



Teladan  etia

TELADAN SETIA GROUP BERHAD
201901004975 (1314302-V)

EXPANDING
our **REACH**

Annual Report 2021



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Media Highlights



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Management Discussion & Analysis



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Sustainability Statement

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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.

CORE VALUE



Quality – We strive to meet and exceed customer expectations by delivering quality properties in a timely manner.



Integrity – We are honest and transparent in what we do, and are committed to giving our best to our customers.



Teamwork – We work as a team to deliver the best products and services to our customers.



Respect for people – We respect and value our people by encouraging personal developments and rewarding good performance.

MISSION

Our Company mission is to be a reputable developer by promptly delivering quality properties within well-planned developments and enhanced by beautifully-landscaped and inspiring surroundings.

VISION

“Building Up Your Assets”

- Properties bought by our customers should continue to appreciate over the years after they have taken vacant possession.
- Staff quality of life and market value should continuously increase.

CORPORATE OVERVIEW

CORPORATE INFORMATION

BOARD OF DIRECTORS

Roy Thean Chong Yew

Independent Non-Executive Chairman

Teo Lay Ban

Managing Director

Sia Ah Piew

Executive Director

Teo Lay Lee

Non-Independent Non-Executive Director

Teo Siew May

Non-Independent Non-Executive Director

Madeline Lee May Ming

Senior Independent Non-Executive Director

Annandan A/L Chandran

Independent Non-Executive Director

Foo Yit Lan

Independent Non-Executive Director

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@teladansetia.com
Website : www.teladansetia.com

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@sshsb.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@sshsb.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 OVERVIEW

CORPORATE STRUCTURE



TELADAN SETIA GROUP BERHAD

Registration No. 201901004975 (1314302-V)

100%

Teladan Setia Sdn. Bhd.

Registration No. 199301006710 (261447-A)



100%

Asal Harta Sdn. Bhd.

Registration No. 199301026940 (281678-D)



100%

Oriview Realty Sdn. Bhd.

Registration No. 199701014645 (430141-A)



100%

TS Power Sdn. Bhd.

Registration No. 202101037580 (1437880-M)



100%

Midas Dimensi Sdn. Bhd.

Registration No. 201101004289 (932430-T)



100%

Riverwell Resources Sdn. Bhd.

Registration No. 200001009453 (512059-D)

CORPORATE OVERVIEW

CORPORATE MILESTONES

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 RM115.0 million.

This project comprised 534 units of residential houses, 9 units of shop offices and 7 lots of bungalow land.

Launched our second high-rise residential property, Atlantis Residences, which was the first project to surpass the RM500 million GDV mark.

This 40-storey development comprised 1,360 service apartment units, valuing at a total GDV of RM603.9 million. The project was completed in 2018.

Listed on the ACE Market of Bursa Malaysia Securities Berhad

1997

- The late Datuk Teo Poh Boon acquired 100% equity interest in Teladan Setia.
- Launched our first development in Taman Seri Selendang.

This project comprised 294 units of residential houses and 44 units of shop offices with a total gross development value (GDV) of RM43.5 million, completed over 4 phases between 1999 and 2004.

2006

2011

Launched our first high-rise residential property, The Tropicana Residences.

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

2014

2018

Began to adopt QLASSIC requirements in our projects for quality improvement. Bandar Baru Merlimau was the first development project to obtain the QLASSIC certification.

2021

CORPORATE OVERVIEW

ACCREDITATIONS & AWARDS**1. Business Of The Year Award Malaysia | Year 2005**

Category of Potential Company.

2. Golden Bull Award | Year 2005

The 3rd Malaysia's 100 Outstanding SMEs.

3. The 4th Asia Pacific International Honesty Enterprise - Keris Award | Year 2005

Winner

4. Business Superbrand Malaysia | Year 2006

Business Superbrand Status.

5. Golden Bull Award | Year 2006

The 4th Malaysia's 100 Outstanding SMEs.

6. The 5th Asia Pacific International Entrepreneur Excellence Award | Year 2006

Excellence Brand.

CORPORATE OVERVIEW

ACCREDITATIONS & AWARDS

7



8



9



10



11



12

**7. Golden Bull Award | Year 2007**

The 5th Malaysia's 100 outstanding SMEs.

10. Outstanding Business Awards | Year 2010

Best Use of Media – Gold winner.

8. Golden Bull Award | Year 2008

The 6th Malaysia's 100 outstanding SMEs.

11. Prestigious Developer Awards | Year 2016

Best Facilities Development (Atlantis Residences).

9. Enterprise 50 Award | Year 2008

Winner

12. South East Asia Property Awards (Malaysia) | Year 2016

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

CORPORATE OVERVIEW

MEDIA HIGHLIGHTS

PROPERTY
By TANJARA MOHD
@tanjaramo

Teladan Setia to focus on Melaka property sector

Developer to acquire land parcels worth over RM35mil

"Currently, we prefer to focus on Melaka as the overhang is relatively low there."

Richard Tvo Lay Han

KUALA LUMPUR: Melaka-based property developer Teladan Setia Group Bhd has proposed to acquire five parcels of land from Bakat Muhibbah Sdn Bhd totalling 136.9ha in Melaka for a cash consideration of RM117.9mil.

Yesterday, the group said its wholly-owned subsidiary Riverwell Resources Sdn Bhd (RRSB) had entered into a sale and purchase agreement with Bakat Muhibbah Sdn Bhd for the proposed acquisition.

In a filing with Bursa Malaysia, the property developer said the five parcels of land would be used for the development of gated and guarded townships.

"Due to the Covid-19 pandemic, people are spending significantly more time at home these days. Based on this, we believe landed properties with spacious living areas will continue to be highly sought after for the foreseeable future."

看好房市末季復甦 Teladan續甲州擴大品牌

【吉隆坡1日訊】得益於令人鼓舞的疫苗接種率，以及經濟重新開放的積極前景，馬六甲地產發展商Teladan (TELADAN, 0290, 物業板塊) 看好房地產市場末季將反彈復甦，馬六甲房市，這個全馬產銷額比例最少的州屬將持續穩定，并將繼續擴大在該州的版圖。

Teladan董事經理張禮萬說，隨著成年人口產出率超過90%，以及馬六甲進入國家復甦計劃 (PPN) 第四階段，相信最壞的情況已過去，未來不會再有重大環境，看好房市可在末季復甦。

“隨後官方利率 (CR) 持續處於1.75% 的历史新低，使抵押貸款利率更加有利，以及將較今年結束的理屋計劃 (MOC) 等因素，將有助需求回升。隨著消費情緒恢復正常，我們預計明年復甦勢頭將繼續。”



■張禮萬看好馬六甲房市表現穩定。

“馬六甲淡水资源經濟走廊 (M-Wez) 的發展將進一步提升本地人的經濟地位，預計在未來10年每年將創造3000個新工作崗位。”

展望未来，張禮萬說，雖然Teladan在馬六甲擁有全方位的房產組合，短期到中長期將繼續在馬六甲零售品牌擴大。

“公司一直積極收購土地，不僅遍布馬六甲中心，還包括鄰近的縣，例如野新 (Jasin)。自今年3月上市起，公司已在馬六甲購置了890.2英畝的土地，使未開發地產總面積達到1100英畝。”

明年推出半獨立式住宅

配合目前居家或混合式辦公趨勢，购房者更加重視寬敞居住環境和私密性，Teladan將在明年推出半獨立式住宅。

張禮萬說，公司在今年9月的Taman Desa Bertan項目第38階段下，推出了95間半獨立式房屋，額外133間將於明年初推出。同時，將在明年初，以高敞的生活概念推出Taman Bertan Heights項目，其中包括248間雙層排屋，以及68間雙層半獨立式房屋。

“我們認為半獨立住宅最合適，並能滿足馬六甲不斷增長的中等收入家庭期望，以及購買力。”

他說，雖然中等收入群體是該公司的目標，但考慮其前景後，該公司計劃推出可負擔房屋。



■Teladan配合大勢所趨，興建半獨立式房屋。

Teladan Setia to raise RM77.3 mln from IPO

KUALA LUMPUR: Melaka-based property developer, Teladan Setia Group Bhd (Teladan Setia), has just completed its digital prospectus launch. The digital launch was held in cooperation with the newly upcoming listing on the ACE Market of Bursa Malaysia.

Melaka-based Teladan Setia is a property developer with a diversified portfolio of developments including landed, low-rise and high-rise residential projects, as well as serviced offices, business centres and retail shops.

Since its listing on Bursa Malaysia in 1997, Teladan Setia has completed property projects



Teladan Setia declares one sen dividend

PETALING JAYA: Newly listed Teladan Setia Group Bhd has declared an interim dividend of one sen per share in respect of the financial year ending Dec 31, 2021 (FY21).

The Melaka-based property developer, which made its debut on the Ace Market last Tuesday, said the interim dividend declared amounted to a payout of RM8.1mil.

This represented 21.9% of the group's profit after tax (PAT) of RM35.2mil in FY20, in line with its dividend policy of a minimum of 20% of PAT.

The dividend would be payable on April 19 to all shareholders who appear in the group's record on April 5.

Teladan Setia rancang 3 projek hartanah

Pemaju hartanah, Teladan Setia Group Bhd (Teladan Setia), yang membuat dagangan sulung di Pasaran ACE semalam merancang untuk melancarkan tiga projek pembangunan kediaman baharu di Melaka pada tahun ini.

Peguarah Crispranya, Richard Tvo Lay Han, berkata ketiga-tiga projek itu dijangka akan mempunyai nilai pembangunan kasar (GDA) sebanyak RM500 juta.

Katanya, jika dicarumkan sekali tian terok itu dengan terok-



Richard Tvo Lay Han

yang terok terok bertangiran (aset beli-belah The Mines).

"Tahun ini sedang mendapatkan kelulusan untuk dijangkakan dan kami akan mengemukakan beberapa perincian mengenai projek-projek ini dalam masa terdekat," katanya pada sidang media selepas penyertaannya syarikat itu di Bursa Malaysia semalam.

Saham Teladan Setia dijangka pada 60 sen, mencatat premium sebanyak 12 sen berbanding harga pasaran IPO 48 sen di

mana mencatat pasaran 151.1 juta saham dengan harga IPO pada 48 sen semalam.

Daripada jumlah berkenaan, syarikat akan memperuntukkan sebanyak RM435 juta atau 45.3 peratus akan digunakan bagi pembelian tanah di Melaka.

Tawaran IPO itu membabitkan terbitan awam sebanyak 151.1 juta saham berikut yang mewakili 20 peratus daripada modal sahamnya yang diperuntukkan bernilai dengan terbitan kuantiti 400

MEDIA HIGHLIGHTS

看好馬六甲產業前景 Teladan趁低迷增購地皮

【本報訊】馬六甲地產市場在經歷了過去幾年的低潮後，正開始出現復甦的跡象。馬六甲地產發展商Teladan趁此低潮期，積極在馬六甲地產市場增購地皮，以備未來發展之用。據悉，Teladan在過去幾個月內，共增購了多宗地皮，總面積達數十英畝。這些地皮將用於興建多項房地產發展項目，包括住宅、商業和工業地產。Teladan表示，對馬六甲地產市場的前景充滿信心，並計劃在未來幾年內，進一步擴大其在馬六甲的業務規模。



土地儲備達73.9英畝
Teladan集團在馬六甲地產市場，一直積極增購地皮，以備未來發展之用。據悉，Teladan在過去幾個月內，共增購了多宗地皮，總面積達73.9英畝。這些地皮將用於興建多項房地產發展項目，包括住宅、商業和工業地產。Teladan表示，對馬六甲地產市場的前景充滿信心，並計劃在未來幾年內，進一步擴大其在馬六甲的業務規模。

Teladan Setia jangka IPO jana RM77.3 juta

Tawaran 16.1 juta saham bantu perkukuh kedudukan dalam industri hartanah
Teladan Setia Group (Teladan Setia) akan memulakan proses IPO pada bulan hadapan. Teladan Setia Group adalah syarikat induk bagi Teladan Setia Group Berhad. Teladan Setia Group Berhad adalah syarikat yang bergerak dalam industri hartanah. Teladan Setia Group Berhad telah mengumumkan bahawa ia akan memulakan proses IPO pada bulan hadapan. Teladan Setia Group Berhad akan menawarkan 16.1 juta saham kepada umum. Teladan Setia Group Berhad berharap IPO ini akan membantu syarikat ini untuk memperkuatkan kedudukan dalam industri hartanah.

Selain itu, Teladan Setia juga akan menerbitkan surat pinjaman berfaedah RM100 juta untuk membiayai projek pembangunan hartanah. Teladan Setia Group Berhad juga akan menerbitkan surat pinjaman berfaedah RM100 juta untuk membiayai projek pembangunan hartanah. Teladan Setia Group Berhad berharap ini akan membantu syarikat ini untuk memperkuatkan kedudukan dalam industri hartanah.



Sripras disenaraikan, Teladan Setia akan memiliki permodalan pasaran RM166.5 juta berdasarkan harga terbitan 48 sen dan modal sahamnya yang diperbesar sebanyak 805.3 juta saham.
Richard Tao Lay Ban, Managing Director Teladan Setia



Teladan Setia粉墨登场溢价9仙

吉隆坡16日讯 | 马六甲地產發展商Teladan Setia集團(TELADAN, 3230, 创业板)周二在大馬文萊交易所粉墨登场，当天溢价9仙，收市报18.75元，涨9.1%。

該公司董事總經理張孔表示：「上市活動將進一步證明我們在行業中的地位，因為我們可以通过資本市場籌資，推動擴張計劃。」
去年2年，Teladan Setia集

Teladan Setia optimistic about affordable housing

"For the past three to four years, our gross profit margin has been between 33% and 35% and profit after tax, 17% to 18%."
Richard Tao Lay Ban

Richard Tao Lay Ban, Managing Director of Teladan Setia, stated that the company is optimistic about the affordable housing market. He mentioned that the company's gross profit margin has been between 33% and 35% and profit after tax, 17% to 18% over the past three to four years. He also mentioned that the company is planning to expand its business in the affordable housing market.

Property developer Teladan Setia debuts on ACE Market with 25% premium

KUALA LUMPUR (March 16): Melaka-based property developer Teladan Setia Group Bhd made a commendable debut on the ACE Market of Bursa Malaysia with a 17.5% or 25% premium over its initial public offering (IPO) price of 48 sen.

"From this IPO, we are targeting land bank for landed and residential property units," he said. Citing National Property Information Centre figures, Tao said the property ownership of residential units in Melaka last year was 925 units, compared with the national average of 3,458. He said the group is planning for its land bank to eventually focus on affordable residential units priced between RM400,000 and RM500,000 each, noting that this class of

Teladan Setia buys five land plots for RM117.9m to expand Jasin land bank
KUALA LUMPUR (Sept 6): Teladan Setia Group Bhd is acquiring five parcels of leasehold land in Jasin, Melaka measuring a combined 136.92ha for RM117.9 million, cash from Bakat Muhibbah Sdn Bhd. The lands, Teladan Setia said in a filing, are situated about 20km from Bandar Melaka, and nestled between the Tiara Melaka Golf and Country Club and the Orna Golf and Country Club.



The company plans to use the lands for mixed development. The acquisition will be satisfied via bank borrowings (80%) and cash from its initial public offering and internal funds (20%). — by Adam Aziz/ thesdgmarkets.com

Teladan Setia proposes 3-for-10 bonus issue of warrants

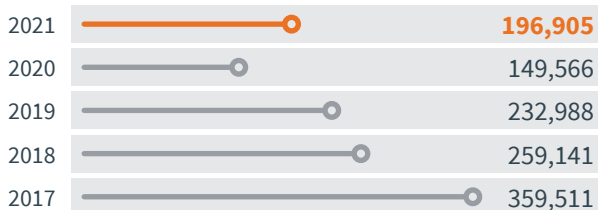
On July 12, Teladan Setia Group Bhd proposed a bonus issue of warrants, on the basis of three warrants for every 10 shares held, to reward its shareholders. The Melaka-based property developer said in a statement that the exercise entailed the issuance of 241.59 million warrants, with the exercise price to be determined later.

CORPORATE OVERVIEW

FINANCIAL HIGHLIGHTS

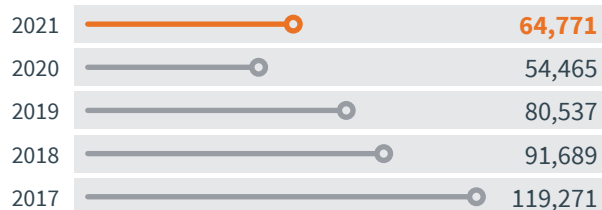
REVENUE

(RM' 000)



GROSS PROFIT

(RM' 000)

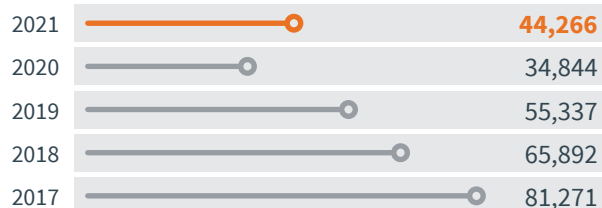


EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (RM' 000)



PROFIT BEFORE TAXATION

(RM' 000)



PROFIT FROM CONTINUING OPERATION

(RM' 000)



PROFIT AFTER TAXATION ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM' 000)



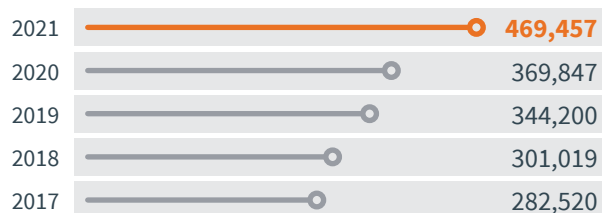
TOTAL ASSETS

(RM' 000)



TOTAL EQUITY

(RM' 000)



CORPORATE OVERVIEW

FINANCIAL HIGHLIGHTS

	2017 (RM'000)	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)
KEY FINANCIALS					
Revenue	359,511	259,141	232,988	149,566	196,905
Gross Profit	119,271	91,689	80,537	54,465	64,771
Earning Before Interest, Tax, Depreciation and Amortisation	82,383	66,536	55,427	35,193	44,405
Profit Before Taxation	81,271	65,892	55,337	34,844	44,266
Profit from Continuing Operation	62,929	48,826	43,402	25,647	32,737
Profit After Taxation Attributable to Owners of the Company	62,903	48,724	43,402	25,647	32,737
Total Assets	475,182	468,750	542,687	541,822	745,988
Total Equity	282,520	301,019	344,200	369,847	469,457
KEY RATIOS					
Gross Profit Margin (%)	33.2	35.4	34.6	36.4	32.9
Profit Before Taxation Margin (%)	22.6	25.4	23.8	23.3	22.5
Net Margin (%)	17.5	18.8	18.6	17.1	16.6
Basic Earning Per Share (sen)	9.8 ⁽¹⁾	7.6 ⁽¹⁾	6.7 ⁽¹⁾	4.0 ⁽¹⁾	4.2
Net Gearing Ratio (times)	0.1	-	0.1	0.2	0.3
Current Ratio (times)	1.5	1.8	2.0	2.6	3.1

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

LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE



ROY THEAN CHONG YEW
Chairman/Independent Non-Executive Director

Malaysian

50 years old

Male

Date of appointment as Director	20 February 2020
Length of service as Director since appointment (as at 21 April 2022)	2 years 2 months
Board Committee(s) served on	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Risk Management Committee Member of the Remuneration Committee Member of the Nominating Committee

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

Number of Board Meetings attended in the financial year end:

Mr. Roy Thean attended all three (3) Board Meetings held in the financial year ended 31 December 2021


LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE

**TEO LAY BAN**

Managing Director

 Malaysian

 48 years old

 Male

Date of appointment as Director	10 October 2019
Length of service as Director since appointment (as at 21 April 2022)	2 years 6 months
Board Committee(s) served on	Member of the Risk Management Committee

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

Number of Board Meetings attended in the financial year end:




Mr. Teo Lay Ban attended all three (3) Board Meetings held in the financial year ended 31 December 2021

LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE



SIA AH PIEW
Executive Director

-  Malaysian
-  49 years old
-  Male

Date of appointment as Director	20 February 2020
Length of service as Director since appointment (as at 21 April 2022)	2 years 2 months
Board Committee(s) served on	Nil

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

Number of Board Meetings attended in the financial year end:

Mr. Sia Ah Piew attended all three (3) Board Meetings held in the financial year ended 31 December 2021


LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE

**TEO LAY LEE**

Non-Independent Non-Executive Director

 Malaysian

 43 years old

 Male

Date of appointment as Director	20 February 2020
Length of service as Director since appointment (as at 21 April 2022)	2 years 2 months
Board Committee(s) served on	Nil

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

Number of Board Meetings attended in the financial year end:

Mr. Teo Lay Lee attended all three (3) Board Meetings held in the financial year ended 31 December 2021

LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE

**TEO SIEW MAY**

Non-Independent Non-Executive Director



Malaysian



46 years old



Female

Date of appointment as Director	20 February 2020
Length of service as Director since appointment (as at 21 April 2022)	2 years 2 months
Board Committee(s) served on	Nil

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

Number of Board Meetings attended in the financial year end:

Ms. Teo Siew May attended three (3) Board Meetings held in the financial year ended 31 December 2021

LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE

**ANNANDAN A/L CHANDRAN**

Independent Non-Executive Director



Malaysian



68 years old



Male

Date of appointment as Director	10 October 2019
Length of service as Director since appointment (as at 21 April 2022)	2 years 6 months
Board Committee(s) served on	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Risk Management Committee Chairman of the Remuneration Committee Member of the Nominating Committee

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

Number of Board Meetings attended in the financial year end:

Mr. Annandan attended all three (3) Board Meetings held in the financial year ended 31 December 2021


LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE



MADLINE LEE MAY MING
Independent Non-Executive Director

 Malaysian

 53 years old

 Female

Date of appointment as Director	10 October 2019
Length of service as Director since appointment (as at 21 April 2022)	2 years 6 months
Board Committee(s) served on	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Risk Management Committee Member of the Remuneration Committee Chairperson of Nominating Committee

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

Number of Board Meetings attended in the financial year end:

Ms. Madeline attended all three (3) Board Meetings held in the financial year ended 31 December 2021

LEADERSHIP & PERFORMANCE

BOARD OF DIRECTORS' PROFILE

**FOO YIT LAN**

Independent Non-Executive Director



Malaysian



63 years old



Female

Date of appointment as Director	10 October 2019
Length of service as Director since appointment (as at 21 April 2022)	2 years 6 months
Board Committee(s) served on	<ul style="list-style-type: none"> • Chairperson of the Audit Committee • Chairperson of the Risk Management Committee • Member of the Remuneration Committee • Member of the Nominating Committee

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

Number of Board Meetings attended in the financial year end:

Ms. Foo Yit Lan attended three (3) Board Meetings held in the financial year ended 31 December 2021

LEADERSHIP & PERFORMANCE

KEY SENIOR MANAGEMENT PROFILE

**NG MIH FERN**

Financial Controller

Malaysian

40 years old

Female

Date first appointed to the Key Senior Management Position:
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

Malaysian

45 years old

Female

Date first appointed to the Key Senior Management Position:
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, Seyhuet 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

LEADERSHIP & PERFORMANCE

KEY SENIOR MANAGEMENT PROFILE

**GOH FONG KIM**

Accounts Manager



Malaysian



54 years old



Female

Date first appointed to the Key Senior Management Position:
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

LEADERSHIP & PERFORMANCE

TRIBUTE TO THE LATE DATUK TEO POH BOON

Tribute to Our Founder and Former Executive Chairman

THE LATE DATUK TEO POH BOON

Datuk Teo Poh Boon was a tenacious self-made businessman. He began learning his trade as a building contractor at the age of 17 and had his first taste of entrepreneurship 8 years later when he started his own construction firm. After a successful stint in the construction business, he continued to work towards bigger and bolder goals. In 1984, he moved up the value chain into the property development business in the southernmost state of Malaysia. In Johor, he played a prominent role in the development of the township in Yong Peng. Later in 1997, he shifted focus to Melaka and started what is Teladan Setia today. The rest was history.

Datuk Teo exemplified qualities of hard work, discipline, and focus. He demanded the same from his colleagues, believing that the best products require the best people to build. At the same time, he was an inspiring mentor, ever willing to teach and guide the newer generation. From day one, he had been emphasizing the importance of getting to know the culture and preferences of Malaccans, in order to develop homes that are relevant. Today, the Teladan Setia brand is deeply ingrained in the minds of the locals.

Datuk Teo left us on 9 January 2020. He was 73 years old. Before his passing, he put forth the idea for the Group to go public. Heavily involved in the early stage of the listing process, it was unfortunate that Datuk Teo did not live to see 16 March 2021, when Teladan Setia made its debut on the ACE Market of Bursa Malaysia Securities Berhad. Nonetheless, he lived a full life, having achieved incredible milestones both personally and through the Company. In this maiden Annual Report, we would like to pay tribute to and celebrate the man responsible for building this great enterprise.

Thank you, Datuk Teo Poh Boon!

Gracious dedication by
Board, Management and Staff of
Teladan Setia Group Berhad

LEADERSHIP & PERFORMANCE

CHAIRMAN'S STATEMENT

“Our successful listing on the ACE Market of Bursa Malaysia, in the middle of a pandemic, will go on to be one of the biggest milestones in our history.”

Dear Valued Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS (“BOARD”), IT IS MY HONOUR TO PRESENT TO YOU THE INAUGURAL ANNUAL REPORT OF TELADAN SETIA GROUP BERHAD (“TELADAN SETIA” OR THE “GROUP”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (“FY2021”).

Tribute to the Founder and Former Chairman

I would like to begin by paying tribute to the late Datuk Teo Poh Boon, who was responsible for laying the groundwork that enabled Teladan Setia to flourish into the reputable residential property developer it is today. The idea to embark on an initial public offering (“**IPO**”) was the late Datuk Teo’s initiation. Without a doubt, his participation in the early stage of the process has played an instrumental role in the Group’s successful listing on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”).

MACRO OVERVIEW

After the COVID-19 shock in 2020, the world entered year two of the pandemic with greater confidence and optimism. Challenges were still prevalent with the emergence of new infectious variants, heightened geopolitical tension, higher commodity prices, and a global supply chain disruption. Nonetheless, we fought on and adapted to the difficult situation. Very swiftly, pharmaceutical giants around the world successfully invented efficacious vaccines, and in no time, jabs were made available to the public. Severe health impacts of these COVID-19 variants were counteracted, and we began to see countries loosening movement restrictions after that. Additionally, governments also distributed relief packages to alleviate the demanding economic condition faced. These factors effectively offset the negatives and boosted the recovery trajectory of the world economy. According to the International Monetary Fund (“**IMF**”), global gross domestic product (“**GDP**”) grew by an estimated 5.9% in 2021.

LEADERSHIP & PERFORMANCE

CHAIRMAN'S STATEMENT

MACRO OVERVIEW (CONT'D)

Back home in Malaysia, we were presented with our fair share of headwinds. Right off the bat, the Government implemented the Movement Control Order (“MCO”) 2.0 in response to the Beta variant wave. Not long after, the Full Movement Control Order (“FMCO”) was imposed in mid-2021 as daily cases hit the 20,000-mark at the peak of the Delta variant wave. Thereafter, the National Recovery Plan (“NRP”) was introduced, detailing an exit strategy from the health crisis. Along with an extremely successful National COVID-19 Immunisation Programme, the country managed to bounce back. Malaysia recorded a GDP growth of 3.1% in 2021 based on the figure provided by Bank Negara Malaysia (“BNM”).

THE PROPERTY MARKET

Likewise, the property market went through an uneven recovery trend during the year. As the economy was still battling pandemic-induced impacts, consumers were generally less willing to spend on big-ticket items. Thankfully, favourable government policies were commissioned to support the property industry. The Home Ownership Campaign (“HOC”) which was introduced in 2019, was extended for another year to 2021. Other incentives such as the Real Property Gains Tax (“RPGT”) exemption stimulated the secondary home market while the stamp duty exemption benefitted first-time homebuyers. The expansionary monetary policy also played a part in boosting the market. In 2021, the Overnight Policy Rate (“OPR”) continued to be at an all-time low of 1.75%, which lowered the borrowing costs for prospective homebuyers.



FY2021 IN REVIEW

FY2021 will go on to be one of the most memorable periods in Teladan Setia's 20-over-year history. Amidst the COVID-19 pandemic disruptions and lockdowns, we managed to achieve many significant milestones during the year:-

(1) **Getting listed on the ACE Market**

On 16 March 2021, the Group was successfully listed on the local bourse. With RM77.3 million in proceeds raised, we were the largest IPO listing on the ACE Market of Bursa Malaysia in 2021.

(2) **Shoring up our war chest**

The proceeds raised from our IPO have enabled the Group to chart ambitious growth targets for the future. In FY2021, Teladan Setia acquired an accumulated 551.9 acres of land in Melaka and received approval from its shareholders to acquire a further 338.3 acres. With that, we currently hold one of the largest undeveloped landbank in Melaka at 1,109.3 acres. This will set us up for multiple developments in the coming years as we seek to strengthen our brand presence in the state.

(3) **Sharpening our sword as we wait for the market recovery**

In FY2021, we were cautious in introducing new developments given the soft market condition. Though the property sector has been gradually picking up over the course of the year, there were still many disruptions such as the FMCO, therefore, we have decided that it is better for most of the new launches to be pushed back to FY2022. Instead, we were focused on completing ongoing projects such as Taman Desa Bertam Phases 2 & 3A and Bali Residences.

(4) **Appreciation to our shareholders**

On the corporate front, we distributed dividends of RM8.1 million in the second quarter of the year. This translated to a payout ratio of 24.6% based on our net profit of RM32.7 million in FY2021, exceeding our formal dividend policy of paying out at least 20% of net profit. In the third quarter of FY2021, we further rewarded our shareholders with the 3-for-10 bonus issue of warrants, giving out a total of 241.6 million warrants.

(5) **Revenue growth despite the challenging environment**

Teladan Setia reported revenue of RM196.9 million in FY2021, which was a year-on-year (“YoY”) surge of 31.7% from RM149.6 million registered last year. In line with the top-line growth, net profit climbed 27.6% YoY to RM32.7 million. The improvement was chiefly attributed to an increase in construction activities and higher property sales achieved.

TOWARDS A BETTER FY2022

Looking ahead, we expect the Malaysian economy to continue its growth trend. With the administration of booster doses, as well as vaccination for children, we are hopeful that there will not be any further lockdowns in 2022. Other tailwinds include the full reopening of borders in April 2022 as we transition into the endemic phase. In line with these factors, the Ministry of Finance has projected the GDP for Malaysia to expand between 5.5% and 6.5% in 2022.

LEADERSHIP & PERFORMANCE

CHAIRMAN'S STATEMENT



TOWARDS A BETTER FY2022 (CONT'D)

The outlook for the property market in 2022 is similarly attractive underpinned by the high vaccination rate, conducive policies, and pent-up demand. With RPGT abolished, this will further invigorate the property industry. The new Malaysia My Second Home (“MM2H”) campaign is expected to stimulate demand from eligible foreigners. In addition, the OPR is also anticipated to maintain at 1.75% for the first half of the year to support economic recovery.

With a healthier national economy and a rejuvenated property industry, Teladan Setia will stand to benefit in tandem. We are planning to launch several new developments amounting to RM1.04 billion in FY2022, including a maiden project in the Klang Valley. Based on the factors mentioned, we expect FY2022 to be a much-improved year for the Group.

BUILDING A SUSTAINABLE FUTURE

At Teladan Setia, we place a high emphasis on sustainability. We recognise the need for a holistic view of our business operations and goals, one that not only maximises shareholders' value but also considers all externalities that have a bearing on our stakeholders. As such, we are working towards establishing a solid Environmental, Social, and Governance (“ESG”) framework, committing to tracking key metrics and subsequently improving these numbers in the following years.

For more information about our sustainability initiatives, kindly refer to our Sustainability Statement on pages 32 to 43.

CORPORATE GOVERNANCE

The Group strives towards good and strong corporate governance. We do so from the very top, by having the right mix of skills, with a Board comprising members of diverse backgrounds and one that is fairly represented by both genders. Furthermore, out of the eight members of the Board, four or 50% of us are independent directors. With that, we ensure that the needs of all our different stakeholders are being looked after.

Teladan Setia is resolute in making sure that all our conducts adhere to Bursa Malaysia's Ace Market Listing Requirements (“ACE LR”) and the Malaysian Code on Corporate Governance (“MCCG”). On top of that, we are committed to carrying out our tasks with integrity, accountability, and transparency, as well as setting high ethical demands in all our business dealings.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to the management and all employees of Teladan Setia. We acknowledge the dedication and hard work displayed and commend you for a strong financial performance in FY2021, especially given such a disruptive environment brought about by the pandemic. Keep up the good work in FY2022!

Next, a big thank you to our stakeholders including but not limited to our shareholders, customers, business associates, bankers, lawyers, and contractors for your unwavering support. We look forward to further establishing our relationships with all of you in this new year.

Last but not least, my deepest gratitude to the fellow members of the Board for your valuable insights and wise counsel. Your service to the Board played an important role in the success of Teladan Setia in FY2021. I look forward to working closely with you, as well as the management team to bring the Group further forward and to great new heights!

Roy Thean Chong Yew
Independent Non-Executive Chairman

LEADERSHIP & PERFORMANCE

MANAGEMENT DISCUSSION & ANALYSIS

“ *When the going gets tough,
the tough get going.* ”



Richard Teo Lay Ban,
Managing Director

Dear Esteemed Shareholders,

IT IS AN HONOUR TO PRESENT TO YOU THE MANAGEMENT DISCUSSION AND ANALYSIS OF OUR MAIDEN ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (“FY2021”).

FY2021 has been a mixed bag for the nation, as well as Teladan Setia Group Berhad (“**Teladan Setia**” or the “**Group**”). Developments in the COVID-19 pandemic continued to occupy front-page news. Mandated lockdowns were almost a constant present, impacting many businesses big and small. Property developers like us were not spared from operational disruptions.

But by and large, there were still many positives in FY2021. On the national front, thanks to swift and efficient actions by the vaccination task force, most of our adult population was fully inoculated. At the same time, the economic condition improved with the help of stimulus packages given out by the Government.

As for the Group, we celebrated our successful listing on the ACE Market of Bursa Malaysia Securities Berhad. We also navigated through the tough operating condition and concluded the year with a net profit of RM32.7 million, improving from FY2020’s RM25.6 million.

TELADAN SETIA AT A GLANCE

Founded in 1997 by the late Datuk Teo Poh Boon, Teladan Setia launched its first development in Batu Berendam, Melaka. Since then, we completed 19 more projects in Melaka including landed and high-rise residential homes, as well as offices and retail shops. To date, the gross development value (“**GDV**”) of our completed developments totalled RM2.12 billion.



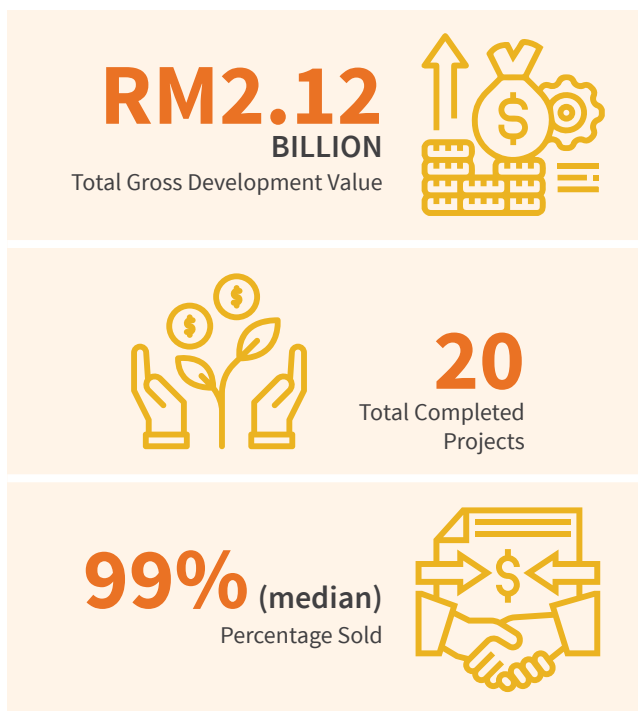
LEADERSHIP & PERFORMANCE

MANAGEMENT DISCUSSION & ANALYSIS

TELADAN SETIA AT A GLANCE (CONT'D)

Notably, we were one of the very first developers to introduce the concept of gated and guarded (“G&G”) townships in Melaka when we completed The Tropicana back in 2010. In 2018, we finished a 1,360-unit serviced apartment project, Atlantis Residences. At a GDV of RM603.9 million, it was our largest project yet. In the same year, we began adopting Quality Assessment System in Construction (QLASSIC) requirements for our buildings to enhance our product confidence.

Through the years, we have built a very strong brand presence among the locals and are perceived as one of the top and most reputable developers in Melaka. This was evident in the high sales rate of our completed projects which stood at a median average of around 99%.



OPERATIONAL REVIEW

Our operations were disrupted during the Full Movement Control Order (“FMCO”) in June 2021, lasting for about two months. Sales activities were made difficult as the Group was unable to open its sales galleries and show houses. At the same time, construction activities of our ongoing projects were also halted during the period.

Fortunately, the Movement Control Order (“MCO”) 1.0 in 2020 had prompted us to accelerate our digitalisation efforts. Since then, we have introduced 3D virtual home tours on our website, attracting prospective buyers to explore our offerings during the lockdown. As such, we were still able to lock in a commendable RM162.7 million in property sales in FY2021.

Despite the stop-start year, we managed to make good headways in our ongoing projects. At the end of FY2021, the completion progress of our serviced-apartment project, *Bali Residences* stood at 82.4%. Meanwhile, *Taman Desa Bertam Phases 2 & 3A* achieved completion rates of 74.4% and 28.4% respectively. *Taman Desa Bertam Phase 3B1*, which was launched in the fourth quarter of FY2021, achieved a completion rate of 14.1%.

Development	GDV (RM mil)	Construction Completion Rate
Bali Residences	319.6	82.4%
Taman Desa Bertam 2	143.1	74.4%
Taman Desa Bertam 3A	134.4	28.4%
Taman Desa Bertam 3B1	44.2	14.1%

Table 1: Ongoing Projects

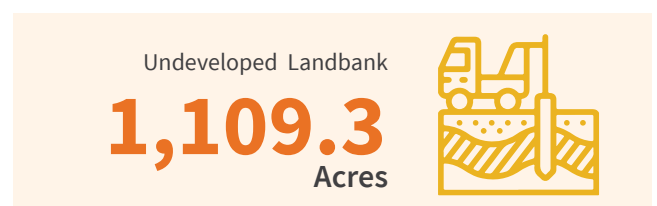
LAND ACQUISITION

In FY2021, we were in an advantageous position to bulk up our landbank. With RM35.0 million of fresh IPO proceeds allocated for land acquisitions, coupled with a favourable interest rate environment, we capitalised on the opportunity and accumulated a sizeable amount of land.

In December 2021, we bought three plots of land of an accumulated size of 519.8 acres in Jasin, Melaka for RM95.1 million. In the future, we envision building affordable homes on the said land.

During the year, we have also made another proposal to buy 338.3 acres of land in Jasin, Melaka for RM117.9 million. The location is in close proximity to a few country clubs and only a few minutes’ drive away from the Melaka International Trade Centre (MITC). The land is expected to be developed into G&G townships, suitable for the more affluent demographics of that area. The proposal has since been approved by the shareholders and is set to be completed by the first half of 2022.

Inclusive of the 338.3 acres to be acquired, we will have a total of 1,109.3 acres of undeveloped land, holding one of the largest undeveloped landbank amongst property developers in Melaka.



LEADERSHIP & PERFORMANCE

MANAGEMENT DISCUSSION & ANALYSIS

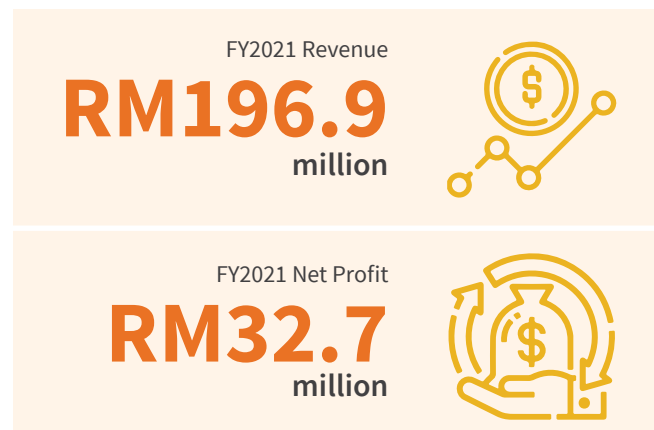
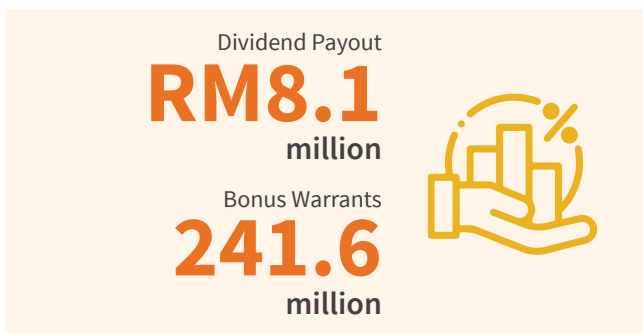
REWARDING OUR SHAREHOLDERS

At Teladan Setia, we have a formal dividend policy of distributing a minimum of 20% of our net profit to the shareholders. In April 2021, the Group issued a dividend of 1 sen per share, amounting to a total dividend distribution of RM8.1 million. The payout was equivalent to 24.6% of our FY2021 net profit of RM32.7 million, fulfilling the policy in place.

In September 2021, we undertook a bonus warrants issuance exercise on the basis of three bonus warrants for every ten shares held. In total, we distributed 241.6 million free warrants. These securities allow our shareholders to further increase their equity stake in Teladan Setia at an exercise price of 50 sen per share over a 5-year tenure. Assuming the full exercise of these warrants, the Group could potentially raise gross proceeds of RM120.8 million, which would provide additional funding for our working capital needs.



In tandem with the top-line jump, we concluded the year with a net profit (“NP”) of RM32.7 million, which was a 27.6% YoY growth from the preceding year. NP margin ended up at 16.6% in FY2021, against 17.1% reported the year before.



FINANCIAL REVIEW

Income Statement

In FY2021, we reported revenue of RM196.9 million. This was a solid year-on-year (“YoY”) improvement of 31.7%, compared to the previous year’s turnover of RM149.6 million. An overall stronger economic environment and real estate market led to higher property sales during the year. Apart from that, we also managed to carry out comparatively more construction activities at our ongoing sites, resulting in higher progress billings.

Gross profit (“GP”) in FY2021 came in at RM64.8 million with a GP margin of 32.9%. This was slightly lower than the GP margin of 36.4% recorded in FY2020. The margin compression was ultimately attributed to higher building material prices caused by global shortages and supply chain turmoil.

The Group registered a profit before tax (“PBT”) of RM44.3 million for the period under review. PBT margin stood at 22.5% in FY2021, versus last year’s 23.3%. In the absence of one-off listing expenses of RM2.8 million incurred during the year, PBT margin would have been higher.

Balance Sheet

Total assets grew from RM541.8 million on 31 December 2020 to RM746.0 million on 31 December 2021. In March 2021, the Group raised RM77.3 million from its listing exercise, the majority of which was used for land acquisition and working capital for ongoing projects. The utilization subsequently boosted Teladan Setia’s non-current inventories from RM112.4 million at the end of FY2020 to RM242.3 million at the end of FY2021. Cash and cash equivalents increased from RM76.3 million to RM83.5 million over the course of the year.

Total liabilities increased from RM172.0 million on 31 December 2020 to RM276.5 million on 31 December 2021 as total debts rose from RM133.7 million to RM233.7 million. The higher borrowings were due to our land acquisition exercises.

Meanwhile, total equity rose from RM369.8 million to RM469.5 million over the one-year period.

LEADERSHIP & PERFORMANCE

MANAGEMENT DISCUSSION & ANALYSIS

Balance Sheet (cont'd)

Net assets per share ended at 58 sen, while net gearing ratio stood at 0.3 times on 31 December 2021.

**ANTICIPATED RISKS****Economic Landscape of Melaka**

As most of our projects are located in Melaka, and with locals making up the majority of our sales, our success is dependent on a strong local economy. Specifically, tourism plays an important role in the economic wellbeing of the state. In the absence of a thriving tourism sector, the purchasing power of many locals will be impacted, which then reduces demands for homes.

Given the fact that Malaysia is set to reopen its borders in April 2022, we expect the overall economic condition to improve, nationally as well as locally. Furthermore, as more international tourists are able to visit, our tourism industry should recover further in 2022, benefitting both the state economy and the property market.

COVID-19 Risks

Pandemic-induced factors such as nationwide lockdowns have disrupted business operations. During MCO 1.0 in 2020 and FMCO in 2021, construction activities at our development sites were halted, causing delays in the completion dates of some of these

projects. Furthermore, property sales were also affected as sales galleries and showhouses were closed. Should a similar measure be reimplemented in the future, our operational and financial performances could be negatively impacted.

In view of such risk, we have invested in digitalising our sales and marketing functions by incorporating 3D virtual home tours on our websites. This enables prospective customers to enjoy an immersive home viewing experience without having to visit our sales galleries or showhouses.

Dependent on Government Policies

The property market is influenced by Government policies such as taxes, affordable housing schemes, the overnight policy rate (“OPR”), and so on. For instance, a restrictive monetary policy in the form of higher OPR will have a negative effect on housing demand due to higher loan rates and lower loan-to-value ratios.

As unfavourable changes in policies are beyond the Group’s control, we focus our attention instead on improving our overall business. We go through meticulous research and feasibility studies to make sure that our projects are suited for the intended demographics in regard to pricing, location, and building specifications. In turn, this will increase our likelihood of achieving high sales conversion, even in a less favourable environment.

Persistently High Commodity Prices

The COVID-19 pandemic, coupled with the exacerbated geopolitical tension, has led to the recent supply chain woe, ultimately pushing up commodity prices. In line with that, building material costs such as steel, copper, cement, and others have shot up. As a result, construction costs have since increased, resulting in profit margin compression for property developers.

Through the years, we have continued to maintain and foster good relationships with our contractors and suppliers. When cost pass-throughs to customers have become untenable, we resort to negotiation with contractors to explore possibilities of shouldering certain price increases together for the long-term benefits of all parties.



LEADERSHIP & PERFORMANCE

MANAGEMENT DISCUSSION & ANALYSIS



OUTLOOK AND PROSPECTS

Though pandemic threats remain prevalent with the outbreak of the Omicron variant in late-2021, there were fewer hospitalised cases this time around. The better condition is believed to be attributed to the success of our national vaccination programme. At the time of writing (March 2022), about 65% of the adult population has received their booster dose, while 35% of children have gotten their first dose. In April 2022, Malaysia will fully reopen its borders as the nation moves towards endemicity. As such, we expect the overall economic condition to continue its recovery trend from 2021, but at a more even pace.

Under Budget 2022, RM1.5 billion has been allocated to build affordable homes for the B40 Group. Moreover, the Government also introduced a Housing Credit Guarantee Scheme that offers provisions of guarantees of up to RM2.0 billion. This will encourage more young people and gig workers to purchase homes. Teladan Setia stands to gain from these positive policies given our active involvement in building and offering affordable homes.

In Melaka, we also look forward to benefitting from the border reopening and movement restriction easing. In the first half of 2021, Melaka reported total investments of RM4.26 billion, which surpassed the total amount recorded over the past two years. These investments, which are largely for manufacturing activities, will set the sector up for a better 2022. Meanwhile, the reopening of interstate and international borders bodes well for tourism-related businesses. As the manufacturing and tourism sectors make up most of the state's gross domestic product (GDP), we expect purchasing power of its citizens to be boosted. With a wealthier population, we are hopeful of a stronger Melaka housing market in 2022.

In line with the market rebound, the Group is set to launch new developments valued at approximately RM1.04 billion in GDV in 2022.

We will continue to strengthen our presence in Melaka by launching three new projects. *Taman Bertam Heights Phase 1B* is a G&G township project comprising spacious terraced houses and semi-detached houses. Since the pandemic, demand for spacious living area with all-rounded amenities have been on the rise as people spend more time at home. *Taman Desa Bertam Phases 3B2 & 4A* are marketed similarly, with ample space and well-equipped facilities.

Meanwhile, we are also pushing out a couple of affordable housing projects - *Taman Bertam Heights Phase 1A* and *Taman Impiana Kesang Phase 1*. We believe the affordable segment is currently in demand. With the economic condition recovering, many prospective first-time homebuyers are finally ready to take action, but will most likely be looking at a cheaper range of homes.

In 2022, we will also be introducing our maiden development in the Klang Valley - *Lakeshore Residences*. This will be the first venture out of our stronghold in Melaka. The project is a two-towered serviced apartment located in Seri Kembangan, Selangor, and is within walking distance from Serdang KTM station and The Mines shopping centre. With our two-decade-long experience, we believe we have the capabilities to replicate our current success in the new region.



LEADERSHIP & PERFORMANCE

MANAGEMENT DISCUSSION & ANALYSIS**OUTLOOK AND PROSPECTS (CONT'D)**

Development	Location	GDV (RM mil)
Lakeshore Residences	Selangor	574.5
Taman Bertam Heights 1A & 1B	Melaka	242.7
Taman Desa Bertam 3B2 & 4A	Melaka	152.8
Taman Impiana Kesang 1	Melaka	72.7
TOTAL		1,042.7

Table 2: 2022 Project Pipeline

Moving ahead, we are very positive about the outlook of Teladan Setia underpinned by a stronger economic landscape, positive Government incentives, as well as our exciting pipeline of projects. We look forward to building on our commendable financial performance in FY2021 and are optimistic that we can reach greater heights in FY2022.

Richard Teo Lay Ban
Managing Director



LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

This Sustainability Statement by Teladan Setia Group Berhad (“**TSGB**” / The Group) for the financial year ended 31 December 2021 (“**FYE 2021**”) has outlined our sustainability efforts.

Scope of coverage

The scope of our Sustainability Statement covers the period from 16 March 2021 (being the date of our listing on the ACE Market of Bursa Securities) to 31 December 2021. The policies and strategies discussed throughout this Report are engaged by the Group unless otherwise specified.

Our maiden Sustainability Statement covered two material business entities under our Group and we report on indicators in accordance with the Global Reporting Initiative Sustainability Standards Core option (“**GRI Standards**”). All financial amounts stated in the statement is denominated in Ringgit Malaysia (“**RM**”) unless otherwise stated.

SUSTAINABILITY STATEMENT

TSGB firmly believes that economic, social and governance (“**ESG**”) and corporate governance are at the core of a sustainable business, and we are committed to embedding sustainability in our business operations, culture and to ensuring we practice sustainability at every business aspects of our level of operations.

In this report, we intend to provide our stakeholders with reliable ESG information in relation to our Group’s business activities. Since this is our first Sustainability Report for the financial year ended (“**FYE**”) 2021, we remain committed to accomplishing and executing our business strategy in line with the ESG targets as sustainability is a necessary and continuous commitment by the Group and its leadership.

OUR REPORTING BOUNDARIES

The sustainability information contained in the Report covers the performance of the following Group assets unless otherwise indicated in the text of the Report.

Assets included in the Report boundaries

Segment	Company (reference in the Report)
Property Development	Teladan Setia Sdn Bhd Asal Harta Sdn Bhd



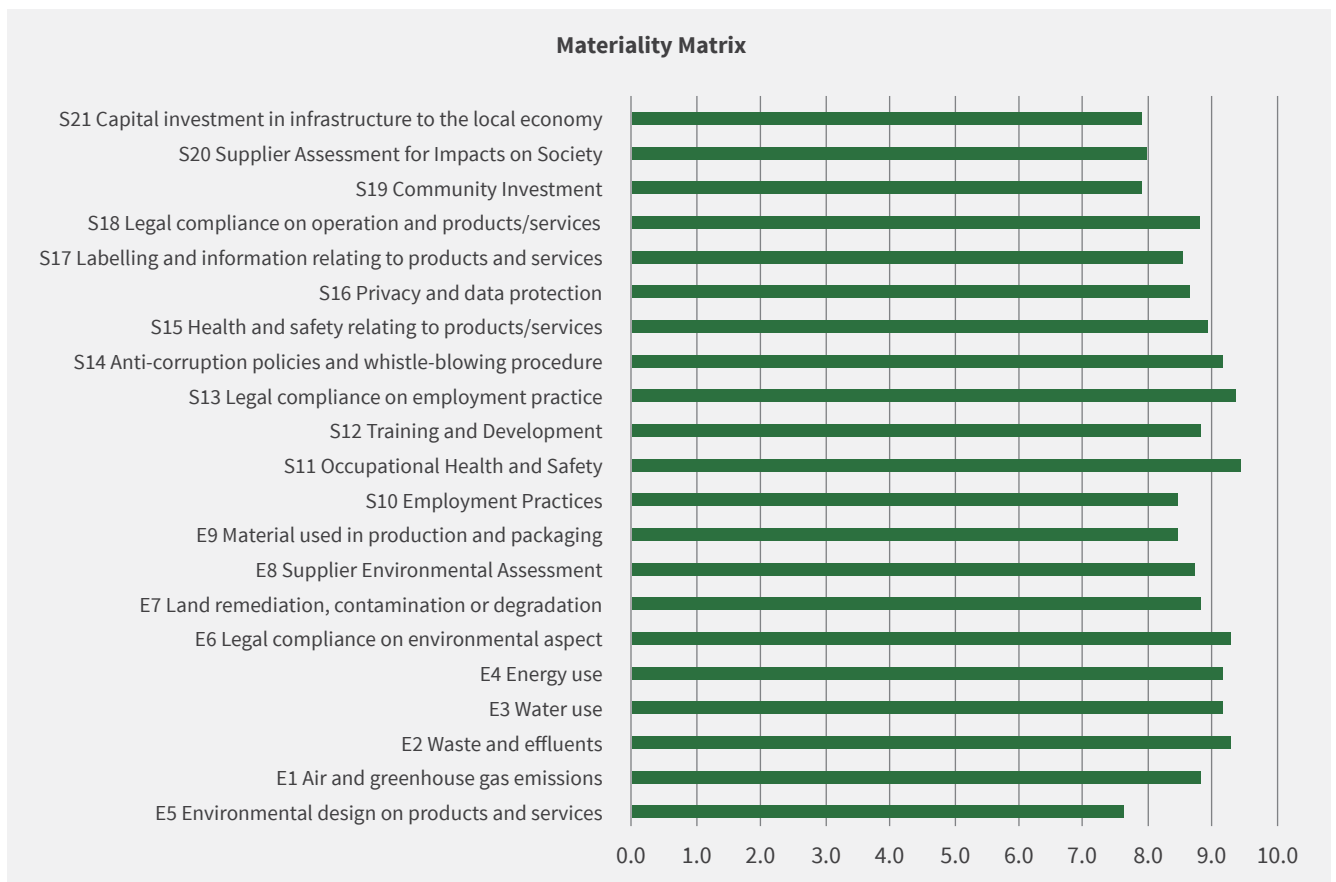
LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT



IDENTIFICATION OF MATERIAL TOPICS

We conducted a material assessment to select topics that mattered most to the business for inclusion in this Statement. The forms were sent out to the Group’s employees, shareholders, customers, as well as governmental organisation and subsequently a list of material topics was compiled. The materiality assessment was performed in accordance with GRI Standards. When assessing whether a topic is material, two main criteria were used: the significance of economic, environmental, or social impacts and the influence on stakeholder assessments and decisions.



Category	Number	Topic
Economic	1	Economic Performance
	2	Anti-Corruption
	3	Procurement impacts
	4	Capital Investment
	5	Privacy & data protection
Environment	6	Energy
	7	Water
	8	Emissions
	9	Effluents and Waste
	10	Environmental Compliance

Category	Number	Topic
Social	11	Employment
	12	Occupational Health and Safety
	13	Training and Education
	14	Diversity and equal opportunity
	15	Local Communities

In 2021, our Group drew a total of 15 material lists to be included in this report and for this year reporting, we will use this as a basis as comparative data to compare against next year environment data.

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT


DATA PREPARATION METHODOLOGY

The calculation, collection, and consolidation of economic, environmental, and social indicators presented in the Report were carried out in accordance with GRI Standard reporting principles and requirements and on the basis of the current procedures are in place for collection and preparing of management information in the Group.

Financial information is presented in Ringgit Malaysia.

CONTACT INFORMATION

Our Group considers and carefully analyses feedback from stakeholders on the completeness, objectivity, and materiality information disclosed in its sustainability report, which helps improve our sustainability performance and non-financial reporting processes. We would always welcome your suggestions about the report and our performance.



Please send any questions and suggestions to:

ESG Co-ordinator

Name : Ng Mih Fern
 Designation : Financial Controller
 Email : ng.mf@teladansetia.com

OUR SUSTAINABILITY APPROACH

TSGB Approach to Sustainability Governance

Our Group believes in upholding the principles and values of sustainable development and integrating them into its business processes. We believe that sustainable development is a crucial part of our operating success and is the foundation for creating value for our stakeholders. Our Group operates in four main areas of sustainable development as shown below.

Sustainability Governance



TSGB Sustainability Structure

We work together with stakeholders to maintain an effective system of sustainable development. We endeavour to build and develop strong and transparent relations with all our stakeholders and we actively develop our stakeholder engagement mechanism and make efforts to develop new ones.

When implementing sustainable development activities, we follow the best international standard practises and fully comply with Bursa Malaysia Sustainability Reporting Guidelines.

Organisational Structure

Sustainable development is managed at all business operating units of the Group. Our Company's Board of Directors and committees determine the general course for the Company's sustainable development, Senior Managers are accountable to the Senior Board Executives and their duties include goal-setting and performing specific tasks corresponding to their functions. The manager of each business segment will implement sustainability initiatives following their responsibilities.

Attaining Sustainable Development Goals

- 3 GOOD HEALTH AND WELL-BEING**
- 4 QUALITY EDUCATION**
- 6 CLEAN WATER AND SANITATION**
- 7 AFFORDABLE AND CLEAN ENERGY**
- 8 DECENT WORK AND ECONOMIC GROWTH**
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
- 13 CLIMATE ACTION**
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**
- 17 PARTNERSHIPS FOR THE GOALS**

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

ETHICS & BUSINESS CONDUCT

Approach to Promoting Fair Business Practices

Our Group strives to meet the highest standards of ethical business conduct and we adopt an attitude of zero tolerance towards corruption and bribery. The Group takes strict measures to prevent and effectively deal with the consequences of misconduct when it occurs. The Group adopted its Anti-Bribery and Corruption Policy on 12 May 2021. The Group also constantly monitors breaches of unfair trade practices and norms of ethical and fair business conduct is to be strictly adhered to by all employees. The following policies are available on our corporate website at <https://teladansetia.com/investor-relations/corporate-governance/>



Our Group communicates documents and policies to our stakeholders, including our employees and subsidiaries to fully comply with the provisions of documents at all times through various modes of communication, i.e., internal memo and emails.

Anti-Bribery & Corruption Policy

Our Group determines, evaluates, and manages corruption-related risk regularly. At the end of each financial year, our Board of Directors will analyse risks related to fraud and corruption. The Group will evaluate its business processes and focuses on those areas that are particularly prone to corruption risk, and carefully assesses existing controls and procedures in these areas. The Group will continue to review its policies annually. The main documents regulating anti-bribery and anti-corruption are:

- 1 Anti-Bribery and Corruption Policy; and
- 2 Whistleblowing Policy.

Raising Awareness of Ethical Business Conduct

Our Group believes that information is key to preventing misconduct; in particular, fraud, corruption and bribery. Therefore, the Group consistently informs stakeholders, including employees, business partners and about the principles of business conduct.

Our Group posts anti-bribery and anti-corruption policies and procedures on the company official website and makes the documents available for all stakeholders.

Our Group has a whistleblowing policy for stakeholders to raise their concerns and the policy is available on the company website. The Group has also informed all its business partners about ethical business conduct and all suppliers must be acquainted with the Group's corporate principles relating to Anti-Bribery and Anti-Corruption Policy.

Whistle-blowing Reporting

Our Group encourages all stakeholders to report any suspicious activities through the Group's whistleblowing channels. For convenience, the stakeholder can raise their concerns through several whistleblowing channels as listed below:

- 
- (i) **Mr. Roy Thean Chong Yew**
Chairman of the Company
(Email: roy.thean@teladansetia.com)
 - (ii) **Mr. Teo Lay Ban**
Group Managing Director
(Email: ricteo@teladansetia.com)
 - (iii) **Ms. Foo Yit Lan**
Chairperson of Audit Committee
(Email: foo.yl@teladansetia.com)
 - (iv) **Ms. Madeline Lee May Ming**
Senior Independent Non-Executive Director
(Email: madeline.lee@teladansetia.com)
 - (v) **Ms. Ng Mih Fern**
Financial Controller
(Email: ng.mf@teladansetia.com)

All reports received will be analysed by the Head of Human Resources (or such other person who is assuming the same function) and further discussed with the Group Managing Director to decide on the next appropriate course of action. If the report is related to the Group Managing Director, the report shall be investigated by the Audit Committee directly.

In consequence of the investigation, the outcome will be tabled in the Audit Committee Meeting. The Audit Committee or the Group Managing Director shall then report to the Board of Directors on reports and findings that require their attention and approval.

Our Group would like to report there are no incidents of corruption and fraud received during the financial reporting year.

SUSTAINABILITY STATEMENT

ETHICS & BUSINESS CONDUCT (CONT'D)

Communication Channels and Mechanisms

Our Group engages various communication channels to engage with our stakeholders to ensure that we encompass all stakeholders, initiate a two-way dialogue, and allow stakeholders to provide feedback.

For example, during pandemic COVID-19, the Group deploys the use of various internet technologies to improve communication with stakeholders. The table list both the means of communication channels internally and externally.

STAKEHOLDERS ENGAGEMENT

TSGB involved with various stakeholders because the main business activities conducted by the Group are in various residential & commercial property developments in various locations in Melaka. Our engagement with our stakeholders is important to us because we strive to meet the needs of our stakeholders.

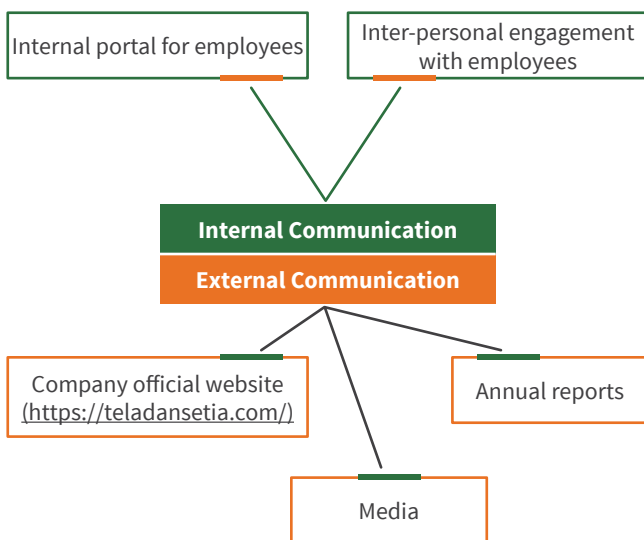


Figure 1 below depicts the relationship between our stakeholders and our engagement methods with them, as described above. TSGB has put in place measures to respond to the diverse expectations and requirements of each stakeholder while facilitating good communication not only on a daily basis in business activities but also takes advantage of various other opportunities.



Figure 1 : Relationship between Stakeholders Engagement

Employees and Families

TSGB believe in establishing and providing a healthy working environment where people can work safely. We respect human rights without any discrimination, equally and fairly evaluating personnel, and establishing educational systems able to drive and improve skills.

Customers' Engagement

We believe customers' engagement is extremely important. TSGB conducts comprehensive efforts in ensuring we supply customers' quality products and ensuring our products are safe to use & our customers enjoy using our products.

We conduct an annual survey once a year to understand the needs of our customers as well as to gather information required to ensure we can meet today's challenges and to ensure we stay relevant despite the growing environmental concerns in our line of business. Given the pandemic, TSGB has kept customers engagement to the minimum and has not allowed any unnecessary physical visits to the showrooms.

Local Community

TSGB recognize the importance of the local community in business dealings and sustaining the local community through job creations.

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT (CONT'D)

Environment Engagement

As a socially responsible Company, TSGB endeavour to procure from identifiable sources for its building materials and as well as other trading materials. The table below depicts the engagement issues related to our environmental concerns.

Business Partners/Suppliers Engagement

We source from credible suppliers who have the necessary industrial knowledge on their products (e.g., raw materials, semi-ready products etc), as we expects advice and guidance. We would slowly and surely to work with suppliers who share the same passion as us in giving values to our clients and at the same time, be responsible to a sustainable business landscape.




These efforts strengthen our foundation of business by promoting sustainable sourcing of our raw materials, contractors who we worked with are also socially responsible that they take care of their workers & builders well. For our existing suppliers & business partners who has yet to expose to sustainable business practices, we will also want to invite them to hop on the band wagon and share the prosperity together.

Shareholders and Investors

In recent years, institutional investors have shifted the way to evaluate a company. One emphasis from this perspective of evaluation is engagement. The dialogue between companies and their shareholders as well as investors is growing in terms of strategies and efforts to improve corporate value. Trends to promote even broader engagement are growing after the recent amendments for companies to comply with Sustainability Statements.

TSGB group places great importance on engagement from the perspectives of properly assessing the corporate value and earning trust from the market. The Group discloses a wide range of information, including non-financial information, in a timely and transparent manner to facilitate understanding among stakeholders of our management policies and business strategies, while regularly feedback the opinions and requirements of investors who are a vital stakeholder into operations to put in place measures toward sustainable growth.

Cooperation with our stakeholders and the creation of value for them is a significant part of achieving our strategic goals. Our overall key priorities are driven by market conditions and sound business fundamentals. Thus, we focus on several groups of stakeholders identified below:





Stakeholder group	Frequency and type of engagement	Topics of concern	How we manage the issue
 Customers (existing and potential)	Frequency: Ongoing Type: Awareness program, One to one engagement, Marketing materials	<ul style="list-style-type: none"> Quality of product Late delivery Product defects Re-engage with customers and avoid repetition of mistakes Product prices and values 	<ul style="list-style-type: none"> Quality management system Competitively price against our competitors Quality assurance and reunion program
 Employees	Frequency: Regular, ongoing Type: Knowledge sharing sessions, Internal customer engagement programme, Internal customer satisfaction survey, Innovation Accelerator Programme	<ul style="list-style-type: none"> Well-being of the company and job security Staff welfare and benefits Safety environment at work Work competency 	<ul style="list-style-type: none"> Staff engagement programmes Implementation of Environment, Safety & Health programmes involving employees Training when required
 Suppliers	Frequency: Occasional Type: Performance review meetings, workshops, coaching for compliance	<ul style="list-style-type: none"> Compliance issues Tender prices and payments Cost efficiency and introduction of products Workers quarters 	<ul style="list-style-type: none"> Constant and regular communications Process improvement Engage and share concerns with relevant parties

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT (CONT'D)

Shareholders and Investors (cont'd)

Stakeholder group	Frequency and type of engagement	Topics of concern	How we manage the issue
 Investors and financiers	Frequency: Annual, quarterly Type: Annual general meeting, quarterly results announcement, press conference, targeted briefing, meetings	<ul style="list-style-type: none"> • Legal compliance • Financial performance at expense of environmental/ social well-being • Business risks • Soft market conditions • Negative public perception 	<ul style="list-style-type: none"> • Engagement with investors & sharing of strategy • Rolling out diversified affordable products
 Business partners	Frequency: Ad hoc Type: Meetings, discussions, functions, product launches	<ul style="list-style-type: none"> • Payment • Terms of reference (TOR) • Appraisal • Human rights 	<ul style="list-style-type: none"> • Standard Operating Procedure (“SOP”) • Proper SOP for monitoring and tracking
 General public	Frequency: Ad hoc Type: Dialogue, meetings, engagement	<ul style="list-style-type: none"> • Environmental impact to communities 	<ul style="list-style-type: none"> • Engage with experts and explain via reporting, environmental conservation activities (e.g., tree planting)
 Governments and regulators	Frequency: Ad hoc Type: Meetings, pre-consult submission, periodical monitoring reporting	<ul style="list-style-type: none"> • Customer rights • Compliance 	<ul style="list-style-type: none"> • Responsible reporting and marketing communications • Monitoring of compliance (e.g., legal checklist)

ENVIRONMENT ASSESSMENT

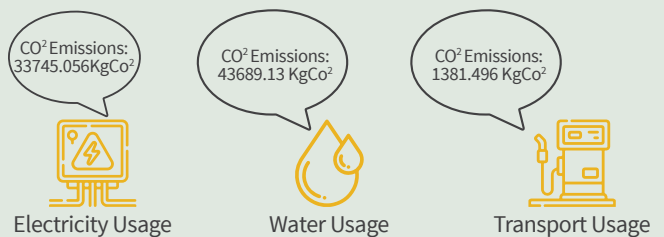
Environment Management

As one of Malaysia leading property developers with proven track records, the Group recognises that continuous growth in its new property development could create significant environmental challenges and obligations. To manage business operations responsibly, the Group has ensured all our development comply fully with the environmental impact assessments. The Group’s medium and long- term goals are to reduce the potential negative effects of our site planning and development in order to provide a safe environment in all our projects and significantly reduce any negative impact to the environment, as a results of our development activities.

We strive to comply with all applicable environmental regulations and to meet the expectations of our stakeholders.

Electricity and Water Process

In the course of running the business, we used almost 583,493 kWh of electricity, 125,121 m3 of water & 13,498 litres of petrol, contributed almost 954 tonnes CO2 during the FYE 2021. This amount is equivalent to almost 24,251 trees to be planted in order to absorb the amount of CO2 generated.



Our total CO² emission:
78.82 Tonne CO²

It takes **2020.9 trees** to be planted in order to absorb our total CO² Emissions this month. Lets work together to reduce our Carbon Emissions and conserve the environment.

The Group needs to be mindful and device a method to control the usage of our precious resources. We need to be sustainably responsible in carrying out our business activities in developing environmentally welcome home for our clients.

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

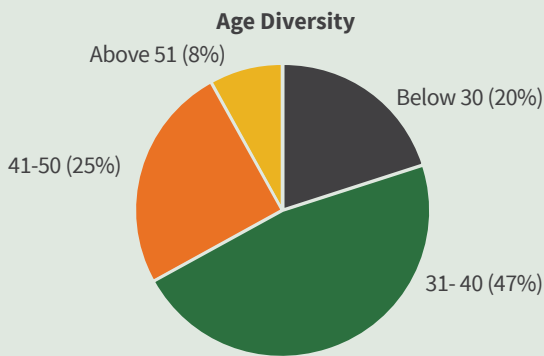
DEVELOPING OUR EMPLOYEES

Our Group places the utmost importance on its employees' welfare and always encourages the employees to adapt and improve according to the business environment and needs.

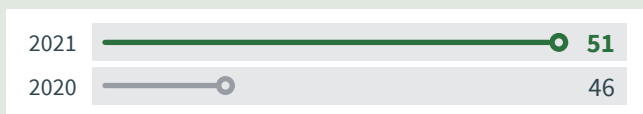
For this reason, we work continuously on ensuring the effectiveness of our personnel management practices, including those relating to employee recruitment, retention, training and development, performance management, strengthening employee engagement and developing internal social programmes. In addition, we take all possible measures to ensure respect and to provide equal rights and opportunities to all our employees.

Workforce Structure

The workforce headcount as of 31 December 2021 is 51, Compare to beginning of the year, the Group's headcount rose by 11%. This is to cater for the growth of the various segments in the Group

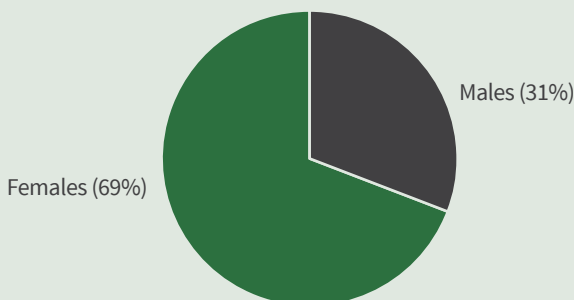


Employee Growth



69% of the workforce is female and the balance is male. Of the total workforce, almost half at 47% are aged between 31-40 years of age. This may give the company plenty rooms to grow in terms of career advancement and mentoring purposes.

Gender Diversity



Recruitment and Adaptation

Our Group plays a pivotal role in ensuring that all its employees are fully equipped with the necessary knowledge to adapt successfully in the company. The Group wants to optimize and realize the employees' full potentials as early as possible.

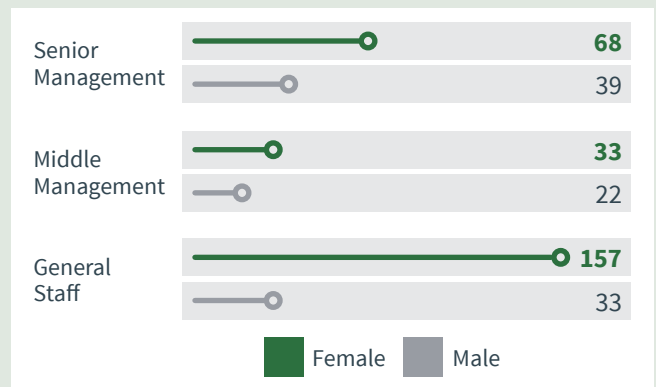
Recruitment

As part of the Group continuous development in 2020, the Group focuses on improvement in attracting new talents to meet the growing demand for local talents in the marketing of properties industry.

Learning and Development

We believe instilling discipline character building and employee knowledge is an essential part of a company's success. The learning and development program at our Group was temporarily halted due to the pandemic, but we will continue to explore various opportunities for its employees to further enhance their skills levels.

Training Hours



The Group shall continue to organize more workshops & training to help the employees to keep abreast with latest trend in the property development industry.

In building a strong workforce, we are committed to provide an environment for our employees to enhance their skills and knowledge within the industry. This will benefit not only the personal growth and development of our employees but also the company's growth as a whole.

Training is also very important to ensure that our employees have the required competencies to perform their work and deliver their best output. We therefore encourage our employees to expand their knowledge and to foster personal growth and development by taking on new roles and responsibilities.

SUSTAINABILITY STATEMENT

MOTIVATION & ENGAGEMENT

As part of our motivation and engagement policy, the Group recognizes effective employee engagement in the form of financial and non-financial as well as conducive working conditions to drive improve our operational efficiency. This will enable our Group to achieve higher growth and allow us to create value for the local communities.

Financial Motivation

Our Group endeavors to make its remuneration system transparent and equitable for all its employees. Currently, the company's pay scale system is constantly updated but will further improve its remuneration system to meet today's expectation to ensure its relevance and attractiveness. The new salary remuneration system will cover both fixed, contractual, intern and part-time employees across the organization, when available.

Our Group's bonus system is based on its extensive evaluation methodology and bonus are at the discretion of the management. Our Group will continue to evaluate **best practices** in drafting the framework for the remuneration system.

Non-Financial Motivation

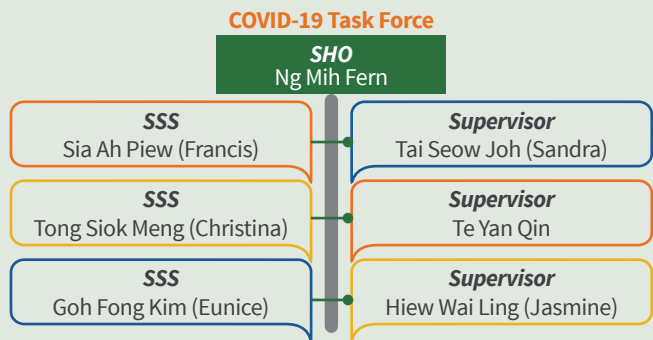
As a socially responsible company, our Group offers employees a broad non-financial compensation package that complies with employment acts and forms part of the total remuneration. Our employees received statutory pension contribution (EPF), medical benefits and allowances entitlement under the employment act. The Group provides annual leave, sick leave, compassionate leave, maternity and paternity leave and marriage leave. The Group also provides group personal accident and hospitalization insurance to all employees.

Social and Labour Conditions

Our employees' well-being is our number one priority. Thus, we believe it is essential to provide them with comfortable working and living conditions. At the onset of the COVID-19 pandemic, our Group took several initiatives to address employees concerns about their well-being. The Group has initiated the following COVID-19 measures to minimize business interruption during the COVID-19 pandemic.

- Formation of a COVID-19 Task Force (as per diagram below)
- Enforcement of work from home measures for management personnel.
- Suspension of employees' overseas business trips.
- Mandatory self-isolation at home for ten (10) days without loss of pay for employees identified close contacts with COVID-19 patients.
- Compulsory to wear facemask at all time when in office.
- Limitation of access and contact with external consultants and contractors to our Group's premises.

- Handling business remotely with the use of virtual or online meeting
- Supplying common areas with sanitization and temperature checking.
- Regular disinfection of company's premises.
- Installation of registry for contact tracing and remote temperature checks for all employees, visitors, and contractors.
- Providing adequate personal protective equipment.
- Conducting multiple COVID-19 tests using RTK antigen and RT PCR Tests.



Vaccinations programme

At the Company's own expenses, the COVID-19 Task Force has organized COVID-19 vaccination programmes for all staff, their spouses and their children who are above 18 years old. The successful conduct of such programme has enabled the staff to have a safer working environment to work at. This is a responsibility of our Group to ensure the welfare of our workforce is taken care of.

Human Rights

Our Group is aware of the significance of respecting human rights. The Group now enforcing human rights advocate by implementing showing respect in the work place. It places the highest priority to ensure the detection and rectification of any human rights violations, and it devotes special attention to ensuring the diversity of personnel.

Our Group has not conducted any supplier assessment on its human rights accord for now but will strive to do it in the next financial reporting year. All types of modern slavery, including child labour, harassment, forced labour, inhumane & unsafe working conditions, and human trafficking are violations of human rights and are strictly prohibited, both within the Group and on the part of our suppliers. The Group will continue to do its due diligence on its suppliers to ensure that they are strictly complying with the relevant act on matters pertaining to human trafficking.

Our Group is committed to adopting the Children and Young Person Act (Employment) 1966, Malaysia. The Group does not employ anyone under the age of 18 years due to the environment and the nature of business.

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

WORKPLACE

TSGB practices fair employment practices and has adopted the following practices as listed below.

Fair Employment Practices

In addition to develop a healthy and safe workplace, we strive to provide our employees a diverse and inclusive working environment where their human rights are respected. In upholding human rights of our employees and to prevent human rights violations, we have to put in place policies and procedures to ensure a healthy, safe and secure workplace.

The following are the key policies and measures enshrined in our Code of Ethics (dos and don'ts) policy statement as well as our employee handbook.

**a. Equal Employment Opportunity**

In the appointment and recruitment process of TSGB, we pride ourselves in being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, creed, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the working environment for all the employees.

**b. Workforce Diversity**

We believe in keeping one of our key stakeholders, i.e., our employees engaged with the aim to bring forth their full potential and enabling a satisfying career for each of them. At the same time, we are inclusive and mindful to encourage balanced participation of female employees in our business. We continue to promote and attract talents from the local community or within the same state which we operate in. We are proud to contribute to the local economies by creating employment in the communities in which we operate, majority of our office staff coming from the local communities.

**c. Adherence to Minimum Wages**

We observe the Minimum Wages Order 2012 and its subsequent amendments and when announced by the government.

**d. Prohibition of Harassment**

We are committed to provide a working environment which is conducive, safe and free of any form of harassment and unlawful discrimination. The Group views sexual harassment as a serious violation of our rules and regulations and work values. To prevent discrimination, we have a sexual harassment policy and a grievance procedure available to all and we ensure that employees are briefed about these.

During the reporting period, there were no recorded instances of discrimination. Any employee found guilty of such misconduct will be subject to disciplinary actions that may include dismissal.

**e. Prevention of Child Labour**

We observe Children and Young Persons (Employment) (Amendment) Act 2010. We employ only those 18 years and above in our recruitment exercise. This is in line with the policies of the international labour organisation.

**f. Employees' Benefits and Compensation**

We value the contributions of our diverse employees and continuously attract talents to join us by providing a supportive working environment as well as development opportunities. We provide an integrated welfare system and treat all employees equally on all of our sites.

The Group complies with the various local statutory requirements and regulations on wages and benefits such as minimum wages order, employees' provident fund and social security contributions.

Other employee welfare bonuses include travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel accident insurance, communications expenses, uniform and personal protective appliances, application of residence permits for current employees, staff compensation leave, festive gifts and events. This is to express our Group's commitment for optimal work-life integration and personal effectiveness.

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

SUPPORTING LOCAL COMMUNITY



Management Approach

Our Group aims to build positive and sustainable partnerships with local communities wherever we operate, by adhering to the best international standards of sustainable development and actively engaging with local communities. The Group does not have a formal approach in engaging with local communities but our Group has been supporting various education, social-economic programs for university students over the years.

All of the Group social investments are made voluntarily. The Group strictly abides by the Anti-Bribery and Anti-Corruption policies on social and gifts investment guidelines.

Our Group has been a strong pillar for local community support over the years. The above are some of the charity activities initiated by our Group.

LEADERSHIP & PERFORMANCE

SUSTAINABILITY STATEMENT

Legal Disclaimer

This Sustainability Statement contains forward-looking statements concerning the financial condition, results of operations and businesses of the Group. All statements other than statements of historical fact are, or may be deemed to be forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in future. They are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside the Group's control. These include changes in the political, social and regulatory framework in which the Group will operate or in economic, technological trends or conditions; the success of the business and operating initiatives; the actions of regulators; legislative, fiscal and regulatory developments, including regulatory measures addressing climate change; the behaviour of other market participants; competitive product and pricing pressures; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations; changes in the level of capital investment; the impact of any acquisitions, disposals or similar transactions; the outcome of any litigation; the risk of doing business in countries subject to international sanctions; environmental and physical risks; risks associated with the impact of pandemics. Other unknown or unpredictable factors could cause actual results and developments to differ materially from those in forward-looking statements.

Neither the Group nor any of its subsidiaries, provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Report will occur. Neither the Group nor any of its subsidiaries, undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. Each forward-looking statement speaks only as of the date of this report, i.e., 6 April 2022.

In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this report. No materials contained in this Report constitute an offer, solicitation or recommendation to purchase or sell securities, or make investments. Readers should not place undue reliance on forward-looking statements.

GOVERNANCE STRUCTURE

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 2021 (“**CG Report**”), which is made available on the Company’s website at

<https://teladansetia.com/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 2021 (“**FYE 2021**”) 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**”).

GOVERNANCE STRUCTURE

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>Practice 1.1</p> <p>Key Responsibilities of the Board</p>	<ul style="list-style-type: none"> Strategic planning and direction to Managing Director (“MD”) and his management team. Business overview on consumer trends and the Group’s financial performance oversight. Risk Management oversight vide the Risk Management Committee (“RMC”) – a dedicated Board Committee. Internal Control and compliance – ensure robustness, adequate and with integrity. Stakeholders’ communication – designated spokesperson for external parties and general public. Human resources planning and remuneration – ensure Executive Management retain key senior management personnel and management with integrity and competence.
<p>Practice 4.1</p> <p>The Board and management take responsibility for the governance of sustainability in the company</p>	<p>Environmental, Social and Governance (“ESG”) considerations</p> <ul style="list-style-type: none"> The Board has been proactively raising sustainability awareness, in particular the ESG issues during Board meetings.
<p>Practice 5.2</p> <p>At least half the Board comprises independent directors</p>	<ul style="list-style-type: none"> 50% of the Board comprises Independent Non-Executive Directors (“INEDs”), 25% are Non-Independent Non-Executive Directors (“NINED”) while the remaining 25% are the Executive Directors (“ED”).
<p>Practice 5.8</p> <p>Nominating Committee is chaired by an independent director or Senior Independent Director</p>	<ul style="list-style-type: none"> Ms. Madeline Lee May Ming (“Ms. Madeline Lee”), the Senior Independent Non-Executive Director (“SINED”) is the Chairperson of the NC.
<p>Practice 6.1</p> <p>Formal and objective evaluation on Board, its Committees and each individual director</p>	<ul style="list-style-type: none"> Facilitated by the Company Secretary, the Directors have been completing the assessment forms and the results were compiled by the Company Secretary for review and analysis. 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.
<p>Step Up Practice 10.3</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"> The Board has established a dedicated RMC to assist with the oversight of the Company’s risk management framework and policies. 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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I: Board Responsibilities

1) Clear Functions, Roles and Responsibilities of the Board and Management

- i) The Board 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 Board regularly reviews the Group's business operations and maintains full and effective control over its management.

The duties and responsibilities of the Board includes determining the Group's overall strategic plans and performing periodic reviews of business and financial performance, as well as adopting and implementing practical risk management and internal control system.

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 has also delegated certain responsibilities to other Board Committees which operate within clearly defined terms of reference. The Board Committees include the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC").

- ii) The Board reviewed the sustainability, effectiveness and implementation of the strategic plans for the year and provided guidance and input to management. The principal responsibilities of the Board include, among others, the following:
- a) To provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
 - b) To set, review and adopt strategic plans, values and standards for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
 - c) To review and adopt corporate governances, best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, the employees and assets and to ensure compliance with applicable laws and regulations;
 - d) To ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCCG;
 - e) To review and approve the annual business plans, financial statements and annual reports;
 - f) To supervise and assess management performance to determine whether the business is being properly managed;
 - g) To monitor the relationship between the Group and management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group;
 - h) To ensure that senior management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board member(s) and senior management;
 - i) To ensure the integrity of the Group's financial and non-financial reporting; and
 - j) To appoint the Board Committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board Committees and deliberate on the recommendations thereon.

iii) Role of Company Secretaries

In compliance with Practice 1.5 of the MCCG, 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

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("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://teladansetia.com/>.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part I: Board Responsibilities (cont'd)****1) Clear Functions, Roles and Responsibilities of the Board and Management (cont'd)****iii) Role of Company Secretaries (cont'd)**

For FYE 2021, the Company Secretaries have attended the relevant continuous professional development programmes as required by MAICSA for practising Company Secretaries. Both the Company Secretaries possessed a valid Practising Certificate issued by Companies Commission of Malaysia for FYE 2021.

The main duties of the Company Secretaries, among others, are as follows:

- Manage all Board's and Board Committees' meeting, logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;
- Advise the Board on its roles and responsibilities;
- Facilitate the orientation of new Directors and assist in Director training and development;
- Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- Manage processes pertaining to shareholders' meeting;
- Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

The appointment and removal of the Company Secretaries is a matter for the Board. The Company Secretaries are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries play a key role to facilitate communication between the Board and Management and to ensure that the deliberations at the Board meetings are well captured and minuted.

For FYE 2021, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

iv) Access to Information and Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties.

The Notice of the scheduled Board meeting is served to the Directors at least seven (7) days prior to the Board meeting, unless there is an exceptional case for convening of Special Meeting of the Board to address emergency issue, shorter notice is allowed with the consent of all Directors.

The Board strives to circulate the Board papers at least seven (7) days in advance of the meeting day. The Board papers are to be comprehensive and include all necessary information so that informed decisions could be made. The Board may also request for additional information whenever it is deemed necessary or appropriate. Management is invited to the Board meetings to furnish clarification on certain issues.

The Directors have access to the professional advice and services of the Company Secretaries in the course of discharging their duties and responsibilities on matters relating to procedures governing the Company which include the Act, ACE LR and other applicable laws, rules and regulations, either as a full Board or in their individual capacity.

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.

Subsequent to the Board meetings, the minutes will be circulated to the Board for confirmation to ensure that deliberations and decisions of the Board are accurately recorded. The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation are recorded in the minutes. The Chairman of the Board meeting 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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part I: Board Responsibilities (cont'd)****2) 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 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://teladansetia.com/investor-relations/corporate-governance/>.

3) 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 rectify on the non-compliance or violation.

The Code is available on the Company's website at <https://teladansetia.com/investor-relations/corporate-governance/>.

ii) Whistleblowing Policy

The Board has in place 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 aims 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://teladansetia.com/investor-relations/corporate-governance/>. The AC has been tasked by the Board to perform the oversight function over the administration of the Whistleblowing Policy.

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):

For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:

AC Chairperson

Ms. Foo Yit Lan at email address: foo.yl@teladansetia.com

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part I: Board Responsibilities (cont'd)****3) Good Business Conduct and Corporate Culture (cont'd)****ii) Whistleblowing Policy (cont'd)**

For employment-related concerns, one can report directly to the following designated person(s):

1) Chairman of the Board

Mr. Roy Thean Chong Yew at email address: roy.thean@teladansetia.com

2) Group Managing Director

Mr. Teo Lay Ban at email address: ricteo@teladansetia.com

3) Financial Controller

Ms. Ng Mih Fern at email address: ng.mf@teladansetia.com

For any concerns from the shareholders/stakeholders and/or whistleblowing, one can email to the following designated Director:

Senior Independent Non-Executive Director

Ms. Madeline Lee May Ming at email address: madeline.lee@teladansetia.com

During the FYE 2021, none of the designated persons have received any reports or concerns via the abovementioned communication and feedback channels.

iii) Anti-Bribery and Corruption Policy

The Board has in place an Anti-Bribery and Corruption 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://teladansetia.com/investor-relations/corporate-governance/>.

iv) Sustainability risks and opportunities

Given the Board's emphasis on the strategic importance of sustainability to the Group, the Board first adopted the Sustainability Policy on 17 August 2021. The Sustainability Policy defines, 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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part II: Board Composition****4) Board's Objectivity****i) Composition of the Board**

The Board presently 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.

The presence of Independent Non-Executive Directors who come from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements to take 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) Independent Non-Executive Directors, Board Diversity and Key Senior Management**a) Tenure of Independent Non-Executive Director**

As at the date of this Statement, none of the Independent Non-Executive Directors had served the Board as Independent Non-Executive Directors for more than nine (9) years.

b) Policy of Independent Non-Executive Director's Tenure

The Company has a policy which limits the tenure of the Independent Non-Executive Directors to nine (9) years as stated in the Board Charter. Upon completion of the nine (9) years' term, the Independent Non-Executive Director may continue to serve on the Board provided that the Board shall first justify and obtain Shareholders' approval for his or her retention, failing which, he or she may still serve on the Board, but as a Non-Independent Director.

In the event that the Director is to remain as an Independent Non-Executive Director after the ninth year, the Company shall first justify the Director's independency and obtain annual shareholders' approval at every Annual General Meeting ("AGM") through two-tier voting process to retain the Independent Non-Executive Director of the Company who have served the Board for more than nine (9) years.

The NC is responsible to conduct a review to determine whether an Independent Non-Executive Director can continue to be independent if the tenure of the Independent Non-Executive Director exceeds the cumulative term of nine (9) years. Thereafter, the NC shall recommend to the Board for recommendation to the shareholders on the retention of the aforesaid Independent Non-Executive Director, if he/she so meet the independence guidelines as set out in Chapter 1 of the ACE LR.

c) Diverse 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.

The NC is responsible for making recommendations relating to any new appointment of Director to the Board and key senior management. 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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

4) Board's Objectivity (cont'd)

ii) Independent Non-Executive Directors, Board Diversity and Key Senior Management (cont'd)

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 38% women representation on the Board.

iii) NC

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

Members	Designation	Number of NC meetings attended/ held during the FYE 2021
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

The NC is chaired by Ms. Madeline Lee, a Senior Independent Non-Executive Director. 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.

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://teladansetia.com/investor-relations/corporate-governance/>

Summary of Works

In compliance with the provision of the Rule 15.08(A)(3) of the ACE LR of Bursa Securities, the activities of the NC for the FYE 2021 are set out in Practices 5.3, 5.5, 5.6, 5.7 & 6.1 of the CG Report.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

4) Board's Objectivity (cont'd)

iii) NC (cont'd)

Summary of Works (cont'd)

The following works were undertaken by the NC during the FYE 2021:

- 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 suitability of the Directors who are standing for re-election at the 3rd AGM of the Company and recommended the same to the Board for approval.
- Reviewed the re-designation of Ms. Madeline Lee from Independent Non-Executive Director to Senior Independent Non-Executive Director and recommended the same to the Board for approval.

Reinforce Independence: Annual Assessment of Independence of Directors

The Board adopts the concept of independence in tandem with the definition of Independent Non- Executive Director as prescribed under Rule 1.01 of the ACE LR. The Board also carries out an annual assessment of the independence of its Independent Non-Executive Directors through the assistance of the NC for the FYE 2021.

The Board considers that its Independent Non-Executive Directors 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.

Re-election of Directors

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.

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.

Pursuant to Clause 21.7 of the Constitution of the Company, the following Directors are to retire at the forthcoming 3rd AGM (hereinafter referred to as "**the Retiring Directors**"):-

- Ms. Madeline Lee May Ming;
- Mr. Sia Ah Piew; and
- Ms. Teo Siew May.

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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

4) Board's Objectivity (cont'd)

iii) NC (cont'd)

Re-election of Directors (cont'd)

The NC, as guided by the Directors' Assessment 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 3rd AGM

5) 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 Independent Non-Executive Directors.

The independency of the Independent Non-Executive Directors 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 2021, a total of three (3) 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	3/3	100%
Mr. Teo Lay Ban	3/3	100%
Mr. Annandan A/L Chandran	3/3	100%
Ms. Foo Yit Lan	3/3	100%
Ms. Madeline Lee May Ming	3/3	100%
Mr. Sia Ah Piew	3/3	100%
Mr. Teo Lay Lee	3/3	100%
Ms. Teo Siew May	3/3	100%

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

5) 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.

The Board is satisfied with the time commitment given by the Directors. All of the 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 2021, the Company did not receive any notification from any Director.

iii) Directors' Training

During the FYE 2021, the Directors had attended the following training programmes:

Directors	Training(s) Attended
Mr. Roy Thean Chong Yew	<ul style="list-style-type: none"> MIA International Accountants Conference 2021 Governance in Audit Virtual Forum Russell Bedford Malaysia's 2022 Budget Seminar Sustainability Agenda a Key Lesson from the Pandemic
Mr. Teo Lay Ban	<ul style="list-style-type: none"> The Repercussion of the Recent Federal Directorship: Strategy and Risk for Directors
Mr. Annandan A/L Chandran	<ul style="list-style-type: none"> Implementing amendments in the Malaysian code of Corporate Governance Environmental, Social and Governance ESG -Malaysian Bar continuing legal education Section 17A of the MACCA 2009- Navigating waves of corporate liability- Malaysian Bar Continuing legal education The Role of the Board in Strategy and Risk Management Oversight Fraud Risk Management Workshop 2021
Ms. Foo Yit Lan	<ul style="list-style-type: none"> Can you survive a transfer pricing audit? Companies Act 2016 - Directors' duties & responsibilities during the Pandemic Era & Beyond Companies Act 2016 - Practical Guide for Company Directors Pre & Post IPO Rules & key updates to Listing Requirements Updates on SSM Practice Notes/Directives & Guidelines on Beneficial Ownership Reporting LMW Licensing, Facilitation, Control & Its latest LMW & SST Rules Workshop on Investment & Other Incentives Valuation in Practice : Demystifying Business Valuation The Role of the Board in Strategy & Risk Management Oversight AOB Conversation with Audit Committees Fraud Risk Management Workshop 2021

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

5) Overall Board Effectiveness (cont'd)

iii) Directors' Training (cont'd)

Directors	Training(s) Attended
Ms. Madeline Lee May Ming	<ul style="list-style-type: none"> Tackling The Intricacies of Corporate Liability for Corruption Employment Law after effects of MCO and Covid19 Recent Key Developments in Real Estate Litigation Directors' Duties and Climate Change Overview of Competition Law Personal Data Protection Act - Proposed Changes to the Personal Data Protection Act Environmental, Social and Governance (ESG) - MCCG and the Rise of ESG Section 17A of the Malaysian Anti-Corruption Commission Act 2009 – Navigating Waves of Corporate Liability Confirmation Competition Law - Merger Control: Gamechanger or Dealbreaker Integrity Training by Vision Ethics AOB Conversation with Audit Committees
Mr. Sia Ah Piew	<ul style="list-style-type: none"> Property Marketing Research & Feasibility Studies in the New Era Raising Defenses: Section 17A, MACC Act Directorship: Strategy and Risk for Directors
Mr. Teo Lay Lee	<ul style="list-style-type: none"> Enhancing Strategic Planning by Directors as Required by Bursa Malaysia
Ms. Teo Siew May	<ul style="list-style-type: none"> Directorship: Strategy and Risk for Directors Fraud Risk Management Workshop 2021

Part III: Remuneration

6) Remuneration

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.

7) RC

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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part III: Remuneration (cont'd)

7) RC (cont'd)

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 2021
Mr. Annandan A/L Chandran	Chairman	1/1
Ms. Foo Yit Lan	Member	1/1
Ms. Madeline Lee May Ming	Member	1/1
Mr. Roy Thean Chong Yew	Member	1/1

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://teladansetia.com/investor-relations/corporate-governance/>.

8) Directors' Remuneration

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the FYE 2021 are as follows:

a) Group

Name of Directors	Fees RM	Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other emoluments RM	Total RM
Independent Non-Executive Directors							
Roy Thean Chong Yew	84,000	6,500	-	-	-	-	90,500
Annandan A/L Chandran	48,000	6,500	-	-	-	-	54,500
Madeline Lee May Ming	48,000	6,500	-	-	-	-	54,500
Foo Yit Lan	48,000	6,500	-	-	-	-	54,500
Non-Independent Non-Executive Directors							
Teo Lay Lee	120,000	3,000	-	-	-	-	123,000
Teo Siew May	120,000	3,000	-	-	-	-	123,000

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part III: Remuneration (cont'd)

8) Directors' Remuneration (cont'd)

a) Group (cont'd)

Name of Directors	Fees RM	Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other emoluments RM	Total RM
Executive Directors							
Teo Lay Ban	-	-	720,000	600,000	-	159,323	1,479,323
Sia Ah Piew	-	-	360,000	630,000	-	174,124	1,164,124

b) Company

Name of Directors	Fees RM	Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other emoluments RM	Total RM
Independent Non-Executive Directors							
Roy Thean Chong Yew	84,000	6,500	-	-	-	-	90,500
Annandan A/L Chandran	48,000	6,500	-	-	-	-	54,500
Madeline Lee May Ming	48,000	6,500	-	-	-	-	54,500
Foo Yit Lan	48,000	6,500	-	-	-	-	54,500
Non-Independent Non-Executive Directors							
Teo Lay Lee	-	-	-	-	-	-	-
Teo Siew May	-	-	-	-	-	-	-
Executive Directors							
Teo Lay Ban	-	-	-	-	-	-	-
Sia Ah Piew	-	-	-	-	-	-	-

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part III: Remuneration (cont'd)****9) Remuneration of Top Five (5) Key Senior Management**

The Board is of the view 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. The Board is also of the opinion that the key senior management's remuneration disclosed in the Annual Report and 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.

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**10) AC**

The AC consists of four (4) Independent Non-Executive Directors 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 Independent Non-Executive Directors. The Chairman of the AC, Ms. Foo Yit Lan, is not the Chairman of the Board.

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.

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.

All members of the AC are 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.

11) Suitability, Objectivity and Independence of the External Auditors

The Board, through the AC, maintains a formal and transparent relationship with its External Auditors in seeking professional advice. The AC met with the External Auditors without the presence of the Executive Board members and Management once for FYE 2021 (being the first year of Listing) regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.

The AC is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the External Auditors. 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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**11) Suitability, Objectivity and Independence of the External Auditors (cont'd)**

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 2021.

12) 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.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**13) 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 assists 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.

14) Communication with Stakeholders

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.

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

In addition, the Company maintains a website at <https://teladansetia.com/> 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.

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE OVERVIEW STATEMENT**PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)****15) Conduct of General Meetings Participation at AGM****Notice of AGM**

The Notice of the 3rd AGM to be held on 20 May 2022 will be issued not less than twenty-eight (28) days prior to the meeting so as to enable the shareholders to have full information about 3rd AGM and to facilitate informed decision-making. Full explanation of the effects of a proposed resolution of any special business will accompany the notice of 3rd AGM.

Directors' Commitment

All the Directors are committed to present at the virtual 3rd AGM of the Company to be held on 20 May 2022 in view to engage shareholders personally and proactively.

Voting in Absentia and Remote Shareholders' Participation at General Meeting(s)

The Company is to conduct its 3rd AGM virtually which included remote participation by shareholders and remote voting on all resolutions by way of poll. An Independent Scrutineer will be appointed to verify the results of the poll voting.

All the members of the Board and Chairman/Chairperson of the Board Committees will participate in the 3rd AGM virtually to address the shareholders' enquiries and concerns.

Key CG future priority for Financial Year ending 31 December 2022 ("FYE 2022")

The key priorities of the Board's corporate governance practices for FYE 2022 are as follows:-

- Resilience and continuous adapting to the new normal due to the COVID-19 pandemic;
- 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;
- Ensuring the internal and external audit process as well as risk management oversight by the Board be duly maintained; and
- Adoption of a "Directors' Fit and Proper Policy" in compliance with the ACE LR of Bursa Securities by the stipulated timeframe as prescribed by Bursa Securities.

COMPLIANCE WITH MCCG

The Board is satisfied that during the FYE 2021, 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 4.4: 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 will be addressed in the CG Report.

This Statement and the CG report are made in accordance with a resolution of the Directors passed on 6 April 2022.

GOVERNANCE STRUCTURE

DIRECTORS' RESPONSIBILITY STATEMENT

**STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS**

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 2022.

GOVERNANCE STRUCTURE

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

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad 16 March 2021. The Company had raised gross proceeds of RM77.3 million (“**IPO Proceeds**”) from the listing exercise.

As at 1 April 2022, the utilisation of the IPO proceeds is as follows:

Purpose	Proposed utilisation	Actual utilised	Unutilised amount	Estimated timeframe for utilisation from Listing
	RM'000	RM'000	RM'000	
Acquisition of Land	35,000	35,000	-	Within 36 months
Working Capital	33,109	33,109	-	Within 24 months
Repayment of bank borrowings	4,000	4,000	-	Within 3 months
Estimated listing expenses	5,200	5,200	-	Within 1 month
Total	77,309	77,309	-	

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 2021 (“**FYE 2021**”), 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)
Audit services rendered		
Statutory audit in respect of FYE 2021	12,000	104,000
Non-audit services rendered		
Tax fees in respect of FYE 2021	3,800	23,600
Review of the Statement on Risk Management and Internal Control for Annual Report 2021	2,000	2,000
Total	5,800	25,600

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.

GOVERNANCE STRUCTURE

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 2021 (“FYE 2021”), 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 2021:-

MCCG Practice	Applications by Teladan	
Practice 9.1	Chairman	Chairperson of AC
Chairman of the Audit Committee is not chairman of the Board	 Mr. Roy Thean Chong Yew	 Ms. Foo Yit Lan
Practice 9.2	Incorporated in the TOR of AC	
Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)		
Practice 9.3	EA Policy & Procedures established	
Policies & Procedures to assess the suitability, objectivity and independence of external auditors		

Step-up Practice 9.4

The Audit Committee comprises solely of independent directors

✓ The AC comprises solely of four (4) Independent Non-Executive Directors (“INEDs”)

**Practice 9.5**

AC Members possess wide range of skills and financially-literate

✓ AC members with diverse background, experience and skills, being financially-literate and able to understand the financial reporting process

**Practice 11.1**

Effective and independent internal audit function

✓ Appointed outsourced independent internal auditors, Needsbridge Advisory Sdn. Bhd. to undertake internal audit activities

**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.

GOVERNANCE STRUCTURE

AUDIT COMMITTEE REPORT

COMPOSITION (CONT'D)

The current composition of the AC is as follows:-

Name	Designation	Directorship
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 MCGG, 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 21 February 2022, 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 2021.

Upon review, the NC is satisfied with the overall performance of the AC and its individual members for FYE 2021. 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 MCGG, 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 forthcoming 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 2022. The Board, in turn, has recommended the same for shareholders' approval at the forthcoming Third Annual General Meeting ("3rd AGM") of the Company.

MEETINGS AND ATTENDANCES

The AC held a total of three (3) meetings during the FYE 2021 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	3	3	100.00
Mr. Annandan A/L Chandran	3	3	100.00
Ms. Madeline Lee May Ming	3	3	100.00
Mr. Roy Thean Chong Yew	3	3	100.00

The lead audit partner of the external auditors responsible for the Group had attended two (2) AC Meetings held in FYE 2021.

The external auditors were encouraged to raise to the AC, any matters they considered important to bring to the AC's attention. For FYE 2021, one (1) private session was held between the AC with the external auditors without the presence of the Executive Board members and management personnel subsequent to the Listing of the Company on the ACE Market of Bursa Securities on 16 March 2021.

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.

GOVERNANCE STRUCTURE

AUDIT COMMITTEE REPORT**MEETINGS AND ATTENDANCES (CONT'D)**

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://teladansetia.com/investor-relations/corporate-governance/>

SUMMARY OF WORKS

During the FYE 2021, 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 2020, 31 March 2021, 30 June 2021 and 30 September 2021 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 2020 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 2021 prepared by the external auditors, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group.
- Met one (1) time 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 2021, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for FYE 2021 and recommended the same for the Board's approval.
- Received assurance of independence by the engagement partner and engagement team.

3. Oversight of Internal Audit Function

- Appointed NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"), an independent internal audit service provider to undertake internal audit activities.
- 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 2021.
- Reviewed the Internal Audit Reports for the FYE 2021 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 2021.

GOVERNANCE STRUCTURE

AUDIT COMMITTEE REPORT

SUMMARY OF WORKS (CONT'D)**4. Oversight of Internal Control Matters**

- Reviewed and confirmed the minutes of the AC Meetings.
- Deliberated and noted the key observations of the internal audit function of the Company as well as the accompanying findings of the thematic reviews and key takeaways, issued by Bursa Securities.
- Received assurance from the Managing Director and Financial Controller on the status of internal control system of the Group for FYE 2021.

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 2021, 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 2021, 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 2021

During FYE 2021, 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;
- 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 2021

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2021 amounted to RM20,000.

(4) Continuing Education Programmes/ Trainings attended by AC

During FYE 2021, 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 2021
- Governance in Audit Virtual Forum
- Russell Bedford Malaysia's 2022 Budget Seminar
- Sustainability Agenda a Key Lesson from the Pandemic
- AOB Conversation with the AC

This AC Report is made in accordance with a resolution passed by the Board of Directors on 6 April 2022.

GOVERNANCE STRUCTURE

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 the internal controls of the Group for the financial year ended 31 December 2021. 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.

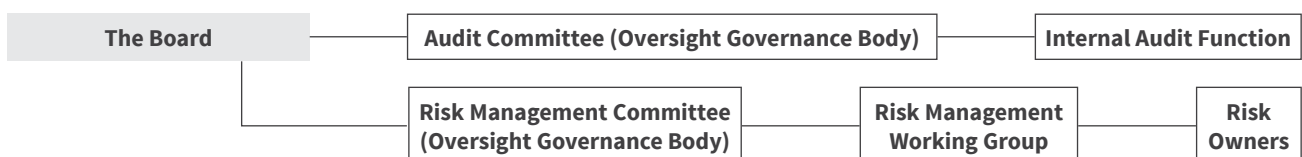
The system of internal control covers, inter-alia, control environment, risk assessment, control activities, information and communication and monitoring activities. However, in view of the limitations that are inherent in any system of internal control, the system of internal control is designed to 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 Executive Director, Financial Controller 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:-



GOVERNANCE STRUCTURE

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.

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 incorporated 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 and opportunities 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.

GOVERNANCE STRUCTURE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

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 to the RMC and the Board by the Managing Director respectively.

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.

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are made up of five 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 improve 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 and the respective Board Committees are carried out on a scheduled basis to review the performance of the Group, from financial and operational perspectives. 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 forms 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 behaviours 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 enhance the ethical value 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 behaviour, 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.

GOVERNANCE STRUCTURE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

- **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.

- **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,

GOVERNANCE STRUCTURE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

- **Information and Communication (cont'd)**

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.

- **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 statements 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.

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 the 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 during 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.

GOVERNANCE STRUCTURE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

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.

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 2021 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 are 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 are formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist 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 the 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 to a predetermined formulation, subject to the nature of testing and verification of the samples.

During the financial year ended 31 December 2021, 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 Company's governance structures and practices as well as the related policies and procedures in relation to the Listing Requirements and MCGG, as well as a follow up on progress of action plan 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 2021 amounted to RM20,000.

GOVERNANCE STRUCTURE

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, Executive Director, Financial Controller and Heads of Department, 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 risk management results and process, results of the internal audit activities, 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 put in place appropriate plans to further enhance the Group's internal control system and improve 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 causes them to believe this Statement is 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 MCGG to be set out, nor that this Statement is factually incorrect.



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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 2021.

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	<u>32,737,067</u>	<u>7,656,808</u>

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:

In respect of the financial year ended 31 December 2021

	RM
Single-tier interim dividend of RM0.01 per ordinary share, paid on 19 April 2021	<u>8,052,980</u>

The directors do not recommend any final dividend in respect of the financial year ended 31 December 2021.

On 21 March 2022, the Company declared a single-tier interim dividend of RM0.007 per ordinary share amounting to RM5,637,086 in respect of the financial year ending 31 December 2022, payable on 20 April 2022 to shareholders whose names appeared in the record of depositors on 6 April 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT**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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued the following ordinary shares:

- (a) 644,238,000 ordinary shares at an issue price of RM0.50 per ordinary share for the acquisition of Teladan Setia Sdn. Bhd.; and
- (b) 161,060,000 ordinary shares at an issue price of RM0.48 per ordinary share for a total cash consideration of RM77,308,800 pursuant to the Initial Public Offering exercise of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

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

There was no issue of debentures by the Company during the financial year.

WARRANTS

During the financial year, the Company issued 241,589,397 free warrants, by way of bonus issue on the basis of three (3) Warrants for every ten (10) ordinary shares. The details and salient terms of Warrants are disclosed in Note 13(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.

FINANCIAL STATEMENTS

DIRECTORS' REPORT**DIRECTORS (CONTINUED)**

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 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			At 31.12.2021
	At 1.1.2021	Acquired	Disposed	
THE COMPANY				
Teo Lay Ban	-	335,003,762	-	335,003,762
Teo Lay Lee	-	103,078,080	(13,600,000)	89,478,080
Teo Siew May	-	103,078,080	(13,600,000)	89,478,080
Sia Ah Piew	-	415,000	-	415,000
Annandan A/L Chandran	-	10,000	-	10,000
Foo Yit Lan	-	60,000	-	60,000
Roy Thean Chong Yew	-	50,000	-	50,000

	Number of warrants			At 31.12.2021
	At 1.1.2021	Bonus Issue	(Exercised)	
THE COMPANY				
Teo Lay Ban	-	100,501,128	-	100,501,128
Teo Lay Lee	-	26,843,424	-	26,843,424
Teo Siew May	-	26,843,424	-	26,843,424
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

By virtue of their interests in the ordinary shares of the Company, the directors are also deemed to be interested in the shares of all its subsidiaries to the extent the Company has an interest.

None of the other director holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

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 directors' remuneration is disclosed in Note 22 to the financial statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT**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.

AUDITORS' REMUNERATION

The auditors' remuneration is disclosed in Note 22 to the financial statements.

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.

FINANCIAL STATEMENTS

DIRECTORS' REPORT**OTHER STATUTORY INFORMATION (CONTINUED)**

- (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 financial results of the Group and of the Company for the current financial year.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

AUDITORS

The auditors, RSM Malaysia PLT (converted from a conventional partnership, RSM Malaysia, on 3 January 2022), 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 2022

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

	Note	GROUP			COMPANY	
		31.12.2021 RM	Restated 31.12.2020 ⁽¹⁾ RM	Restated 1.1.2020 ⁽¹⁾ RM	2021 RM	2020 RM
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	6	8,744,165	4,323,417	5,347,999	-	-
Right-of-use assets	7	465,868	241,627	407,752	-	-
Investment in subsidiaries	8	-	-	-	322,119,000	-
Inventories	9	242,312,691	112,401,117	186,262,521	-	-
		<u>251,522,724</u>	<u>116,966,161</u>	<u>192,018,272</u>	<u>322,119,000</u>	<u>-</u>
CURRENT ASSETS						
Inventories	9	285,164,308	264,647,252	168,110,195	-	-
Trade and other receivables	10	45,396,248	33,657,354	27,742,364	67,253,579	169,974
Contract assets	11	80,053,144	49,962,294	61,051,573	-	-
Current tax assets		391,401	265,280	1,467,446	-	-
Cash and cash equivalents	12	83,460,532	76,323,909	92,296,801	7,026,660	992
		<u>494,465,633</u>	<u>424,856,089</u>	<u>350,668,379</u>	<u>74,280,239</u>	<u>170,966</u>
TOTAL ASSETS		<u><u>745,988,357</u></u>	<u><u>541,822,250</u></u>	<u><u>542,686,651</u></u>	<u><u>396,399,239</u></u>	<u><u>170,966</u></u>
EQUITY AND LIABILITIES						
EQUITY						
Share capital	13	397,045,183	2	2	397,045,183	2
Contributed capital	13	-	3,750,000	3,750,000	-	-
Merger reserve	14	(318,369,000)	-	-	-	-
Retained earnings/ (Accumulated losses)		390,781,278	366,097,191	340,450,361	(714,995)	(318,823)
TOTAL EQUITY		<u><u>469,457,461</u></u>	<u><u>369,847,193</u></u>	<u><u>344,200,363</u></u>	<u><u>396,330,188</u></u>	<u><u>(318,821)</u></u>
NON-CURRENT LIABILITIES						
Bank borrowings	15	209,270,052	110,576,332	105,912,564	-	-
Lease liabilities	7	325,864	176,241	269,997	-	-
Finance lease liabilities	16	153,379	223,183	369,462	-	-
Deferred tax liabilities	17	46,000	46,000	46,000	-	-
		<u>209,795,295</u>	<u>111,021,756</u>	<u>106,598,023</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES						
Trade and other payables	18	40,186,549	37,159,668	68,858,331	29,051	489,787
Bank borrowings	15	23,605,980	22,474,387	22,461,912	-	-
Lease liabilities	7	176,052	93,756	178,943	-	-
Finance lease liabilities	16	189,279	173,651	216,230	-	-
Current tax liabilities		2,577,741	1,051,839	172,849	40,000	-
		<u>66,735,601</u>	<u>60,953,301</u>	<u>91,888,265</u>	<u>69,051</u>	<u>489,787</u>
TOTAL LIABILITIES		<u><u>276,530,896</u></u>	<u><u>171,975,057</u></u>	<u><u>198,486,288</u></u>	<u><u>69,051</u></u>	<u><u>489,787</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>745,988,357</u></u>	<u><u>541,822,250</u></u>	<u><u>542,686,651</u></u>	<u><u>396,399,239</u></u>	<u><u>170,966</u></u>

⁽¹⁾ As explained in Note 38 to the financial statements, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.

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

FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2021

	Note	GROUP		COMPANY	
		2021 RM	Restated 2020 ⁽¹⁾ RM	2021 RM	2020 RM
REVENUE	19	196,905,419	149,565,786	-	-
COST OF SALES	20	<u>(132,134,471)</u>	<u>(95,100,339)</u>	-	-
GROSS PROFIT		64,770,948	54,465,447	-	-
OTHER OPERATING INCOME		2,466,514	2,753,842	9,387,099	-
OTHER OPERATING EXPENSES		(6,284,560)	(8,422,637)	-	-
ADMINISTRATIVE EXPENSES		(16,351,670)	(13,067,675)	(1,690,291)	(291,991)
FINANCE COSTS	21	<u>(335,217)</u>	<u>(885,372)</u>	-	-
PROFIT/(LOSS) BEFORE TAXATION	22	44,266,015	34,843,605	7,696,808	(291,991)
TAXATION	23	<u>(11,528,948)</u>	<u>(9,196,775)</u>	<u>(40,000)</u>	-
NET PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR		<u><u>32,737,067</u></u>	<u><u>25,646,830</u></u>	<u><u>7,656,808</u></u>	<u><u>(291,991)</u></u>
Basic earnings per ordinary share (sen):	24	<u><u>4.24</u></u>	<u><u>3.98</u></u>		
Diluted earnings per ordinary share (sen):	24	<u><u>3.91</u></u>	<u><u>3.98</u></u>		

⁽¹⁾ As explained in Note 38 to the financial statements, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.

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

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2021

GROUP	Note	Attributable to equity holders of the Company				Total equity RM
		Share capital RM	Contributed Capital (Note 13(c)) RM	Merger reserve RM	Retained earnings RM	
Balance as at 1.1.2020 ⁽¹⁾						
As per previously reported		2	3,750,000	-	340,656,255	344,406,257
Effect on adoption of IFRIC Agenda Decision	35	-	-	-	(205,894)	(205,894)
Restated balance as at 1.1.2020 ⁽¹⁾		2	3,750,000	-	340,450,361	344,200,363
Net profit and total comprehensive income for the financial year ended 31.12.2020		-	-	-	25,646,830	25,646,830
Balance as at 31.12.2020/1.1.2021 ⁽¹⁾		2	3,750,000	-	366,097,191	369,847,193
Balance as at 31.12.2020/1.1.2021 ⁽¹⁾						
As per previously reported		2	3,750,000	-	365,934,985	369,684,987
Effect on adoption of IFRIC Agenda Decision	35	-	-	-	162,206	162,206
Restated balance as at 1.1.2021 ⁽¹⁾		2	3,750,000	-	366,097,191	369,847,193

⁽¹⁾ As explained in Note 38 to the financial statements, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented. The annexed notes form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2021

GROUP	Note	Attributable to equity holders of the Company					Total equity RM
		Share capital RM	Contributed Capital (Note 13(c)) RM	Merger reserve RM	Retained earnings RM		
Restated balance as at 1.1.2021 ⁽¹⁾		2	3,750,000	-	366,097,191		369,847,193
Net profit and total comprehensive income for the financial year ended 31.12.2021		-	-	-	32,737,067		32,737,067
Acquisition via merger	32	322,119,000	(3,750,000)	(318,369,000)	-		-
Issuance of ordinary shares for the Public Issue	13(a)	77,308,800	-	-	-		77,308,800
Listing expenses	13(a)	(2,382,619)	-	-	-		(2,382,619)
Dividend	28	-	-	-	(8,052,980)		(8,052,980)
Total transactions with owners of the Company for the financial year ended 31.12.2021		397,045,183	(3,750,000)	(318,369,000)	(8,052,980)		66,873,201
Balance as at 31.12.2021		397,045,183	-	(318,369,000)	390,781,278		469,457,461

⁽¹⁾ As explained in Note 38 to the financial statements, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented. The annexed notes form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2021

COMPANY	Note	Share capital RM	Accumulated losses RM	Total equity RM
Balance as at 1.1.2020		2	(26,832)	(26,830)
Net loss and total comprehensive expenses for the financial year ended 31.12.2020		-	(291,991)	(291,991)
Balance as at 31.12.2020/1.1.2021		2	(318,823)	(318,821)
Net profit and total comprehensive income for the financial year ended 31.12.2021		-	7,656,808	7,656,808
Acquisition via merger	32	322,119,000	-	322,119,000
Issuance of ordinary shares for the Public Issue	13(a)	77,308,800	-	77,308,800
Listing expenses	13(a)	(2,382,619)	-	(2,382,619)
Dividend	28	-	(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		397,045,183	(714,995)	396,330,188

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

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2021

	GROUP		COMPANY	
	2021 RM	Restated 2020 ⁽¹⁾ RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	44,266,015	34,843,605	7,696,808	(291,991)
Adjustments for:				
Bad debt written off	-	288	-	-
Depreciation of property, plant and equipment	1,012,240	1,019,117	-	-
Depreciation of right-of-use assets	170,928	166,125	-	-
Dividend income	-	-	(9,000,000)	-
Interest expense	283,866	850,714	-	-
Interest expense on lease liabilities	51,351	34,658	-	-
Interest income	(1,379,390)	(1,720,729)	(387,099)	-
Loss/(Gain) on disposal of property, plant and equipment	722	(277,214)	-	-
Operating profit/(loss) before working capital changes	44,405,732	34,916,564	(1,690,291)	(291,991)
Increase in inventories	(2,180,339)	(2,225,474)	-	-
Increase in trade and other receivables	(13,199,246)	(6,221,408)	(67,083,605)	-
(Increase)/Decrease in contract assets	(30,090,850)	11,089,279	-	-
Increase/(Decrease) in trade and other payables	3,026,882	(17,692,533)	(460,736)	292,981
	(42,443,553)	(15,050,136)	(67,544,341)	292,981
Cash generated from/(used in) operations	1,962,179	19,866,428	(69,234,632)	990
Interest paid	(283,866)	(764,185)	-	-
Interest received	1,379,390	1,720,729	387,099	-
Tax paid	(10,129,167)	(10,551,867)	-	-
Tax refunded	-	3,436,246	-	-
Net cash (used in)/generated from operating activities	(7,071,464)	13,707,351	(68,847,533)	990
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to land held for development	(32,996,156)	(5,211,342)	-	-
Dividend received	-	-	9,000,000	-
Proceeds from disposal of property, plant and equipment	1,500	344,999	-	-
Purchase of property, plant and equipment (Note 6(c))	(2,185,210)	(62,320)	-	-
Placement of fixed deposits	(4,261,340)	(693,470)	-	-
Net cash (used in)/generated from investing activities	(39,441,206)	(5,622,133)	9,000,000	-

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2021

	GROUP		COMPANY	
	2021 RM	Restated 2020 ⁽¹⁾ RM	2021 RM	2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(8,052,980)	(13,700,000)	(8,052,980)	-
Drawdown from bank borrowings	14,339,253	35,396,750	-	-
Repayment of:				
- bank borrowings	(20,066,393)	(40,316,840)	-	-
- finance lease liabilities	(204,176)	(188,858)	-	-
- lease liabilities	(163,250)	(178,943)	-	-
Interest paid	(6,198,784)	(6,124,365)	-	-
Interest paid on lease liabilities	(51,351)	(34,658)	-	-
Net proceeds from issuance of ordinary shares	74,926,181	-	74,926,181	-
Net cash generated from/(used in) financing activities	54,528,500	(25,146,914)	66,873,201	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,015,830	(17,061,696)	7,025,668	990
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	56,900,743	73,962,439	992	2
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 12)	64,916,573	56,900,743	7,026,660	992

⁽¹⁾ As explained in Note 38 of the financial statements, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

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 to the financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved 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.

This is the first financial statements on the consolidated results for the financial year ended 31 December 2021. The acquisition of Teladan Setia Sdn. Bhd. is a business combination under common control. Accordingly, the Group is regarded as a continuing entity and the merger method of accounting is used as disclosed in Note 32 to the financial statements.

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.2 Basis of consolidations****(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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.2 Basis of consolidation (continued)****(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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.2 Basis of consolidation (continued)****(b) Business combinations (continued)**

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.

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 costs 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Property, plant and equipment (continued)**

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%
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.

3.4 Inventories**(a) Land held for property development**

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.4 Inventories (continued)****(b) Property development costs**

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

The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

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

Property development cost of unsold unit is transferred to completed development once the development is completed.

(c) Completed development units

The cost of completed development units is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated sales price in the ordinary course of business after allowing for all further costs of completion and disposal.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.5 Leases (continued)****(b) Recognition and initial measurement (continued)****(i) As a lessee (continued)**

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 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.

(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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(b) Recognition and initial measurement (continued)

(ii) As a lessor (continued)

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. 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 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".

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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 at bank and fixed deposits placed with licensed banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows only, 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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.

Cost directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.10 Financial instruments (continued)****(a) Initial recognition and measurement (continued)**

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.

(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 assets, 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.10 Financial instruments (continued)****(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 objective 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 the Group’s and the Company’s business objective to hold the 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 in principal outstanding.

(ii) Financial assets at FVOCI

A financial asset is measured at FVOCI if: (a) it is held within the Groups’ and the Company’s business objective to hold the 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 in principal 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 condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.10(g) to the financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.10 Financial instruments (continued)****(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*.

(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 3.21 to the financial statements.

(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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.10 Financial instruments (continued)****(f) Recognition of gains and losses (continued)**

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 increase 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.10 Financial instruments (continued)****(g) Impairment of financial assets (continued)**

For trade receivable, the lifetime ECL is determined at the end of each reporting period using a provision matrix. For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired and for all other receivables, they are grouped into risk classes by type of customers and businesses, and the ageing of the receivables. Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.

3.11 Contract assets and contract liabilities

The excess of cumulative revenue recognised in profit or loss over the billings to customers is recognised as contract assets.

The excess of cumulative billings to customers over revenue recognised in profit or loss is recognised as contract liabilities.

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 relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

3.13 Revenue from contracts with customers

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.13 Revenue from contracts with customers (continued)**

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. For property development contracts, the stage of completion is measured using the value of work certified to date as a percent of estimated total contract value basis (an input method).

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.

3.14 Property development activities

The Group's property development segment undertakes development of housing and commercial units for sales to customers, with a majority of the development projects being on the "sell and built" model. Costs of property development, which include land costs and development costs, are accumulated in a work in progress account on a project-by-project basis, upon commencement of a development project. Upon signing of sales and purchase agreements with customers, a rateable portion of the accumulated costs in the project account is transferred to a contract asset account based on the number of units sold. When the revenue of units sold is recognised progressively over time in profit or loss, a rateable portion of the accumulated costs in contract asset is amortised as cost of sales in profit or loss. Completed development units not sold at the end of the reporting period are transferred to inventories.

Management uses its judgement to decide on when control and significant risks and rewards of a development unit are transferred to a customer. Control is transferred over time when the customer can obtain benefits from the sold unit in progress or when the Group has no substantive alternative use to the unit sold other than to complete the development and has an enforceable right to payments. If control is transferred over time to customers, revenue and costs of development units sold are recognised in profit or loss using percentage of completion method. For the limited "build and sell" development projects, where control is transferred to a customer only upon completion of the development of a unit, revenue and costs are recognised in profit or loss using the completed contract method.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.15 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.

3.16 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 employee render their services. Once the contributions have been paid, the Group has no further payment obligations.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.17 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.

Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Group and the Company treat these as part of initial recognition differences.

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.

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.

3.18 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 all dilutive potential ordinary shares.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.19 Contingent liability**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.20 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.

3.21 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 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.

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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 frameworks issued by the MASB are mandatory for the first time for the financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosure*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases – Interest Rate Benchmark Reform Phase 2*
- IFRIC Agenda Decision on IAS 123 *Borrowing Costs*

During the financial year, the Group has early adopted the Amendment to MFRS 16 *Leases – COVID-19-Related Rent Concessions beyond 30 June 2021*.

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and of the Company, except for the IFRIC Agenda Decision on IAS 123 *Borrowing Costs*, which the effects of adoption are disclosed in Note 35 to the financial statements.

4.2 Amendments to MFRSs not adopted

The following are amendments to the MFRSs frameworks that have been issued by the MASB up to the date of the issuance of the Group's and of the Company's financial statements but have not been adopted by the Group and by the Company:

Amendments to MFRSs effective for annual periods 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 – 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

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- 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*

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4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONTINUED)**4.2 Amendments to MFRSs not adopted (continued)****Amendments to MFRSs which effective 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 by the Company when they become effective.

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 applicable to the Group and the Company.

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 Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the coronavirus (COVID-19) pandemic has had, or may have, on the Group and the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group and the Company operate. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group and the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

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5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**5.2 Recognition of property development profits**

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

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

5.3 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 to the financial statements.

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5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**5.4 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.

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6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and building 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
Cost									
As at 1.1.2020	770,603	1,300,187	25,438	468,715	1,700,535	495,483	5,703,707	-	10,464,668
Additions	-	-	3,186	47,938	773	2,099	8,324	-	62,320
Disposals	-	-	-	-	-	-	(1,233,074)	-	(1,233,074)
As at 31.12.2020/									
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	5,419,902	1,300,187	28,624	548,783	1,710,928	500,568	4,827,706	376,303	14,713,001
Accumulated depreciation									
As at 1.1.2020	-	179,979	9,148	271,043	930,060	226,954	3,499,485	-	5,116,669
Charge for the financial year	-	26,004	2,721	37,662	255,547	46,092	651,091	-	1,019,117
Disposals	-	-	-	-	-	-	(1,165,289)	-	(1,165,289)
As at 31.12.2020/									
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	-	231,988	14,731	335,053	1,437,692	316,994	3,632,378	-	5,968,836
Net carrying amount									
As at 1.1.2020	770,603	1,120,208	16,290	197,672	770,475	268,529	2,204,222	-	5,347,999
As at 31.12.2020	770,603	1,094,204	16,755	207,948	515,701	224,536	1,493,670	-	4,323,417
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

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) The following property, plant and equipment of the Group which stated at net carrying amount are charged to licensed banks for banking facilities granted to the Group as disclosed in Note 15 to the financial statements:

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Freehold land and building	5,419,902	770,603	770,603
Leasehold buildings	1,068,199	1,094,204	1,120,208
	<u>6,488,101</u>	<u>1,864,807</u>	<u>1,890,811</u>

- (b) Included in the net carrying amount of property, plant and equipment of the Group are the following assets which acquired under finance lease arrangements:

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Motor vehicles	<u>741,059</u>	<u>851,553</u>	<u>1,220,074</u>

- (c) Details of payments property, plant and equipment acquired during the financial year are as follows:

	GROUP	
	2021	2020
	RM	RM
Aggregate cost of property, plant and equipment acquired	5,435,210	62,320
Amount financed by term loan	(3,100,000)	-
Amount financed by finance lease arrangements	<u>(150,000)</u>	<u>-</u>
Cash disbursed for acquisition of property, plant and equipment	<u>2,185,210</u>	<u>62,320</u>

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7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**(a) Right-of-use assets**

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Cost			
As at beginning of financial year	831,244	831,244	831,244
Additions during the financial year	395,169	-	-
Derecognition	(372,114)	-	-
As at end of financial year	<u>854,299</u>	<u>831,244</u>	<u>831,244</u>
Accumulated depreciation			
As at beginning of financial year	(589,617)	(423,492)	(423,492)
Depreciation charge for the financial year	(170,928)	(166,125)	-
Derecognition	372,114	-	-
As at end of financial year	<u>(388,431)</u>	<u>(589,617)</u>	<u>(423,492)</u>
Net carrying amount at end of financial year	<u>465,868</u>	<u>241,627</u>	<u>407,752</u>

(b) Lease liabilities

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Non-current			
Lease liabilities	325,864	176,241	269,997
Current			
Lease liabilities	<u>176,052</u>	<u>93,756</u>	<u>178,943</u>
Total lease liabilities	<u>501,916</u>	<u>269,997</u>	<u>448,940</u>

	GROUP	
	2021	2020
	RM	RM
As at beginning of financial year	269,997	448,940
Additions during the financial year	<u>395,169</u>	-
	665,166	448,940
Interest charged	51,351	34,658
Payment of:		
- Principal	(163,250)	(178,943)
- Interest	<u>(51,351)</u>	<u>(34,658)</u>
As at end of financial year	<u>501,916</u>	<u>269,997</u>

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8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2021 RM	2020 RM
Unquoted shares, at cost	322,119,000	-

Details of the subsidiary companies which are all incorporated in Malaysia are as follows:

<u>Name</u>	Interest in equity held by the Company		Principal activities
	2021 %	2020 ⁽²⁾ %	
Teladan Setia Sdn. Bhd.*	100	100	Property development and investment holding
<u>Held through Teladan Setia Sdn. Bhd.</u>			
Asal Harta Sdn. Bhd.*	100	100	Property development
Midas Dimensi Sdn. Bhd.*	100	100	Property development
Riverwell Resources Sdn. Bhd.*	100	100	Property development
Oriview Realty Sdn. Bhd.*	100	100	Property development
TS Power Sdn. Bhd.** ⁽¹⁾	100	-	Dormant

* Subsidiaries audited by RSM Malaysia PLT

** Consolidated using unaudited management financial statements

⁽¹⁾ TS Power Sdn. Bhd. was incorporated on 11 November 2021 with a paid-up capital of RM2 divided into 2 ordinary shares.

⁽²⁾ The effective equity interest presented for the financial year ended 31 December 2020 is to reflect the business combination involving entities under common control which did not result in any change in economic substance, the basis of which is further elaborated in Note 38. The acquisition of the subsidiaries was completed during the financial year ended 31 December 2021, the details of which are disclosed in Note 32 to the financial statements.

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9. INVENTORIES

	GROUP		
	31.12.2021	Restated 31.12.2020	Restated 1.1.2020
	RM	RM	RM
Non-current			
Land held for property development	242,312,691	112,401,117	186,262,521
Current			
Completed development units, at cost	33,318,966	41,172,196	50,628,542
Property development costs	251,845,342	223,475,056	117,481,653
	<u>285,164,308</u>	<u>264,647,252</u>	<u>168,110,195</u>

The movements of land held for property development are as follows:

	GROUP	
	2021	Restated 2020
	RM	RM
As at beginning of financial year	112,401,117	186,262,521
Additions during the financial year	129,911,574	24,809,699
Transfer to property development costs	<u>-</u>	<u>(98,671,103)</u>
As at end of financial year	<u>242,312,691</u>	<u>112,401,117</u>

- (i) Included in land held for development expenditure is interest expense capitalised during the financial year of RM2,524,672 (31.12.2020: RM2,554,051, 1.1.2020: RM6,379,870).
- (ii) The land held for property development of the Group at carrying amount of RM205,943,042 (31.12.2020: RM91,363,504, 1.1.2020: RM171,747,966) have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 15 to the financial statements.

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9. INVENTORIES (CONTINUED)

The movements of property development costs are as follows:

	GROUP	
	2021 RM	Restated 2020 RM
Freehold land, at cost	152,048,435	60,724,253
Leasehold land, at cost	8,327,344	8,327,344
Development expenditure	181,717,218	123,571,407
Balance as at beginning of financial year	342,092,997	192,623,004
Cost incurred during the financial year		
Freehold land, at cost	12,696,062	10,257,217
Leasehold land, at cost	22,969,219	-
Development expenditure	116,986,246	86,688,709
	152,651,527	96,945,926
Transfer from land held for property development		
Freehold land, at cost	-	87,033,567
Development expenditure	-	11,637,536
	-	98,671,103
Reversal of cost of completed development projects		
Freehold land, at cost	(1,459,499)	(5,844,078)
Development expenditure	(10,793,597)	(39,491,753)
	(12,253,096)	(45,335,831)
Transfer to completed development units		
Freehold land, at cost	(23,167)	(122,524)
Development expenditure	(170,240)	(688,681)
	(193,407)	(811,205)
Accumulated costs charged to profit or loss		
Balance as at 1 January	(118,617,941)	(75,141,351)
Costs charged during the financial year	(124,087,834)	(88,812,421)
Reversal of cost of completed development projects	12,253,096	45,335,831
Balance as at 31 December	<u>(230,452,679)</u>	<u>(118,617,941)</u>
Balance as at end of financial year	<u>251,845,342</u>	<u>223,475,056</u>
Represented by:		
Freehold land, at cost	163,261,831	152,048,435
Leasehold land, at cost	31,296,563	8,327,344
Development expenditure	287,739,627	181,717,218
Accumulated costs charged to profit or loss	<u>(230,452,679)</u>	<u>(118,617,941)</u>
	<u>251,845,342</u>	<u>223,475,056</u>

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9. INVENTORIES (CONTINUED)

- (i) Development lands which consist of freehold and leasehold land of the Group at carrying amount of RM133,763,437 (31.12.2020: RM98,098,157; 1.1.2020: RM67,998,711) have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 15 to the financial statements.
- (ii) Completed development units of the Group of RM7,466,446 (31.12.2020: RM7,466,446; 1.1.2020: RM7,466,446) have been pledged with licensed banks for bank borrowing.

10. TRADE AND OTHER RECEIVABLES

	31.12.2021	GROUP 31.12.2020	1.1.2020
	RM	RM	RM
Trade			
Third parties	<u>22,942,061</u>	<u>21,389,730</u>	<u>17,088,684</u>
Non-trade			
Other receivables	344,689	831,605	1,148,120
Deposits	21,854,885	11,161,462	9,221,835
Prepayments	35,300	205,274	205,274
Interest receivables	61,719	69,283	78,451
Amount due from - a related party	<u>157,594</u>	<u>-</u>	<u>-</u>
	<u>22,454,187</u>	<u>12,267,624</u>	<u>10,653,680</u>
Total trade and other receivables	<u>45,396,248</u>	<u>33,657,354</u>	<u>27,742,364</u>
Trade and other receivables (excluding non-financial assets)	45,360,948	33,452,080	27,537,090
Add: Cash and cash equivalents (Note 12)	<u>83,460,532</u>	<u>76,323,909</u>	<u>92,296,801</u>
Total financial assets at amortised cost	<u>128,821,480</u>	<u>109,775,989</u>	<u>119,833,891</u>

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10. TRADE AND OTHER RECEIVABLES (CONTINUED)

	COMPANY	
	2021 RM	2020 RM
Non-trade		
Deposits	1,000	-
Prepayments	-	169,974
Amount due from subsidiaries	<u>67,252,579</u>	<u>-</u>
Total trade and other receivables	<u>67,253,579</u>	<u>169,974</u>
Trade and other receivables (excluding non-financial assets)	67,253,579	-
Add: Cash and cash equivalents (Note 12)	<u>7,026,660</u>	<u>992</u>
Total financial assets at amortised cost	<u><u>74,280,239</u></u>	<u><u>992</u></u>

- (a) The amount due from subsidiaries represents advances which are unsecured, interest free and recoverable on demand.
- (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 is unsecured, interest free and recoverable on demand.
- (c) Included in the deposits of the Group is an amount of RM11,789,775 (31.12.2020: RM4,199,339, 1.1.2020: RM2,753,721) paid for the purchase of land held for property development. The capital commitment has been disclosed in Note 29 to the financial statements.

11. CONTRACT ASSETS

	GROUP		
	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Contract assets			
Revenue recognised to date	347,423,661	188,961,916	116,195,547
Progress billings issued to date	<u>(269,772,497)</u>	<u>(142,128,171)</u>	<u>(59,325,774)</u>
	77,651,164	46,833,745	56,869,773
Contract costs			
Costs to obtain contracts	<u>2,401,980</u>	<u>3,128,549</u>	<u>4,181,800</u>
	<u>80,053,144</u>	<u>49,962,294</u>	<u>61,051,573</u>

Contract costs comprise the following costs which were resulted from obtaining contracts:

- sales commission paid to intermediaries; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

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11. CONTRACT ASSETS (CONTINUED)

Sales commission paid to intermediaries are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

12. CASH AND CASH EQUIVALENTS

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Cash and bank balances	20,346,136	20,637,524	46,635,280
Fixed deposits placed with licensed banks	18,912,933	18,226,356	14,504,315
Short-term investments	44,201,463	37,460,029	31,157,206
Balance as stated in the Statements of Financial Position	83,460,532	76,323,909	92,296,801
Less: Bank overdrafts	-	(5,140,548)	(4,745,215)
Less: Fixed deposits pledged with licensed banks	(18,266,971)	(14,151,001)	(12,780,307)
Less: Fixed deposits mature in more than three months	(276,988)	(131,617)	(808,840)
Balance for Statements of Cash Flows purposes	64,916,573	56,900,743	73,962,439

	COMPANY	
	2021	2020
	RM	RM
Cash and bank balances	15,908	992
Short-term investments	7,010,752	-
Balance as stated in the Statements of Financial Position	7,026,660	992

(a) Included in cash and bank balances of the Group are amounts totalling RM12,911,309 (31.12.2020: RM11,363,467, 1.1.2020: RM25,938,219) held under the Housing Development Accounts (“HDA”) pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Act.

(b) Fixed deposits with licensed banks of the Group of RM18,266,971 (31.12.2020: RM14,151,001, 1.1.2020: RM12,780,307) have been pledged to licensed banks for bank guarantee facilities granted to the Group.

(c) Short-term investments of the Group and of the Company represent investment in highly liquid money market which is readily convertible to a known amount of cash.

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13. SHARE CAPITAL AND CONTRIBUTED CAPITAL

(a) Share capital

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	Amount
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued and fully paid-up				
As at 1 January	2	2	2	2
Acquisition of subsidiary via merger	644,238,000	-	322,119,000	-
Issuance of ordinary shares for the Public Issue	161,060,000	-	77,308,800	-
Listing expenses	-	-	(2,382,619)	-
As at 31 December	<u>805,298,002</u>	<u>2</u>	<u>397,045,183</u>	<u>2</u>

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 RM399,427,802 comprising 850,298,002 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 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.

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13. SHARE CAPITAL (CONTINUED)

(b) Warrants (continued)

(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.

No warrants were exercised during the financial year. As at financial year end, 241,589,397 Warrants remain unexercised.

(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 32 to the financial statements.

14. 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 32 to the financial statements.

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15. BANK BORROWINGS

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Non-current			
Term loans	209,270,052	110,576,332	105,912,564
Current			
Term loans	23,605,980	12,980,548	17,716,697
Bank overdrafts	-	5,140,548	4,745,215
Bridging loan	-	4,353,291	-
	<u>23,605,980</u>	<u>22,474,387</u>	<u>22,461,912</u>
Total bank borrowings	<u>232,876,032</u>	<u>133,050,719</u>	<u>128,374,476</u>

Term loans, bank overdrafts and bridging loan of the Group are secured by legal charges over certain property, plant and equipment, land held for development and property development costs of the Group disclosed in Notes 6 and 9 to the financial statements.

Term loans, bank overdrafts and bridging loan are guaranteed jointly and severally by certain directors of the Group. The directors' personal guarantees are removed upon granting the approval from financial institutions to be listed on Bursa Malaysia Securities Berhad.

Term loans interest of the Group is payable between 3.27% to 7.91% (31.12.2020: 3.32% to 7.91%, 1.1.2020: 4.88% to 8.27%) per annum. Term loans are repayable by monthly instalments of various amount each, inclusive of interest.

Bank overdrafts interests are payable at NIL (31.12.2020: 6.67% to 7.38%, 1.1.2020: 8.00% to 8.27%) per annum repayable on demand for the Group.

The bridging loan of the Group bears effective interest rate of NIL (31.12.2020: 4.57%, 1.1.2020: NIL) per annum.

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16. FINANCE LEASE LIABILITIES

	31.12.2021 RM	GROUP 31.12.2020 RM	1.1.2020 RM
Future lease payments payable:			
- not later than one year	203,616	191,256	237,064
- more than one year to five years	166,576	241,424	405,308
	<hr/>	<hr/>	<hr/>
Total future minimum lease payments	370,192	432,680	642,372
Less: Future finance charges	(27,534)	(35,846)	(56,680)
	<hr/>	<hr/>	<hr/>
Present value of minimum lease payments	<u>342,658</u>	<u>396,834</u>	<u>585,692</u>
Payments due within 12 months as current	189,279	173,651	216,230
Non-current portion of lease liabilities	153,379	223,183	369,462
	<hr/>	<hr/>	<hr/>
	<u>342,658</u>	<u>396,834</u>	<u>585,692</u>

The annual effective interest rates of the finance lease liabilities range from 4.49% to 4.86% (31.12.2020: 4.49% to 4.86%, 1.1.2020: 4.49% to 5.02%) per annum.

17. DEFERRED TAX LIABILITIES

	GROUP	
	2021 RM	2020 RM
Balance as at 1 January/31 December	<u>46,000</u>	<u>46,000</u>

Deferred tax liabilities mainly arose from temporary differences from property, plant and equipment.

The deferred tax liabilities are made up of tax effects of temporary differences arising from:

	GROUP	
	2021 RM	2020 RM
Excess of net book value over tax written down value of property, plant and equipment	<u>46,000</u>	<u>46,000</u>

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18. TRADE AND OTHER PAYABLES

	GROUP		
	31.12.2021	31.12.2020	1.1.2020
	RM	RM	RM
Trade			
Third parties	12,323,075	13,093,321	18,916,986
Retention sum payables	18,339,805	15,908,077	20,143,485
Accrued development costs	228,675	342,042	6,488,990
	<u>30,891,555</u>	<u>29,343,440</u>	<u>45,549,461</u>
Non-trade			
Other payables	7,021,174	5,805,410	6,584,258
Dividend payable	-	-	13,700,000
Accrued expenses	1,555,720	1,350,391	2,561,414
Deposits received	718,100	660,427	463,198
	<u>9,294,994</u>	<u>7,816,228</u>	<u>23,308,870</u>
Total trade and other payables	<u><u>40,186,549</u></u>	<u><u>37,159,668</u></u>	<u><u>68,858,331</u></u>
Trade and other payables	40,186,549	37,159,668	68,858,331
Add: Lease liabilities (Note 7b)	501,916	269,997	448,940
Add: Bank borrowings (Note 15)	232,876,032	133,050,719	128,374,476
Add: Finance lease liabilities (Note 16)	342,658	396,834	585,692
Total financial liabilities carried at amortised cost	<u><u>273,907,155</u></u>	<u><u>170,877,218</u></u>	<u><u>198,267,439</u></u>

	COMPANY	
	2021	2020
	RM	RM
Non-trade		
Other payables	13,077	22,790
Accrued expenses	15,974	3,160
Amount due to a related company	-	463,837
	<u>29,051</u>	<u>489,787</u>
Total trade and other payables	<u><u>29,051</u></u>	<u><u>489,787</u></u>

- (i) The amount due to a related company is unsecured, interest free and repayable on demand.
- (ii) The normal credit terms granted to the Group range from 30 to 60 (31.12.2020: 30 to 60; 1.1.2020: 30 to 60) days.
- (iii) Retention payables are relating to the development projects. Retentions are unsecured, interest-free and are expected to be paid within 12 to 24 months.

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19. REVENUE

	GROUP	
	2021	2020
	RM	RM
Sale of development properties		
- recognised over time	184,334,821	135,121,952
- recognised at a point in time	12,570,598	14,443,834
	196,905,419	149,565,786
	196,905,419	149,565,786

20. COST OF SALES

	GROUP	
	2021	Restated 2020
	RM	RM
Property development costs	124,087,834	85,053,394
Cost of inventories sold	8,046,637	10,046,945
	132,134,471	95,100,339
	132,134,471	95,100,339

21. FINANCE COSTS

	GROUP	
	2021	Restated 2020
	RM	RM
Bank overdraft interest	142,181	410,290
Term loan interest	123,519	420,062
Interest expense on finance leases	18,166	20,362
Interest expense on lease liabilities	51,351	34,658
	335,217	885,372
	335,217	885,372

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22. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is stated after charging/(crediting):

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration	104,000	92,000	12,000	3,000
Bad debt written off	-	288	-	-
Depreciation of				
- property, plant and equipment	1,012,240	1,019,117	-	-
- right-of-use assets	170,928	166,125	-	-
Directors' remuneration				
- fees	468,000	503,000	228,000	233,000
- salaries, bonuses and other benefits	2,398,247	1,789,998	26,000	-
- defined contribution plan	277,200	213,156	-	-
Interest income	(1,379,390)	(1,720,729)	(387,099)	-
Loss/(Gain) on disposal of property, plant and equipment	722	(277,214)	-	-
Staff costs (Note 25)	6,365,634	4,881,677	-	-

23. TAXATION

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Current financial year				
- income tax	11,378,000	9,341,000	40,000	-
Under/(Over) provision in prior financial years				
- income tax	150,948	(144,225)	-	-
	11,528,948	9,196,775	40,000	-

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23. TAXATION (CONTINUED)

A reconciliation of income tax expense on the profit/(loss) before taxation with the applicable statutory income tax rate is as follows:

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before taxation	44,266,015	34,843,605	7,696,808	(291,991)
Taxation at statutory tax rate of 24%	10,623,844	8,362,465	1,847,234	(70,078)
Tax effects in respect of:				
Non-allowable expenses	755,854	902,731	352,766	70,078
Non-taxable income	-	-	(2,160,000)	-
Deferred tax assets not recognised	3,506	48,804	-	-
Utilisation of unabsorbed tax losses and unabsorbed capital allowances previously not recognised	(5,204)	-	-	-
Total tax expense	11,378,000	9,314,000	40,000	-

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	
	2021 RM	2020 RM
Unabsorbed tax losses	90,647	92,249
Unabsorbed capital allowances	-	96
	90,647	92,345

As announced in the Annual Budget 2022, effective from Year of Assessment 2018, the unabsorbed tax losses can be carried forward for a maximum of 10 years. The unabsorbed tax losses from Year of Assessment 2021 (2020: Year of Assessment 2020) can be carried forward until Year of Assessment 2031 (2020: Year of Assessment 2030). Upon the expiry date, the unabsorbed tax losses will be disregarded.

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24. EARNINGS PER ORDINARY SHARE**(a) Basic earnings per ordinary share**

	GROUP	
	2021 RM	2020 RM
Net profit for the financial year	32,737,067	25,646,830
Share capital after acquisition of subsidiary via merger ⁽¹⁾	644,238,002	644,238,002
Issuance of ordinary shares for the Public Issue ⁽²⁾	127,965,479	-
Weighted average number of ordinary shares (in unit)	722,203,481	644,238,002
Basic earnings per ordinary share (in sen)	4.24	3.98

⁽¹⁾ Based on the issued share capital of 644,238,002 ordinary shares after the completion of the restructuring exercise but before the Public Issue.

⁽²⁾ Based on weighted average number of shares pursuant to the Public Issue of 161,060,000 ordinary shares on 16 March 2021.

(b) Diluted earnings per ordinary share

The diluted earnings per share of the Group has been calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining warrants, adjusted by the number of such shares that would have been issued at fair value as follows:

	2021 RM	2020 RM
Net profit for the financial year	32,737,067	25,646,830
Weighted average number of shares used in the calculation of basic earnings per share	772,203,481	644,238,002
Adjustment for shares from assumed exercise of warrants	65,526,987	-
Weighted average number of ordinary shares as at 31 December	837,730,468	644,238,002
Diluted earnings per ordinary share (in sen)	3.91	3.98

25. STAFF COSTS

	GROUP	
	2021 RM	2020 RM
Salaries, bonuses and other benefits	5,815,844	4,375,280
Defined contribution plan	549,790	506,397
	6,365,634	4,881,677

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26. 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 and of the Company.

The key management personnel compensation during the financial year are as follows:

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors				
- fees	468,000	503,000	228,000	233,000
- salaries, bonuses and other benefits	2,398,247	1,789,998	26,000	-
- defined contribution plan	277,200	213,156	-	-
Total directors' remuneration	<u>3,143,447</u>	<u>2,506,154</u>	<u>254,000</u>	<u>233,000</u>
Other key management personnel				
- salaries, bonuses and other benefits	1,120,442	830,270	-	-
- defined contribution plan	119,379	97,860	-	-
Total compensation for other key management personnel	<u>1,239,821</u>	<u>928,130</u>	<u>-</u>	<u>-</u>

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.

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26. RELATED PARTY TRANSACTIONS (CONTINUED)**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 are as follows:

	GROUP	
	2021 RM	2020 RM
Transactions with director's spouse: -		
- Progress billing on sales of properties	37,920	399,772
Transactions with a company that director has interest: -		
- Progress billing on sales of properties	<u>37,920</u>	<u>398,497</u>

27. 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.

28. DIVIDEND

In respect of the financial year 31 December 2021

	GROUP AND COMPANY 2021 RM
Single-tier interim dividend of RM0.01 per ordinary share, paid on 19 April 2021	<u>8,052,980</u>

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.

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29. CAPITAL COMMITMENTS

	GROUP	
	2021 RM	2020 RM
Land held for property development		
- Authorised and contracted for	<u>106,107,979</u>	<u>33,784,290</u>
Freehold land		
- Authorised but not contracted for	<u>-</u>	<u>4,009,761</u>
Capital work in progress		
- Authorised but not contracted for	<u>560,655</u>	<u>-</u>
Acquisition of Polyintan Sdn. Bhd.⁽¹⁾		
- Authorised and contracted for	<u>11,467,872</u>	<u>11,467,872</u>

⁽¹⁾ On 4 January 2021, the Group entered into a supplemental agreement 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 is conditional upon Polyintan Sdn. Bhd. obtaining a development order for the land that it owns.

30. 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 finance lease liabilities are categorised as financial liabilities carried at amortised cost (Note 18).

31. 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 exposure to credit risk arises principally from its receivables from customers and investment in debt securities. The Company exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

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.

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31. FINANCIAL RISK MANAGEMENT (CONTINUED)**(i) Credit risk (continued)**

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.

For significant receivables and contract assets that are not individually credit-impaired and all other receivables, the Group uses a provision matrix that categorise the different risk classes (low risk, medium risk and high risk) and the ageing profiles. The collective lifetime ECLs are measured based on the Group's past lost rate experiences, current conditions and forecast of future economic conditions. The past lost rates are adjusted upward in the measurement in worsening current conditions and forecasts of future macroeconomic conditions.

Ageing analysis of trade receivables as at the end of the reporting date was:

	Loan RM	Self-finance RM	Total RM
Group			
31.12.2021			
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
	<u>21,810,564</u>	<u>1,131,497</u>	<u>22,942,061</u>
Group			
31.12.2020			
Not past due	6,495,989	1,457,086	7,953,075
Past due 1-30 days	4,433,734	198,348	4,632,082
Past due 31-120 days	6,397,757	1,511,921	7,909,678
Past due more than 120 days	404,288	490,607	894,895
	<u>17,731,768</u>	<u>3,657,962</u>	<u>21,389,730</u>
Group			
1.1.2020			
Not past due	6,142,748	1,416,035	7,558,783
Past due 1-30 days	4,487,645	20,000	4,507,645
Past due 31-120 days	3,130,465	60,000	3,190,465
Past due more than 120 days	1,634,163	197,628	1,831,791
	<u>15,395,021</u>	<u>1,693,663</u>	<u>17,088,684</u>

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31. FINANCIAL RISK MANAGEMENT (CONTINUED)**(i) Credit risk (continued)****Receivables and contract assets (continued)**

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.

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.

Trade receivables are monitored on an on-going basis via 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 with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

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 banks with strong financial strength.

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 timeliness of loan repayments) of the subsidiaries on an on-going basis.

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31. FINANCIAL RISK MANAGEMENT (CONTINUED)**(i) Credit risk (continued)****Credit risk arising from financial corporate guarantee (continued)**

The maximum credit risk that the Company is exposed to, amounted to:

	COMPANY	
	2021	2020
	RM	RM
Financial corporate guarantees	<u>232,876,032</u>	<u>-</u>

Representing the maximum amount of the Company could pay if the guarantees were called on.

Generally, the Company considers the financial corporate guarantees to be of low credit risk as the guarantees are provided as credit enhancement to the subsidiaries' secured borrowings.

As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial corporate guarantees.

Credit risk arising from financial guarantees

The maximum exposure to credit risk in relation to the financial guarantees given amounts to RM13,726,127 (31.12.2020: RM18,124,925, 1.1.2020: RM13,731,999) as at the end of the reporting period representing deposits with the housing and local authorities as well as utilities' providers.

Inter-company balances

The Company provides unsecured loans and advances to 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.

As at the end of the reporting date, there was no indication that the loans and advances to the subsidiaries are not recoverable.

(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.

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31. FINANCIAL RISK MANAGEMENT (CONTINUED)**(ii) Liquidity risk (continued)**

The Group and the Company maintain a level of cash and cash equivalents and bank 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 following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Under 1 year RM	2-5 years RM	More than 5 years RM
31.12.2021						
GROUP						
Trade and other payables	40,186,549	-	40,186,549	21,628,865	18,557,684	-
Bank borrowings	232,876,032	3.27% - 7.91%	279,577,295	33,197,406	130,479,938	115,899,951
Finance lease liabilities	342,658	4.49% - 4.86%	370,192	203,616	166,576	-
Lease liabilities	501,916	7.72%	579,700	214,800	364,900	-
Financial guarantees	-	-	13,726,127	3,634,814	10,091,313	-
	<u>273,907,155</u>		<u>334,439,863</u>	<u>58,879,501</u>	<u>159,660,411</u>	<u>115,899,951</u>

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31. FINANCIAL RISK MANAGEMENT (CONTINUED)**(ii) Liquidity risk (continued)****31.12.2020****GROUP**

Trade and other payables	-	-	-	-	-
Bank borrowings	37,159,668	3,32% - 7.91%	37,159,668	20,936,642	16,223,026
Finance lease liabilities	133,050,719	4.49% - 4.86%	162,707,964	27,982,037	78,484,396
Lease liabilities	396,834	7.72%	432,680	191,256	241,424
Financial guarantees	269,997	-	314,300	114,600	199,700
	-	-	18,124,925	4,630,198	13,494,727
	<u>170,877,218</u>		<u>218,739,537</u>	<u>53,854,733</u>	<u>08,643,273</u>
					<u>56,241,531</u>

1.1.2020**GROUP**

Trade and other payables	-	-	-	-	-
Bank borrowings	68,858,331	4.88% - 8.27%	68,858,331	56,979,968	11,878,363
Finance lease liabilities	128,374,476	4.49% - 5.02%	155,493,179	26,326,938	74,657,043
Lease liabilities	585,692	7.72%	642,372	237,064	405,308
Financial guarantees	448,940	-	527,900	213,600	314,300
	-	-	13,731,999	2,081,850	11,650,149
	<u>198,267,439</u>		<u>239,253,781</u>	<u>85,839,420</u>	<u>98,905,163</u>
					<u>54,509,198</u>

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31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONTINUED)**(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 fixed 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	
	2021	2020
	RM	RM
Fixed rate instruments		
Lease liabilities	501,916	269,997
Finance lease liabilities	342,658	396,834
	844,574	666,831
Floating rate instruments		
Bank borrowings	232,876,032	133,050,719

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 RM1,769,858 (2020: RM1,011,185) 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.

FINANCIAL STATEMENTS

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32. ACQUISITION OF SUBSIDIARY**Acquisition of 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)
Merger reserve	<u>318,369,000</u>

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables, lease liabilities, finance lease liabilities 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.

34. 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.

The debt-to-equity ratios as at 31 December 2021 and at 31 December 2020 were as follows:

	GROUP	
	2021 RM	2020 RM
Bank borrowings (Note 15)	232,876,032	133,050,719
Finance lease liabilities (Note 16)	342,658	396,834
Lease liabilities (Note 7b)	501,916	269,997
Less: Cash and bank balances	<u>(83,460,532)</u>	<u>(76,323,909)</u>
Net debt	<u>150,260,074</u>	<u>57,393,641</u>
Total equity	<u>469,457,461</u>	<u>369,847,193</u>
Debt-to-equity ratio	<u>0.32</u>	<u>0.16</u>

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31 December 2021

35. IFRS INTERPRETATIONS COMMITTEE (“IFRIC”) AGENDA DECISION ON IAS 23 BORROWING COSTS AND PRIOR YEAR RECLASSIFICATION

In the current financial year, the Group has recorded the following prior year adjustments:

- (a) In March 2019, IFRIC concluded that inventories, once made available for intended sale, are not qualify assets even though they are still under construction. Accordingly, an entity should not capitalise borrowing costs on these inventories in accordance with the principles and requirements in IAS 23.

In prior financial years, borrowing costs incurred were capitalised in inventory – property development costs until the physical completion of the development units. On 1 January 2020, the Group changed its accounting policy with retrospective effect as a result of the Agenda Decision and accordingly, the financial statements for the prior financial years included herein as comparatives have been restated.

- (b) The Group had assessed that in prior financial years, certain costs of development related to land held for property development are to be reclassified from property development costs. As a result of which, the reclassifications of RM13,274,377 and RM14,514,555 were made as of 31 December 2020 and 1 January 2020 respectively.

The financial effects of the abovementioned prior year reclassifications and changes in certain comparative figures to conform with the current financial year’s financial statements presentation of the Group are as follows:

- (i) Impact on the Group’s statements of financial position as at 31 December 2020

	As per previously reported RM	Effects of the Agenda Decision RM	Prior Year Reclassi- fications RM	As restated RM
ASSETS				
Non-current assets				
Inventories	99,126,740	-	13,274,377	112,401,117
Current assets				
Inventories	277,759,423	162,206	(13,274,377)	264,647,252
EQUITY				
Retained earnings	(365,934,985)	(162,206)	-	(366,097,191)

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35. IFRS INTERPRETATIONS COMMITTEE (“IFRIC”) AGENDA DECISION ON IAS 23 BORROWING COSTS AND PRIOR YEAR RECLASSIFICATION (CONTINUED)

(ii) Impact on the Group's statements of financial position as at 1 January 2020

	As per previously reported RM	Effects of the Agenda Decision RM	Prior Year Reclassi- fications RM	As restated RM
AS AT 1 JANUARY 2020				
ASSETS				
Non-current assets				
Inventories	171,747,966	-	14,514,555	186,262,521
Current assets				
Inventories	182,830,644	(205,894)	(14,514,555)	168,110,195
EQUITY				
Retained earnings	(340,656,255)	205,894	-	(340,450,361)

(iii) Impact on the Group's statements of profit or loss and other comprehensive income for the financial year ended 31 December 2020

	As per previously reported RM	Effects of the Agenda Decision RM	As restated RM
Cost of sales	(95,738,103)	637,764	(95,100,339)
Finance costs	(615,708)	(269,664)	(885,372)

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36. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- (i) The impact of the COVID-19 pandemic is ongoing up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 13 January 2021, the Government of Malaysia had reimposed the Movement Control Order ("MCO 2.0") in several states and all federal territories in Malaysia to curb the third wave of COVID-19 pandemic in the country. However, the Company's main business activities of construction, property development and trading were considered as essential services and were allowed to operate during MCO 2.0 period under the guidelines set by NSC, MOH and MITI.

Based on the assessment of the Group, there were no material financial impact arising from the COVID-19 pandemic. The Group will continue to assess any impact of the COVID-19 pandemic on the financial statements of the Group for the financial year ending 31 December 2022.

- (ii) On 23 February 2021, the Company issued its Prospectus and undertook an Initial Public Offering ("IPO") comprising:

a. Public issue of 161,060,000 new shares ("Issue Shares") in the following manners:

- (a) 40,265,000 new shares available for application by the Malaysian public;
- (b) 10,469,000 new shares available for application by our eligible employees and persons who have contributed to the success of the Company;
- (c) 80,530,000 new shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry;
- (d) 29,796,000 new shares by way of private placement to selected investors; and

b. Offer for sales of 40,800,000 existing shares by way of private placement to selected investors.

at an IPO price of RM0.48 per share.

Thereafter, the Company's entire enlarged issued share capital of 805,298,002 shares was listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 March 2021.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

36. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONTINUED)

- (iii) On 11 March 2021, the Company's subsidiary, Midas Dimensi Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase two pieces of freehold lands held under Geran 4632 Lot 1673 and Geran 4633 Lot 1674, Muki Machap district of Alor Gajah, Melaka for a purchase consideration of RM4,750,000. The purchase was completed on 21 September 2021.
- (iv) On 9 April 2021, the Company's 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 Geran 4872, Lot 1142, Mukim Tanjong Minyak, Daerah Melaka Tengah, Melaka for a purchase consideration of RM4,391,284. The purchase was completed on 30 September 2021.
- (v) On 14 April 2021, the Company's subsidiary, Asal Harta Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase three pieces of leasehold land under PN26769 Lot 4402, PN26770 Lot 4403 and Lot 4406, Mukim Ayer Panas, Daerah Jasin, Melaka for a purchase consideration of RM95,095,657. The purchase was completed on 21 December 2021.
- (vi) On 6 September 2021, the Company's subsidiaries, Riverwell Resources Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase five pieces of leasehold lands held under PN26772 Lot 4672, PN56855 Lot 14717, PN56854 Lot 14718, PN30156 Lot 4674 and PN30157 Lot 4076, Mukim Ayer Panas, Melaka for a purchase consideration of RM117,897,754.

37. EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 21 March 2022, the Company declared a single-tier interim dividend of RM0.007 per ordinary share amounting to RM5,637,086 in respect of the financial year ending 31 December 2022, payable on 20 April 2022 to shareholders whose names appeared in the record of depositors on 6 April 2022.

FINANCIAL STATEMENTS

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31 December 2021

38. COMPARATIVE FIGURES

The acquisition of the entire issued share capital Teladan Setia Sdn. Bhd. by the Company is a business combination involving entities under common control and did not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and is accounted for as follows:

- (i) the assets and liabilities of the acquired entities are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- (ii) the retained earnings and other equity balances of acquired entities immediately before the business combination are those of the Group; and
- (iii) the equity structure of the Group reflects the share capital of the Company and the contributed capital of the acquired entities.

The comparative figures are based on the combined financial statements as at 31 December 2020, as disclosed in the Annual Audited Accounts dated 28 April 2021. The Group was not in legal existence in the previous financial year as the acquisition of the subsidiaries was completed during the financial year ended 31 December 2021, the details of which are disclosed in Note 32 to the financial statements.

39. 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, Tingkat Bawah,
Jalan Mutiara Melaka 2,
Taman Mutiara Melaka,
75350 Batu Berendam,
Melaka
- (d) The financial statements are presented in Ringgit Malaysia, which is also the Group's and the Company's functional currency.

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 6 April 2022.

FINANCIAL STATEMENTS

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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 81 to 145 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 2021 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 2022****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 81 to 145 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 6 April 2022

Before me,

Commissioner For Oaths
Melaka

FINANCIAL STATEMENTS

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 TELADAN SETIA GROUP BERHAD, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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 *Auditor's 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.

FINANCIAL STATEMENTS

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><u>Recognition of property development revenue</u></p> <p>Refer to Note 19 to the financial statements.</p> <p>The amount of revenue of the Group’s property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of the performance obligation.</p> <p>The progress towards complete satisfaction of performance obligation is determined by reference to proportion of development costs incurred for works performed to date bear to the estimated total costs for each project (input method).</p> <p>We focused on this area because significant Group’s judgement is required, in particular with regards to determining the progress towards satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue (including estimated variable consideration) and costs, as well as the recoverability of the development projects.</p> <p>The estimated total revenue and costs are affected by a variety of uncertainties that depend of the outcome of future events.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Reviewed the reasonableness of the management’s key judgements used in the estimation of budgeted property development costs by examining documentation such as letter of award issued to contractors. - Re-computed the calculation of percentage of completion to ascertain there is no mathematical error which may render in the over/understatement of profit recognition. - Reviewed the stage of completion of all on-going development projects to determine if there is any exposure to the late ascertained damages. - Assessed the property development costs from property development projects are properly recognised based on the cost-based input method by vouching to supporting evidence such as contractors’ progress claims and suppliers’ invoices to ascertain the actual property development costs incurred and the proportion of the property development units sold attributable to the percentage of development work performed during the financial year where the outcome of the projects can be reliably estimated. - Performed site visit to assess the status of the development projects to arrive at an overall assessment as to whether information provided by management is reasonable.

FINANCIAL STATEMENTS

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.

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.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELADAN SETIA GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.

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

Johor Bahru

6 April 2022

Tan Yen Fen

02145/06/2023 J
Chartered Accountant

ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

as at 25 March 2022

Total Number of Issued Shares : 805,298,002 Ordinary Shares

Class of Shares : Ordinary shares

Number of Shareholders : 2,271

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	11	0.48	200	0.00
100-1,000	487	21.44	246,200	0.03
1,001-10,000	997	43.90	5,592,200	0.69
10,001-100,000	627	27.61	21,518,800	2.67
100,001-40,264,899 (*)	145	6.38	234,582,600	29.13
40,264,900 and above (**)	4	0.18	543,358,002	67.47
Total	2,271	100.00	805,298,002	100.00

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	41.60	-	-
2.	Teo Lay Lee	89,478,080	11.11	-	-
3.	Teo Siew May	89,478,080	11.11	-	-
4.	Wan Lei Chin	89,478,080	11.11	-	-

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of Shares	(%)	No. of Shares	(%)
1.	Teo Lay Ban	335,003,762	41.60	-	-
2.	Teo Lay Lee	89,478,080	11.11	-	-
3.	Teo Siew May	89,478,080	11.11	-	-
4.	Sia Ah Piew	415,000	0.05	-	-
5.	Foo Yit Lan	60,000	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	-	-	-	-

ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

as at 25 March 2022

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Teo Lay Ban	274,923,762	34.14
2.	Teo Lay Lee	89,478,080	11.11
3.	Teo Siew May	89,478,080	11.11
4.	Wan Lei Chin	89,478,080	11.11
5.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account - Ambank (M) Berhad for Dato' Ong Choo Meng	23,993,300	2.98
6.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Desiran Realiti Sdn. Bhd.	19,800,000	2.46
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Teo Lay Ban	15,000,000	1.86
8.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Teo Lay Ban	13,000,000	1.61
9.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chiau Beng Teik	12,429,800	1.54
10.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account - Ambank (M) Berhad for Teo Lay Ban	11,500,000	1.43
11.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Teo Lay Ban	10,500,000	1.30
12.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Teo Lay Ban	10,080,000	1.25
13.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chiau Haw Choon	9,656,000	1.20
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Dato' Ong Choo Meng	9,500,000	1.18
15.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chooi Yoey Sun	7,500,000	0.93
16.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ooi Chen Seng	6,787,600	0.84
17.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Por Teong Eng	6,530,000	0.81
18.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Doh Tee Leong	4,500,000	0.56
19.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Dato' Ong Choo Meng	4,050,000	0.50
20.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Datuk Chiau Beng Teik	3,970,000	0.49
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Beng Teik	3,469,100	0.43

ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

as at 25 March 2022

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
22.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loon Chin Seng	3,400,000	0.42
23.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chiau Haw Choon	3,040,000	0.38
24.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Keh Chuan Seng	3,000,000	0.37
25.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Por Teong Eng	2,000,000	0.25
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ooi Chen Seng	2,000,000	0.25
27.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chiau Haw Loon	1,750,000	0.22
28.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Choon	1,559,900	0.19
29.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account Majestic Salute Sdn. Bhd. for Chan Yok Peng	1,500,000	0.19
30.	M & A Nominee (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chiau Haw Choon	1,500,000	0.19

ADDITIONAL INFORMATION

ANALYSIS OF WARRANT HOLDINGS

as at 25 March 2022

Instrument Type : Warrants 2021/2026

Total Number of Outstanding Warrants Issued : 241,589,397 Warrants

Number of Warrant Holders : 1,885

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant Holders	%	No. of Warrants	%
1-99	335	17.77	13,224	0.01
100-1,000	424	22.49	194,493	0.08
1,001-10,000	675	35.81	2,546,490	1.05
10,001-100,000	367	19.47	13,971,658	5.78
100,001- 12,079,468 (*)	80	4.24	43,832,132	18.14
12,079,469 and above (**)	4	0.21	181,031,400	74.93
Total	1,885	100.00	241,589,397	100.00

Remark : *Less than 5% of issued warrants
 ** 5% and above of issued warrants

DIRECTORS' WARRANT HOLDINGS

No.	Name	Direct		Indirect	
		No. of Warrants	(%)	No. of Warrants	(%)
1.	Teo Lay Ban	100,501,128	41.60	-	-
2.	Teo Lay Lee	26,843,424	11.11	-	-
3.	Teo Siew May	26,843,424	11.11	-	-
4.	Sia Ah Piew	124,500	0.05	-	-
5.	Foo Yit Lan	18,000	0.01	-	-
6.	Roy Thean Chong Yew	15,000	0.01	-	-
7.	Annandan A/L Chandran	3,000	0.00	-	-
8.	Madeline Lee May Ming	-	-	-	-

ADDITIONAL INFORMATION

ANALYSIS OF WARRANT HOLDINGS

as at 25 March 2022

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	Warrant Holdings	%
1.	Teo Lay Ban	100,501,128	41.60
2.	Teo Lay Lee	26,843,424	11.11
3.	Teo Siew May	26,843,424	11.11
4.	Wan Lei Chin	26,843,424	11.11
5.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Choon	4,160,300	1.72
6.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Dato' Ong Choo Meng	4,140,300	1.71
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Dato' Ong Choo Meng	3,450,000	1.43
8.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account - Ambank (M) Berhad for Chiau Beng Teik	3,034,400	1.26
9.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Beng Teik	2,880,000	1.19
10.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Kok Weng	2,300,000	0.95
11.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Tay Hock Soon	2,200,000	0.91
12.	M & A Nominee (Tempatan) Sdn. Bhd. -Pledged Securities Account Majestic Salute Sdn. Bhd. for Jauhari Bin Hassan	1,324,668	0.55
13.	Chua Yong Giap	1,197,600	0.50
14.	Chin Chin Seong	1,000,000	0.41
15.	M & A Nominee (Tempatan) Sdn. Bhd. -Majestic Salute Sdn. Bhd. for Yahya Bin Razali	758,088	0.31
16.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Neoh Cheu An	710,100	0.29
17.	AMSEC Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Por Teong Eng	500,000	0.21
18.	Lai Keng Onn	500,000	0.21
19.	Lim Kian Hin	500,000	0.21
20.	Teo Yong Chuan @ Teo Yeng Hock	500,000	0.21
21.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Boon Chin	478,700	0.20
22.	Oon Boon Khong	475,000	0.20
23.	Baharuddin Bin Omar	459,600	0.19
24.	M & A Nominee (Tempatan) Sdn. Bhd. -Pledged Securities Account Majestic Salute Sdn. Bhd. for Chan Yok Peng	450,000	0.19
25.	Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ng Sye Chen	450,000	0.19
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. -Rakuten Trade Sdn. Bhd. for Yap Chog Lin	429,000	0.18
27.	Her Choon Ming @ Hoo Choon Ming	413,800	0.17
28.	Tan Chin Howe	402,000	0.17
29.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte Ltd	400,200	0.17
30.	Bong Hon Liong	400,000	0.17

ADDITIONAL INFORMATION

LIST OF PROPERTIES**LIST OF MATERIAL PROPERTIES HELD BY THE GROUP**

AS AT 31 DECEMBER 2021

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)	199
2	GM 25, Lot 13253, in the Mukim of Pringgjit, District of Melaka Tengah, State of Melaka	Corporate office land	19.11.2020	1.46	Freehold	5,026
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 KBS 11A, 75200 Melaka	Penthouse	02.04.2018	Not Applicable	Leasehold of 99 years (expiring on 18 May 2105)	869
5	Bali Residences Pajakan Negeri 56839 Lot 12932 in the Town Area VI, District of Melaka Tengah, State of Melaka	Land under development	28.02.2012	3.72	Leasehold of 99 years (expiring on 18 May 2105)	31,226
6	Taman Desa Bertam Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land under development and held for development	22.02.2013	141.12	Freehold	65,244
7	Taman Bertam Putra Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	25.04.2011	1.32	Freehold	2,912
8	Taman Bertam Heights Geran 6772 Lot 53, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	18.09.2018	166.32	Freehold	125,407
9	Geran 22813 Lot 1137, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	02.12.2016	14.00	Freehold	6,619
10	Geran 14999 Lot 2308, in the Mukim of Sungei Udang, District of Melaka Tengah, State of Melaka	Land held for development	05.01.2012	9.88	Freehold	4,759
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

ADDITIONAL INFORMATION

LIST OF PROPERTIES

No.	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)*
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 (expiring on 28 May 2102)	59,658
14	PN 118248 Lot 57747 (formerly known as HS(D) 316625 PT 1259), 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 (expiring on 20 March 2091)	27,549
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	4,773
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	2,324
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	14.95	Freehold	6,190
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	5.84	Freehold	2,430
19	PN 55269 Lot 14734, in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land held for development	07.10.2020	116.00	Leasehold of 99 years (expiring on 14 August 2094)	25,726
20	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	4,611
21	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 June 2094)	16,463

ADDITIONAL INFORMATION

LIST OF PROPERTIES

No.	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)*
22	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	4,984
23	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 28 January 2091 & 20 February 2077)	99,215
24	PN 26772 Lot 4672, PN 56855 Lot 14717, PN 56854 Lot 14718, PN 30156 Lot 4674 and PN 30157 Lot 4676, in the Mukim Ayer Panas, District of Jasin, State of Melaka	Land held for development	06.09.2021	338.33	Leasehold of 99 years (expiring 15 August 2094)	11,790
25	Taman Seri Tuah Permai Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka	Completed development units	19.02.2016	0.70	Freehold	4,130
26	Bandar Baru Merlimau Mukim of Merlimau, District of Jasin, State of Melaka	Completed development units	30.12.2011	0.18	Leasehold of 99 years (expiring on 27 January 2109)	967
27	Taman Desa Bertam Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Completed development units	26.06.2020	0.25	Freehold	681
28	Atlantis Residences 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)	19,509
29	Taman Bertam Putra Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Completed development units	20.12.2018	1.03	Freehold	6,395
30	Taman Belimbing Setia Mukim of Belimbing, District of Alor Gajah, State of Melaka	Completed development units	25.03.2021	0.14	Freehold	193

* Amount is inclusive of property, land & equipment, land held for property development, property development costs, completed units and contract cost assets.

ADDITIONAL INFORMATION

NOTICE OF THIRD (“3rd”) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 3rd Annual General Meeting (“AGM”) of the Company will be conducted on a fully virtual basis vide the online meeting platform hosted on Securities Services e-Portal at <https://sshbsb.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Friday, 20 May 2022 at 3:00 p.m. for the transaction of the following business:-

AGENDA**Ordinary Business**

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. **(Refer to Note 2)**
2. To approve the following payment of Directors’ fees payable to the Non-Executive Directors of the Company and/or its subsidiaries:-
 - (i) RM468,000/- for the financial year ending 31 December 2022; and
 - (ii) RM468,000/- for the financial year ending 31 December 2023.**Ordinary Resolution 1
Resolution 2**
3. To re-elect Ms. Madeline Lee May Ming, a Director who retires in accordance with Clause 21.7 of the Company’s Constitution, and being eligible, has offered herself for re-election. **Ordinary Resolution 3**
4. To re-elect Mr. Sia Ah Piew, a Director who retires in accordance with Clause 21.7 of the Company’s Constitution, and being eligible, has offered himself for re-election. **Ordinary Resolution 4**
5. To re-elect Ms. Teo Siew May, a Director who retires in accordance with Clause 21.7 of the Company’s Constitution, and being eligible, has offered herself for re-election. **Ordinary Resolution 5**
6. To re-appoint Messrs. RSM Malaysia PLT (converted from a conventional partnership, RSM Malaysia, on 3 January 2022) 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. **Ordinary Resolution 6**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

7. **PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)(b) OF THE COMPANIES ACT 2016** **Ordinary Resolution 7**

“THAT the benefits payable to the Directors of the Company up to an amount of RM51,000/- for the period from 21 May 2022 until the next Annual General Meeting of the Company to be held in year 2023 pursuant to Section 230(1)(b) of the Companies Act, 2016 (“**the Act**”), be and is hereby approved for payment.”
8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **Ordinary Resolution 8**

“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 (“**Bursa Securities**”);

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.”

ADDITIONAL INFORMATION

NOTICE OF THIRD (“3rd”) ANNUAL GENERAL MEETING**Ordinary Business (cont’d)**

9. 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
 21 April 2022

Notes:

(1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend this 3rd 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 12 May 2022. Only a depositor whose name appears on the Record of Depositors as at 12 May 2022 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://teladansetia.com/investor-relations/investor-centre-reports/>.

ADDITIONAL INFORMATION

NOTICE OF THIRD (“3rd”) ANNUAL GENERAL MEETING**(1) Information for Shareholders/Proxies (cont’d)****h. Appointment of Proxy(ies)**

A member may obtain the proxy form for the 3rd 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 Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. **on or before Wednesday, 18 May 2022 at 3:00 p.m.**):-

Mode of Submission	Designated Address
Hard copy	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 : info@sshsb.com.my
Electronic appointment	Securities Services e-Portal Weblink: https://sshsb.net.my/ Contact Number for enquiry: 03-2084 9008

Explanatory Notes:-**(2) Audited Financial Statements for the financial year ended 31 December 2021**

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 Resolutions 1 & 2

The Company has completed its initial public offering (IPO) and be listed on ACE Market of Bursa Securities on 16 March 2021 (hereinafter referred to as the “**Listing**”).

The Board is of the view that Directors of the Company/ Group should be paid such fees on a monthly basis upon them discharging their responsibilities and rendering their services to the Company.

In view that this is the first AGM to be held after the Listing of the Company, the Board would like to proposed the following resolutions in relation to Directors’ fees (to be made in accordance with the remuneration structure as set out below – payable on a monthly basis) for the consideration of the shareholders of the Company:-

Office	Amount (RM) per annum
Board Chairman	84,000/-
Non-Executive Directors	240,000/-
Subsidiary Board	144,000/-
	468,000/-

ADDITIONAL INFORMATION

NOTICE OF THIRD (“3rd”) ANNUAL GENERAL MEETING**(3) Payment of Directors’ Fees – Ordinary Resolutions 1 & 2 (cont’d)**

- (a) **Ordinary Resolution 1** on payment of Directors’ fees of RM468,000/- in respect of current financial year ending 31 December 2022.

[This is a one-off approval to be sought from shareholders of the Company in order to regularise the sequence of payment of directors’ fees to the Directors of the Company/Group post-Listing as the Board was of the view that it would be fair and equitable for the Directors of the Company/Group to receive their fees upon the discharge of their duties and responsibilities, instead of having subject to being arbitrarily withheld until the next AGM for shareholders’ post-event approval.]

- (b) **Ordinary Resolution 2** on payment of Directors’ fees of RM468,000/- in respect of next financial year ending 31 December 2023.

[The Board wish to inform that moving forward, there shall only be one such approval on payment of Directors’ fees from shareholders to be sought at the AGM for the next financial year, after the 3rd AGM].

The Ordinary Resolutions 1 and 2, if approved, will authorise the payment of Directors’ Fees pursuant to Clause 21.4 of the Constitution of the Company.

(4) Re-election of Directors – Ordinary Resolutions 3, 4 & 5

In determining the eligibility of the Directors to stand for re-election at the forthcoming 3rd AGM, the Nominating Committee (“**NC**”), guided by the Directors’ Assessment Policy has considered the criteria as stated in the said Policy 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) Ms. Madeline Lee May Ming;
 - (ii) Mr. Sia Ah Piew; and
 - (iii) Ms. Teo Siew May;
- (collectively, the “**Retiring Directors**”)

The Board, vide the NC, has conducted a separate assessment and being satisfied with the performance/contribution of the Retiring Directors, the Board would like to recommend the same be tabled to the shareholders for approval at the forthcoming 3rd AGM of the Company under Ordinary Resolutions 3, 4 and 5 respectively. The 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 2021 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 6

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 (converted from a conventional partnership, RSM Malaysia, on 3 January 2022) as External Auditors of the Company for the financial year ending 31 December 2022. 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 3rd AGM of the Company under Ordinary Resolution 6. 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 2021 of the Company.

(6) Payment of Benefits Payable to Directors – Ordinary Resolution 7

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.

ADDITIONAL INFORMATION

NOTICE OF THIRD (“3rd”) ANNUAL GENERAL MEETING**(7) Authority to Issue Shares pursuant to the Companies Act, 2016 - Ordinary Resolution 8**

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 3rd 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.

This is the first General Mandate to be sought by the Company since Listing.

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.

ADDITIONAL INFORMATION

ADMINISTRATIVE GUIDE**SECURITIES SERVICES e-PORTAL****WHAT IS Securities Services e-Portal?**

Securities Services e-Portal is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

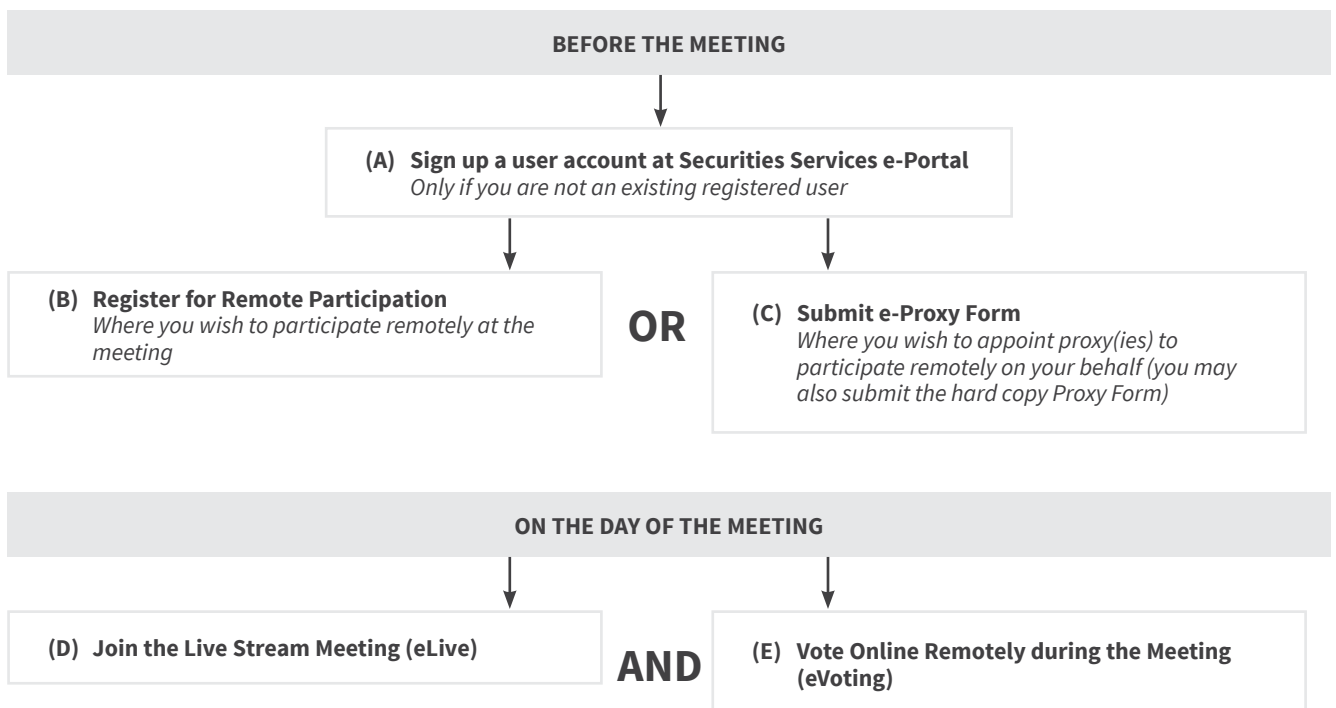
- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings (collectively referred to as “**e-Services**”)

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Teladan Setia Group Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Edge and Safari.

REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Ms. Lee Pei Yeng (DID: +603 2084 9169) or Ms. Evangeline Yeoh (DID: +603 2084 9007) at or our general line (DID: +603 2084 9000) to request for e-Services Assistance during our office hours on Monday to Friday from 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. Alternatively, you may email us at eservices@sshb.com.my.



ADDITIONAL INFORMATION

ADMINISTRATIVE GUIDE

BEFORE THE MEETING

(A) Sign up a user account at Securities Services e-Portal

- | | |
|---|--|
| <p>Step 1 Visit https://sshbsb.net.my/</p> <p>Step 2 Sign up for a user account</p> <p>Step 3 Wait for our notification email that will be sent within one (1) working day</p> <p>Step 4 Verify your user account within seven (7) days of the notification email and log in</p> | <ul style="list-style-type: none"> • We require 1 working day to process all user sign-ups. If you do not have a user account with the e-Portal, you will need to sign up for a user account by the deadlines stipulated below. • Your registered email address is your User ID. |
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ALL SHAREHOLDERS MUST REGISTER AS A USER BY 16 MAY 2022**(B) Register for Remote Participation**

Meeting Date and Time	Registration for Remote Participation Closing Date and Time
Friday, 20 May 2022 at 3:00 p.m.	Wednesday, 18 May 2022 at 3:00 p.m.

- Log in to <https://sshbsb.net.my/> with your registered email and password
- Look for **Teladan Setia Group Berhad** under Company Name and **3rd AGM on 20 May 2022 at 3:00 p.m. - Registration for Remote Participation** under Corporate Exercise / Event and click ">" to register for remote participation at the meeting.

- Step 1 Check if you are attending as –
- Individual shareholder
 - Corporate or authorised representative of a body corporate
- For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to the Share Registrar, Securities Services (Holdings) Sdn. Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the registration closing date and time above.*

Step 2 Submit your registration.

- A copy of your e-Registration for remote participation can be accessed via **My Records** (refer to the left navigation panel).
- Your registration will apply to all the **CDS account(s)** of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.
- As the meeting will be conducted on a fully virtual basis, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.

(C) Submit e-Proxy Form

Meeting Date and Time	Proxy Form Submission Closing Date and Time
Friday, 20 May 2022 at 3:00 p.m.	Wednesday, 18 May 2022 at 3:00 p.m.

- Log in to <https://sshbsb.net.my/> with your registered email and password
- Look for **Teladan Setia Group Berhad** under Company Name and **3rd AGM on 20 May 2022 at 3:00 p.m. - Submission of Proxy Form** under Corporate Exercise / Event and click ">" to submit your proxy forms online for the meeting by the submission closing date and time above.

ADDITIONAL INFORMATION

ADMINISTRATIVE GUIDE

BEFORE THE MEETING (CONT'D)

(C) Submit e-Proxy Form (cont'd)

Step 1 Check if you are submitting the proxy form as –

- Individual shareholder
- Corporate or authorised representative of a body corporate

For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to the Share Registrar, Securities Services (Holdings) Sdn. Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above.

Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).

You are strongly encouraged to appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.

Step 3 Proceed to indicate how your votes are to be casted against each resolution.

Step 4 Review and confirm your proxy form details before submission.

- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
- You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.

PROXIES

All appointed proxies need not register for remote participation under (B) above but if they are not registered Users of the e-Portal, they will need to register as Users of the e-Portal under (A) above by 16 MAY 2022. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY. Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a fully virtual basis.

ADDITIONAL INFORMATION

ADMINISTRATIVE GUIDE

ON THE DAY OF THE MEETING

Log in to <https://sshsb.net.my/> with your registered email and password

(D) Join the Live Stream Meeting (eLive)**Meeting Date and Time**

Friday, 20 May 2022 at 3:00 p.m.

eLive Access Date and Time

Friday, 20 May 2022 at 2:30 p.m.

- Look for **Teladan Setia Group Berhad** under Company Name and **3rd AGM on 20 May 2022 at 3:00 p.m. - Live Stream Meeting** under Corporate Exercise / Event and click “>” to join the meeting.
- The access to the live stream meeting will open on the abovementioned date and time.
- If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/ Management/ relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.

(E) Vote Online Remotely during the Meeting (eVoting)**Meeting Date and Time**

Friday, 20 May 2022 at 3:00 p.m.

eVoting Access Date and Time

Friday, 20 May 2022 at 3:00 p.m.

- If you are already accessing the Live Stream Meeting, click Proceed to Vote under the live stream player.

OR

- If are not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for **Teladan Setia Group Berhad** under Company Name and **3rd AGM on 20 May 2022 at 3:00 p.m. - Remote Voting** under Corporate Exercise / Event and click “>” to remotely cast and submit the votes online for the resolutions tabled at the meeting.

Step 1 Cast your votes by clicking on the radio buttons against each resolution.

Step 2 Review your casted votes and confirm and submit the votes.

- The access to eVoting will open on the abovementioned date and time.
- Your votes casted will apply throughout all the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder’s indicated votes in the proxy form.
- The access to eVoting will close as directed by the Chairman of the meeting.
- A copy of your submitted eVoting can be accessed via **My Records** (refer to the left navigation panel).



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 3rd Annual General Meeting (“**AGM**”) of the Company which will be 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. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on **Friday, 20 May 2022** at 3.00 p.m. and at any adjournment thereof on the following resolutions referred to in the Notice of 3rd 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 of RM468,000/- for the financial year ending 31 December 2022		
Ordinary Resolution 2	To approve the payment of Directors’ fees of RM468,000/- for the financial year ending 31 December 2023		
Ordinary Resolution 3	To re-elect Ms. Madeline Lee May Ming as a Director of the Company		
Ordinary Resolution 4	To re-elect Mr. Sia Ah Piew, as a Director of the Company		
Ordinary Resolution 5	To re-elect Ms. Teo Siew May, as a Director of the Company		
Ordinary Resolution 6	To re-appoint Messrs. RSM Malaysia PLT as Auditors of the Company		
Special Business			
Ordinary Resolution 7	To approve the benefits payable to the Directors of up to RM51,000/- for the period from 21 May 2022 until the next AGM to be held in year 2023.		
Ordinary Resolution 8	Authority to issue shares pursuant to the Companies Act 2016		

(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 , 2022

*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 3rd 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 12 May 2022. Only a depositor whose name appears on the Record of Depositors as at 12 May 2022 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 3rd AGM, together with the proxy form are available at the corporate website of Teladan Setia Group Berhad at <https://teladansetia.com/investor-relations/investor-centre-reports/>.

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 3rd 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 Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. **on or before Wednesday, 18 May 2022 at 3:00 p.m.**):-

Mode of Submission	Designated Address
Hard copy	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: info@sshb.com.my
Electronic appointment	Securities Services e-Portal Weblink: https://www.sshb.net.my/ Contact Number for enquiry: 03-2084 9008

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.

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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

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TELADAN SETIA GROUP BERHAD

Registration No. 201901004975 (1314302-V)

Main Office

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