 3</i> |
| 5. | To re-elect Mr. Annandan A/L Chandran, a Director who retires in accordance with Clause 21.7 of the Company's Constitution, and being eligible, has offered himself for re-election.           | <i>Ordinary Resolution 4</i> |
| 6. | To re-appoint Messrs. RSM Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to determine their remuneration. | <i>Ordinary Resolution 5</i> |

### Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary and Special Resolutions:-

- |    |   |                              |
|----|---|------------------------------|
| 7. | <b><u>PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)(b) OF THE COMPANIES ACT 2016</u></b>  | <i>Ordinary Resolution 6</i> |
|    | "THAT the benefits payable to the Directors of the Company up to an amount of RM51,000/- for the period from 10 June 2023 until the next Annual General Meeting of the Company to be held in year 2024 pursuant to Section 230(1)(b) of the Companies Act, 2016 (" <b>the Act</b> "), be and is hereby approved for payment."   |                              |
| 8. | <b><u>AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016</u></b>  | <i>Ordinary Resolution 7</i> |
|    | "THAT pursuant to Sections 75 and 76 of the Act, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (" <b>Bursa Securities</b> "); |                              |

# NOTICE OF FOURTH ("4<sup>TH</sup>") ANNUAL GENERAL MEETING

## Special Business (cont'd)

### 8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 (CONT'D)**

THAT pursuant to Section 85 of the Act to be read together with Clause 16.6 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

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 Annual General Meeting of the Company."

### 9. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

***Special Resolution 1***

"THAT the proposed amendments to the Constitution of the Company, as annexed as Appendix 1 of the Annual Report 2022, be and are hereby approved and come into effect upon transfer listing of the company.

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the proposed amendments to the Constitution of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities."

### 10. **PROPOSED CHANGE OF NAME OF THE COMPANY**

***Special Resolution 2***

"THAT the name of the Company be changed from "TELADAN SETIA GROUP BERHAD" to "TELADAN GROUP BERHAD" with effect from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company ("**Proposed Change of Name**")";

AND THAT the Directors and/or the Company Secretaries be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Name."

11. To transact any other business that may be transacted at an AGM, due notice of which shall have been given in accordance with the Act and the Constitution of the Company.

## BY ORDER OF THE BOARD

*(duly signed)*

**CHUA SIEW CHUAN (SSM PC No. 201908002648 & MAICSA 0777689)**  
**CHENG CHIA PING (SSM PC No. 202008000730 & MAICSA 1032514)**  
Company Secretaries

Kuala Lumpur  
28 April 2023

# NOTICE OF FOURTH ("4<sup>TH</sup>") ANNUAL GENERAL MEETING

Notes:

## (1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend this 4<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 18.7(b) of the Constitution of the Company and Section 34(1) of Securities Industry (Central Depositories) Act, 1991 ("SICDA") to issue a General Meeting Record of Depositors as at 2 June 2023. Only a depositor whose name appears on the Record of Depositors as at 2 June 2023 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend, participate, speak and vote instead of him. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, SICDA, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("ACE LR") and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the AGM, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- e. Where a member of the Company is an exempt authorised nominee which holds security(ies) standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of an officer or attorney duly authorised.
- g. Publication of Notice of Annual General Meeting on corporate website

Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form are available at the corporate website of Teladan Setia Group Berhad at <https://teladan.my/investor-relations/investor-centre-reports/>.

### h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 4<sup>th</sup> AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form.

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Facsimile or designated Email address, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. **on or before Wednesday, 7 June 2023 at 11:00 a.m.**):-

# NOTICE OF FOURTH ("4<sup>TH</sup>") ANNUAL GENERAL MEETING

Notes (cont'd):

## (1) Information for Shareholders/Proxies (cont'd)

### h. Appointment of Proxy(ies)

Mode of Submission	Designated Address
(i) Hard copy form	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: 03-2094 9940 and/or 03-2095 0292 Email: <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>
(ii) Electronic form	(A) Vide Facsimile ( <b>Fax Number: 03 - 2094 9940 / 03 - 2095 0292</b> ); or (B) Vide designated electronic mail (Email) Address of Share Registrar: <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd. A member may call dedicated support line of Securities Services (Holdings) Sdn. Bhd. at 03-2084 9169 for assistance/clarification on item 1(h)(ii) above.

## Explanatory Notes:-

### (2) Audited Financial Statements for the financial year ended 31 December 2022

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

### (3) Payment of Directors' Fees – Ordinary Resolution 1

The proposed Directors' Fees payable to the Directors of the Company for the financial year ending 31 December 2024 shall be up to a total of RM468,000/- only, comprised the following rates based on responsibilities assumed: -

Office	Amount (RM) per annum
Board Chairman	84,000/-
Non-Executive Directors	240,000/-
Subsidiary Board	144,000/-
	<b>468,000/-</b>

The Ordinary Resolution 1, if approved, will authorise the payment of Directors' Fees pursuant to Clause 21.4 of the Constitution of the Company.

# NOTICE OF FOURTH ("4<sup>TH</sup>") ANNUAL GENERAL MEETING

## Explanatory Notes (cont'd):-

### **(4) Re-election of Directors – Ordinary Resolutions 2, 3 & 4**

In determining the eligibility of the Directors to stand for re-election at the forthcoming 4<sup>th</sup> AGM, the Nominating Committee ("NC"), guided by the Directors' Assessment Policy and Directors' Fit and Proper Policy has considered the criteria as stated in the said Policies as well as the requirements of ACE LR of Bursa Securities and recommended the re-election of the following Directors pursuant to Clause 21.7 of the Constitution of the Company: -

- (i) Mr. Roy Thean Chong Yew;
- (ii) Mr. Teo Lay Lee; and
- (iii) Mr. Annandan a/l Chandran. (collectively, the "Retiring Directors")

The Board, vide the NC, has conducted a separate assessment and being satisfied with the performance/contribution/fit and properness of the Retiring Directors, the Board would like to recommend the same be tabled to the shareholders for approval at the forthcoming 4<sup>th</sup> AGM of the Company under Ordinary Resolutions 2, 3 and 4 respectively. The fit and proper as well as evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2022 of the Company.

All the Retiring Directors have consented to their re-election, and have abstained from deliberation and voting in relation to their individual re-election at the NC and Board of Directors' meetings, respectively.

### **(5) Re-appointment of Auditors – Ordinary Resolution 5**

The Audit Committee ("AC") have assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Messrs. RSM Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2023. The Board has in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming 4<sup>th</sup> AGM of the Company under Ordinary Resolution 5. The evaluation criteria adopted as well as the process of assessment by the AC and Board, respectively, have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2022 of the Company.

### **(6) Payment of Benefits Payable to Directors – Ordinary Resolution 6**

The benefits payable to the Non-Executive Directors ("NEDs") comprise the meeting allowances, medical and insurance coverage. The total amount of benefits payable to the NEDs is estimated to be up to RM51,000/-, based on the number of scheduled Board/ Board Committee Meetings as well as the number of NEDs involved/ covered.

### **(7) Authority to Issue Shares pursuant to the Companies Act, 2016 - Ordinary Resolution 7**

The Company wishes to obtain the mandate on the authority to issue shares of not more than 10% of the total issued shares capital for the time being pursuant to the Act at the 4<sup>th</sup> AGM of the Company (hereinafter referred to as the "General Mandate").

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

### **(8) Proposed amendments to the Constitution of the Company - Special Resolution 1**

The proposed adoption of the Special Resolution is to facilitate any future transfer of listing of the Company to the Main Market of Bursa Malaysia Securities Berhad.

The Special Resolution, if passed will take effect upon the shareholders' approval at the 4<sup>th</sup> AGM of the Company.

# NOTICE OF **FOURTH ("4<sup>TH</sup>")** **ANNUAL GENERAL MEETING**

## **Important Notes:-**

The Company shall be closely monitoring the Covid-19 situation and reserves the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the AGM and/or its stakeholders. Any material developments will be announced on the Bursa Securities and members are advised to be mindful of the Company's announcement(s) made via Bursa Securities regularly for updates on the AGM and/or material developments.

# APPENDIX 1

## DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company will be amended in the following manner:

- By amending the definitions and interpretation in Clause 6.1 as follows:

Existing provision		Proposed amendment	
Word	Meaning	Word	Meaning
"Listing Requirements"	The ACE Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time.	"Listing Requirements"	The AGE <b>Main</b> Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time.

- By amending Clause 8.1 as follows:

Existing provision	Proposed amendment
<p>The Company shall have first and paramount lien on every share (not being a fully paid shares) and dividends from time to time declared in respect of such shares, provided that the Company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to: -</p> <p>(a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;</p> <p>(b) if the shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them; and</p> <p>(c) such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.</p> <p>The lien in each of the above cases shall also extend to reasonable interest and expenses incurred because of the unpaid amount.</p>	<p>The Company's shall have first and paramount lien on every shares (not being a fully paid shares) and dividends from time to time declared in respect of such shares, provided that the Company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to: -</p> <p>(a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid; <b>and</b></p> <p>(b) <del>if the shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them; and</del></p> <p>(c) <del>(b)</del> such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.</p> <p>The lien in each of the above cases shall also extend to reasonable interests and expenses incurred because of the unpaid amount.</p>



# APPENDIX 1

The Constitution of the Company will be amended in the following manner (cont'd):

3. By amending Clause 18.6 as follows:

Existing provision	Proposed amendment
<p>Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>The notice convening meeting of Members shall specify the place, date and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and auditors of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting.</p> <p>Any notice of a meeting called to consider special business shall be accompanied by an explanatory note regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>	<p>Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>The notice convening meeting of Members shall specify the place, date and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and auditors of the Company <b>either in hard copy, publication on the Company's website or in electronic form, or partly in hard copy and partly in electronic form</b> at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting.</p> <p>Any notice of a meeting called to consider special business shall be accompanied by an explanatory note regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>

4. By amending Clause 18.7(c) as follows:

Existing provision	Proposed amendment
<p>Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a Depositor shall not be regarded as a Member entitled to attend any meeting of Members and to speak and vote thereat unless his name appears in the General Meeting.</p>	<p>Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a Depositor shall not be regarded as a Member entitled to attend any meeting of Members and to speak and vote thereat unless his name appears in the General Meeting <b>Record of Depositors.</b></p>

# TELADAN

TELADAN SETIA GROUP BERHAD  
[Registration No. 201901004975 (1314302-V)]  
(Incorporated in Malaysia)

## FORM OF PROXY

No. of Shares held	CDS Account No.
Contact Number	Email Address

\*I/We, ..... \*Company No./NRIC No./  
(full name as per NRIC/Passport/Certificate of Incorporation in capital letters)

Passport No. .... of .....  
(full address)

being a member of **TELADAN SETIA GROUP BERHAD** hereby appoint .....  
(full name as per NRIC/Passport in capital letters)

\*NRIC No./Passport No. .... \*and/or failing \*him/her .....  
(full name as per NRIC/Passport in capital letters)

\*NRIC No./Passport No. .... or failing him/her, **the Chairman of the Meeting** as \*my/our proxy, to vote for \*me/us on \*my/our behalf at the 4<sup>th</sup> Annual General Meeting (“**AGM**”) of the Company which to be held at The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on **Friday, 9 June 2023** at 11.00 a.m. and at any adjournment thereof on the following resolutions referred to in the Notice of 4<sup>th</sup> AGM.

\*My/Our proxy(ies) \*is/are to vote as indicated below:-

Ordinary Business		For	Against
Ordinary Resolution 1	To approve the payment of Directors’ fees up to RM468,000/- for the financial year ending 31 December 2024		
Ordinary Resolution 2	To re-elect Mr. Roy Thean Chong Yew, as a Director of the Company		
Ordinary Resolution 3	To re-elect Mr. Teo Lay Lee, as a Director of the Company		
Ordinary Resolution 4	To re-elect Mr. Annandan a/l Chandran, as a Director of the Company		
Ordinary Resolution 5	To re-appoint Messrs. RSM Malaysia PLT as Auditors of the Company		
Special Business			
Ordinary Resolution 6	To approve the benefits payable to the Directors of up to RM51,000/- for the period from 10 June 2023 until the next AGM to be held in year 2024.		
Ordinary Resolution 7	Authority to issue shares pursuant to the Companies Act 2016		
Special Resolution 1	Proposed Amendments to the Constitution of the Company		
Special Resolution 2	Proposed Change of Name of the Company		

(Please indicate with an “X” in the appropriate box against each Resolution how you wish your vote to be cast. If no specific direction as to how the proxy shall vote, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.)

Signed this ..... day of ....., 2023

\_\_\_\_\_  
\*Signature(s)/Common Seal of Member(s)

\* Delete if not applicable

### NOTES:

- For the purpose of determining a member who shall be entitled to attend this 4th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 18.7(b) of the Constitution of the Company and Section 34(1) of Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) to issue a General Meeting Record of Depositors as at 2 June 2023. Only a depositor whose name appears on the Record of Depositors as at 2 June 2023 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, SICDA, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the Annual General Meeting, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- Where a member of the Company is an exempt authorised nominee which holds security(ies) standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”) as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of an officer or attorney duly authorised.

g. Publication of Notice of AGM on corporate website

Pursuant to Section 320(2) of the Companies Act, 2016, a copy of the Notice of 4th AGM, together with the proxy form are available at the corporate website of Teladan Setia Group Berhad at <https://teladan.my/investor-relations/investor-centre-reports/>.

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 4 th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form:-

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Facsimile or designated Email address, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. **on or before Wednesday, 7 June 2023 at 11:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy form	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: 03-2094 9940 and/or 03-2095 0292 Email: <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>
Electronic form	(A) Vide Facsimile (Fax Number: 03 - 2094 9940 / 03 - 2095 0292); or (B) Vide designated electronic mail (Email) Address of Share Registrar: <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd. A member may call dedicated support line of Securities Services (Holdings) Sdn. Bhd. at 03-2084 9169 for assistance/clarification on item (h) above.

Please  
fold here



The Share Registrars  
**SECURITIES SERVICES (HOLDINGS) SDN. BHD**  
REGISTRATION NO.: 197701005827 (36869-T)  
Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan

Please  
fold here

## TELADAN SETIA GROUP BERHAD

201901004975 (1314302-V)

### Main Office

No. 8 & 10, Tingkat Bawah,  
Jalan Mutiara Melaka 2,  
Taman Mutiara Melaka,  
75350 Batu Berendam, Melaka.



+60 6 317 3236



+60 6 317 3757



info@teladan.my  
sales@teladan.my  
invest@teladan.my

[www.teladan.my](http://www.teladan.my)