

SUSTAINABILITY REPORT

ABOUT THE COMPANY

Teladan Group Berhad (formerly known as Teladan Setia Group Berhad) (“**Teladan**”) or (“**the Group**”), renowned for its esteemed position as a residential property developer, boasts a robust and proven track record in Malacca’s property market. Upholding a commitment to sustainability, we continuously enhance our efforts to integrate eco-friendly initiatives into our projects. Concurrently, our steadfast dedication to upholding exceptional product and service quality remains unchanged. Our team collaborates diligently to ensure customer satisfaction and provide sustainable solutions, all while maintaining our commitment to environmental stewardship.

Our Core Businesses

The Group is primarily involved in property development and showcases a diverse portfolio encompassing the development of landed, low-rise, and high-rise residential properties, as well as landed shop houses, offices, and retail shops in Malacca. Our residential development projects include:





SUSTAINABILITY REPORT



ABOUT THIS STATEMENT

At Teladan, we are committed to fostering excellence and delivering quality developments that enhance lives and empower communities. Our steadfast dedication extends to building a brighter future through ethical business practices, maintaining focus on our objectives, and operating with efficiency. This statement summarises our pledge to create a positive impact on the local economy, society, environment, and governance through the collective actions and endeavours of our organisation.

Scope and Basis of Scope

The reporting period aligns with our fiscal year, running from 1st January to 31st December 2023. This statement provides a comprehensive overview of the Group's sustainability performance, detailing the progress of our business operations and ongoing, as well as future projects in Malaysia.

Details of the Group's subsidiaries are shown in the table below.

Category	Name of Subsidiaries	Country of Incorporation/ Operation
Properties	Teladan Setia Sdn. Bhd.	Malaysia
	Asal Harta Sdn. Bhd.	
	Polyintan Sdn. Bhd.	
	Pavilion Link Sdn. Bhd.	
	Riverwell Resources Sdn. Bhd.	
	Midas Dimensi Sdn. Bhd.	
	Oriview Realty Sdn. Bhd.	
Energy	TS Power Sdn. Bhd.	Malaysia

Reporting Framework and Standards

This report is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide 3rd Edition and is adopted in line with the IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles. The Company also decided to adopt the TCFD recommendations and Sustainable Development Goals ("SDGs") as part of the report as well.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Sustainability Committee at invest@teladan.my.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY

Sustainability Governance

Teladan places a significant emphasis on sustainability as an integral aspect of its approach. To ensure the achievement of sustainability goals, the company has established a well-organised governance framework. The Board of Directors takes a lead role in promoting sustainability, overseeing the sustainability strategy, achieving key objectives, and ensuring the effectiveness of internal controls and risk management systems. The Audit Committee, Remuneration Committee, Nominating Committee, and Risk Management Committee contribute to overseeing performance and risk management.

In dedication to sustainability and the pursuit of sustainability goals, Teladan has instituted a Sustainability Management Team, headed by the Executive Director. This committee focuses on objectives, policies, and practices related to sustainability or Environmental, Social, and Governance (“ESG”) matters. Their responsibilities include developing sustainability strategies, assessing associated risks, evaluating performance, and closely monitoring the implementation of sustainability policies and practices. The commitment to establishing a robust governance framework is evident in the outlined roles and responsibilities of the board and committees in the provided table.

Board of Directors

- a) Oversees sustainability matters within the Group, including sustainability strategy and targets, materiality assessment, and climate-related risks and opportunities.
- b) Ensures the integration of sustainability considerations into both the Group’s overarching operations and individual business segments, cultivating a steadily robust sustainability culture throughout the entire organisation.
- c) Assessing the effectiveness of Teladan’s implementation of its risk management system and internal control framework.
- d) Conveying sustainability strategies, priorities, and targets, along with performance against targets, to both internal and external stakeholders.

Audit Committee

Ensures the integrity of the Group’s financial reporting, verifies compliance with legal and regulatory obligations, and evaluates the effectiveness of the Group’s risk management and internal control framework.

Remuneration Committee

Ensures the establishment of a fair and effective remuneration structure that aligns with the company’s strategic goals and human resources policies.

Nominating Committee

Ensures the development of a well-structured and proficient leadership team, fostering diversity and promoting continuous professional development within the organisation.

Risk Management Committee

Ensures the effectiveness of existing controls in mitigating risks and reviews the adequacy of risk management strategies, policies, and frameworks.

Sustainability Management Team

Responsible for formulating sustainability strategies, identifying and assessing sustainability-related risks, evaluating sustainability performance and targets, and meticulously monitoring the implementation of sustainability-related policies and practices.



SUSTAINABILITY REPORT





SUSTAINABILITY STRATEGY (CONT'D)

Stakeholder Engagement

As a sustainable business group, we acknowledge that our activities impact various stakeholder groups, including customers, employees, suppliers, investors, government agencies, and local communities. These valuable partners offer essential insights into our operations, helping us identify areas for improvement and recognise potential opportunities.

To underscore our unwavering commitment to fostering positive relationships with stakeholders and building a sustainable business, we actively maintain open communication channels. This is achieved through regular engagements using both formal and informal methods. These interactions are crucial for gathering feedback and addressing the needs and concerns of our stakeholders more effectively.



The table below highlights the key stakeholders of the Group and explores the various engagement methods and channels employed.

Stakeholder	Areas of Concern/ Interest	Engagement Approach	Our Responses
 Customers	<ul style="list-style-type: none"> Product quality, safety and compliance Customer service and experience Best practices in product pricing Property design features Defect rectification 	<ul style="list-style-type: none"> Advertisements and marketing promotions Conduct Customer Satisfaction Survey Roadshows and show rooms Marketing events and workshops at sales galleries Handing over briefing to consumers 	<ul style="list-style-type: none"> Conduct regular inspections during the construction phase to ensure high-quality standards Perform quarterly checks are on a random selection of units to assess the quality of workmanship
 Employees	<ul style="list-style-type: none"> Health and safety Welfare and remuneration Workplace diversity Training and career development Value equal opportunities 	<ul style="list-style-type: none"> Performance appraisal Management and staff meeting Annual event Training programmes 	<ul style="list-style-type: none"> Encourage transparent communication with employees Ensure equal employment opportunities for all individuals without discrimination Provide reasonable benefits and remuneration package
 Suppliers/ Contractors/ Vendors	<ul style="list-style-type: none"> Transparent procurement practices Payment schedule Anti-bribery Timely delivery of products Pricing of services 	<ul style="list-style-type: none"> Evaluation on performance Anti-bribery commitment Contract negotiation Vendor registration 	<ul style="list-style-type: none"> Prioritise the establishment of transparent procurement processes Require suppliers to undergo a Due Diligence Checklist
 Investors	<ul style="list-style-type: none"> Financial performance Business strategy Shareholder value Corporate governance Corporate developments 	<ul style="list-style-type: none"> Annual report Annual general meeting Financial report Corporate website Company announcements Investor relations activities 	<ul style="list-style-type: none"> Provide timely updates on the Group's strategy and financial performance through investor briefings and announcements Uphold good governance practices across the Group, and supply chain

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

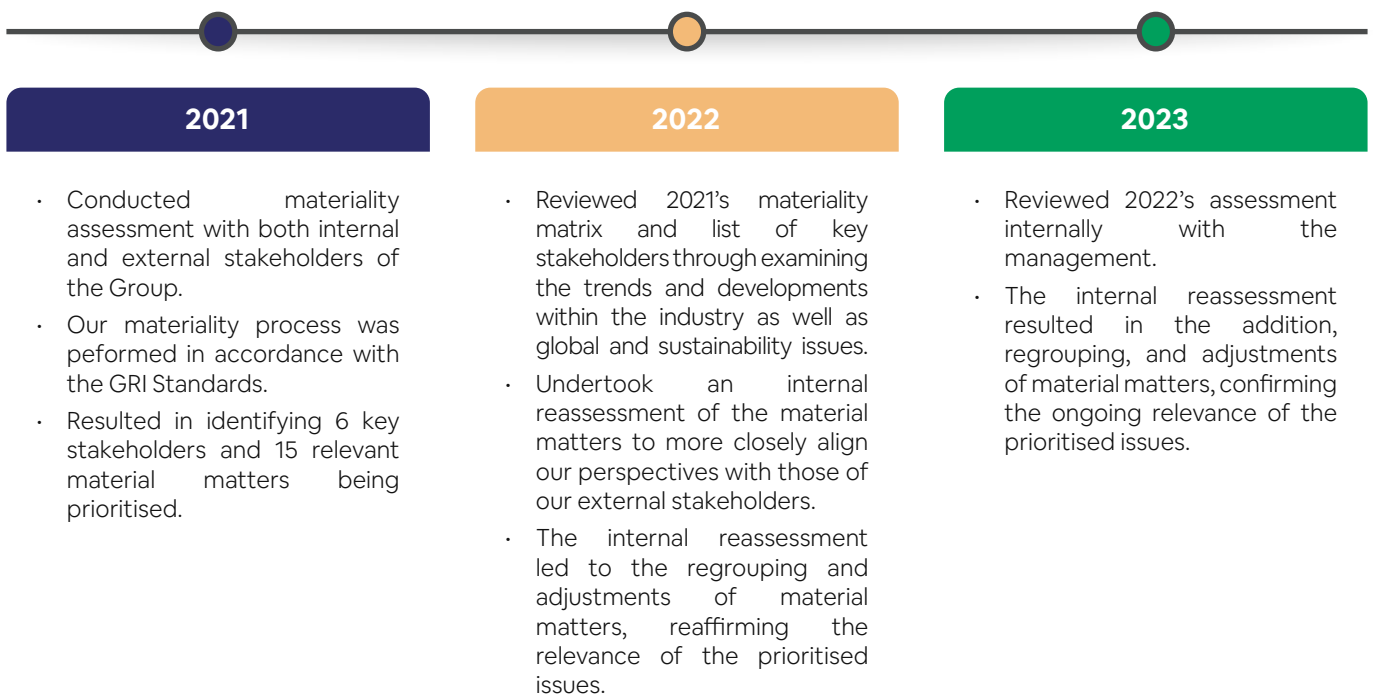
Stakeholder Engagement (cont'd)

Stakeholder	Areas of Concern/ Interest	Engagement Approach	Our Responses
 Government Agencies	<ul style="list-style-type: none"> • Governance compliance • Environment management and compliance • Fair labour practices • Policy matters (public, health and safety) 	<ul style="list-style-type: none"> • Annual report • Meeting and seminar • Public announcement • Inspection/audit by local authority • Site inspection by local authorities 	<ul style="list-style-type: none"> • Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysian Code on Corporate Governance
 Local Communities	<ul style="list-style-type: none"> • Impact of business operation • Social issue • Transparency and quality products and services 	<ul style="list-style-type: none"> • Community programmes • Customer relationship and engagement 	<ul style="list-style-type: none"> • Investing in educational institutions and welfare to enhance community well-being • Engaged with NGOs through visits

Materiality Matrix

The Group recognises that our material issues can greatly impact our ability to generate enduring value for our stakeholders, both directly and indirectly. In demonstrating our dedication to sustainable practices, we have conducted a thorough materiality assessment annually to review the relevance of our previously prioritised economic, environment, social and governance impacts arising from our daily activities.

This initiative aims to identify the most pertinent sustainability matters relevant to both the business and its stakeholders. It involves assessing industry trends, advancements, and global as well as local sustainability challenges.



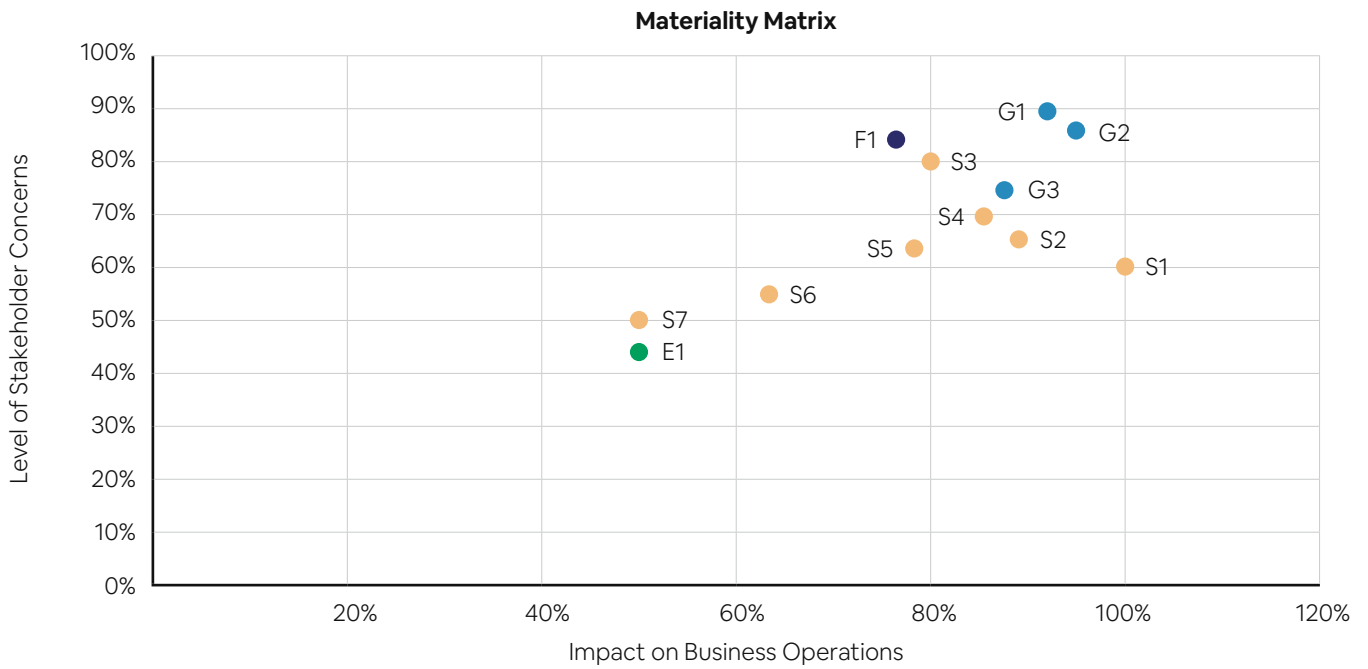


SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Materiality Matrix (cont'd)

Outlined below is Teladan’s materiality matrix in 2023:



Material Sustainability Matter	Relevant Stakeholders
F1 – Financial/Economic Performance	Investors and Customers
E1 – Climate Change	Employees, Regulatory Agencies and Local Communities
S1 – Customer Experience	Investors and Customers
S2 – Brand Reputation	Investors, Suppliers/Contractors/Vendors, Customers, and Local Communities
S3 – Cybersecurity and Data Protection	Employees and Customers
S4 – Labour Standards and Human Right	
S5 – Occupational Health and Safety	Employees and Regulatory Agencies
S6 – Training and Development	
S7 – Social Contribution	Investors and Public
G1 – Business Ethics and Compliance	
G2 – Governing Purpose	Regulatory Agencies and Local Communities
G3 – Risk Management	

Note:

- Energy management and emissions management are collectively managed under “Climate Change”.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Materiality Matrix (cont'd)

The table below provides a detailed analysis of the materiality level of sustainability matters:

Material Sustainability Matter	Definition of Priority Materiality Level
High Priority Materiality	
S1 – Customer Experience	These material sustainability matters represent crucial aspects for a property developer company in ensuring customer satisfaction, compliance and advancing sustainability efforts, ultimately delivering lasting value to stakeholders. Therefore, we are deeply committed to prioritising these material sustainability matters to ensure the smooth operation of our business and the enhancement of stakeholder value.
S2 – Brand Reputation	
S3 – Cybersecurity and Data Protection	
S4 – Labour Standards and Human Right	
G1 – Business Ethics and Compliance	As a responsible company, we firmly believe that obtaining appropriate licensing and fostering good governance are critical aspects of our operations. The governing purpose encompasses: <ul style="list-style-type: none"> • Board Charter and Terms of Reference • Anti-Bribery and Corruption Management • Anti Money Laundering • Conflict of Interest • Executive Pay
G2 – Governing Purpose	
G3 – Risk Management	
Medium Priority Materiality	
F1 – Financial/Economic Performance	While these material sustainability matters may currently be categorised as medium in terms of materiality, they nevertheless hold significant importance to the Group. We firmly believe that by prioritising each of these sustainability matters, we can positively influence and enhance the overall performance of the organisation.
E1 – Climate Change	
S5 – Occupational Health and Safety	
S6 – Training and Development	
S7 – Social Contribution	

Sustainability Framework







Teladan strongly emphasises a balanced approach that encompasses economic, environmental, and social responsibilities, with a genuine commitment to the well-being of our stakeholders and the advancement of a brighter future. In response to the dynamic business environment, we have embraced the IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles¹, employing the Six Capitals model to provide financial clarity to our sustainability performance. This model enables us to generate enduring value for our business and stakeholders, reinforcing our sustainability strategy, policies, and practices, and aligning with global standards such as the UNSDGs. The Six Capitals framework identifies the value sources essential for the Group’s value creation. These six capitals are defined as follows:



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Sustainability Framework (cont'd)

Capitals	Aspects	Main Focus Areas
 Financial	<p><i>Funds available to firm from operations and financing</i></p> <p>Financial Highlight Resources to support the Group's operation and implement other Capitals</p>	<ul style="list-style-type: none"> • Economic Performance
 Intellectual	<p><i>Trademark, patent, R&D, innovation, human resources and external relationships, which can determine the organisation's competitive advantage</i></p> <p>Marketplace Implementing sustainability through product quality and compliance</p>	<ul style="list-style-type: none"> • Cybersecurity and Data Protection • Sustainable Supply Chain Management • Sustainable Operation Management • Product Quality and Safety Management
 Governance	<p><i>Governance, internal control system and procedures</i></p> <p>Governance Board engagement on strategy, internal control to enhance the sustainability initiative</p>	<ul style="list-style-type: none"> • Anti-corruption
 Human	<p><i>Skills, motivation, alignment with organisational goals</i></p> <p>Workplace Creating a safe and supportive working environment, training, and self-development</p>	<ul style="list-style-type: none"> • Health and Safety • Employee Management • Diversity, Equity and Inclusion
 Social	<p><i>Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate</i></p> <p>Community Contributing to local community development</p>	<ul style="list-style-type: none"> • Contributing to Local Communities/ CSR • Customer Satisfaction
 Natural	<p><i>Renewable and non-renewable natural elements, and the eco-system, used as inputs by the firm now or in the past or future, and impact of firm on them</i></p> <p>Environment Improving our environment by utilising greener alternatives</p>	<ul style="list-style-type: none"> • Climate Change (Energy Management and Emissions) • Waste Management • Water Management

¹ The Integrated Reporting Framework and Integrated Thinking Principles are maintained under the auspices of the IFRS Foundation, a global not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards. (<https://integratedreporting.ifrs.org/the-iirc-2/>)

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters



Economic

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

Economic Performance

Teladan recognises that its financial performance is integral to achieving lasting value and advancing the Group’s sustainability objectives. We are steadfast in our commitment to providing high-quality employment opportunities and fostering economic development within local communities. Our overarching goal is to ensure long-term resilience by efficiently managing our assets and equitably distributing the wealth generated among our stakeholders. Through these efforts, we aim to create positive impacts that extend beyond financial returns, contributing to the well-being and prosperity of our stakeholders and the broader society.

Our approach and performance

In FY 2023, the Group attained a total revenue of MYR 274 million, marking an 8.3% increase compared to FY 2022. This substantial revenue growth underscores our dedication to

generating wealth for our stakeholders. However, despite this economic success, the demand for properties nationwide may face challenges due to inflationary pressures, current upcycles in interest rates, and supply chain constraints.

In response to these potential obstacles, the Group is committed to proactively identifying and addressing evolving market demands. We achieve this by offering a diverse range of products tailored to various lifestyle requirements and financial capacities. Despite the anticipated challenges, the Group remains vigilant in managing them by carefully strategising property rollouts and adapting to market dynamics. Through proactive measures and strategic planning, we aim to navigate through these challenges while continuing to create value for our stakeholders.

Below are the financial results of Teladan:

	2021 MYR'000	2022 MYR'000	2023 MYR'000
Economic value generated (e.g., revenue, other income, and interest income)	199,372	255,365	276,685
Economic value distributed:			
· Costs of sales	135,095	185,277	211,996
· Operating costs (e.g., administrative expenses, finance costs, etc.)	20,011	21,963	26,470
· Payment to government (e.g., tax)	11,529	12,819	11,176
Economic value retained	32,737	35,306	27,043

These results underscore our unwavering commitment to delivering value to our stakeholders while upholding a robust financial position and pursuing sustainable growth opportunities.

Related UNSDGs:

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)



Intellectual

Implementing sustainability through product quality and compliance

Cybersecurity and Data Protection

In recent years, we have observed the rapid advancement of trends such as remote working, e-commerce, and automation, which has led to increased adoption of digital technologies and infrastructure. However, this surge has also heightened the vulnerability of data to cybersecurity risks. As a result, we have a responsibility to effectively manage the growing threat of cyber-attacks on Teladan. This includes implementing measures to safeguard our customers' sensitive information and prevent any leaks, threats, or loss of customer data.

Our approach and performance

In our ongoing commitment to bolstering cybersecurity measures, we are dedicated to establishing a comprehensive framework and fully adhering to all regulatory obligations. At Teladan, we highly prioritise our customers' privacy and endeavour to safeguard their personal data in accordance with the laws of Malaysia. As part of this endeavour, we have obtained accreditation under the Personal Data Protection

Act ("PDPA") 2010 license. Our privacy policy is also readily available on our website in both languages, ensuring easy access for all our stakeholders.

Furthermore, we are enhancing our cybersecurity measures by engaging a service provider to implement data protection solutions aimed at mitigating cybersecurity risks, data loss, virus attacks, or corruption. The service provider offers two tiers of protection. Tier 1 (Onsite backup) encompasses server data with bare metal recovery, while Tier 2 (Offsite/Cloud backup) covers accounting software databases and network document share folders of the Customer's intended primary server only. The service provider undertakes to ensure that data is kept strictly confidential and will not be disclosed to any third party unless required by law.

As of 31 December 2023, the Group is pleased to report zero substantiated complaints related to breaches in customer privacy or data loss.

	2021	2022	2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

Related UNSDGs:

16
PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Sustainable Supply Chain Management

The Group acknowledges the critical importance of a dependable and sustainable supply chain for our business operations, which rely significantly on a network of upstream and downstream suppliers and vendors. Despite the social and governance risks associated with supplier engagement, we are unwavering in our commitment to good governance principles. Therefore, Teladan is dedicated to advocating responsible procurement practices and enhancing our supply chain resilience by incorporating sustainability aspects into our procurement processes. Additionally, we believe in supporting local businesses and contributing to economic growth in the communities where we operate.

To achieve this, we prioritise sourcing from local suppliers and providing business opportunities to enhance their livelihoods.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Intellectual (cont'd)

Sustainable Supply Chain Management (cont'd)

Our approach and performance

In our commitment to upholding high-quality standards throughout our supply chain, Teladan conducts annual reviews of our critical suppliers and contractors. These reviews consider factors such as monetary value, volume, unique deliverables, and impact on Teladan. It is mandatory for all our suppliers to adhere to relevant laws, regulations, and standards at federal, state, and municipal levels, as well as industry standards and limits for environmental and social impacts, including Health, Safety, and Environment (“HSE”) aspects. We expect our suppliers and contractors to demonstrate a commitment to environmental protection by preventing pollution such as noise and waste.

To conduct these assessments effectively, we have developed a business associate due-diligence checklist for contractors to complete during the tendering process. Through this process, we aim to ensure that our suppliers uphold high standards of quality and sustainability, thereby reducing risks, enhancing our reputation, and contributing to the achievement of our long-term business goals. Additionally, we require our main contractors to have CIDB certification, ensuring a good track

record and adherence to industry standards.


As an organisation that highly values and supports local businesses, we prioritise local suppliers and conduct our procurement procedures in an ethical and transparent manner. By supporting local suppliers, we not only contribute to the development of the local economy but also reduce our carbon footprint as transportation needs are significantly reduced. We believe that local procurement offers several benefits, including quicker delivery compared to overseas shipments, greater quality control, better budget forecasting, and risk mitigation from reduced currency exchange fluctuations, tax implications, shipping, and fuel surcharges, as well as knowledge of local market conditions. Simultaneously, Teladan stands to benefit from forging strong relationships with our suppliers and ensuring that their practices align with local and international regulations and standards.

The table below demonstrates our commitment to supporting local suppliers.

	2021	2022	2023
Proportion of spending on local suppliers (%)	100	100	100

Related UNSDGs:

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.





SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Intellectual (cont'd)

Sustainable Operation Management

At Teladan, we acknowledge the critical significance of quality control and endeavours to routinely evaluate its operational processes. We are dedicated to integrating sustainable and environmentally friendly practices into our forthcoming projects. Our commitment extends to reducing the carbon footprint in property development, enhancing energy efficiency, and embracing circular practices to mitigate environmental and societal impact. Recognising the pressing urgency of climate change, the Group is steadfast in its commitment to environmental protection, regulatory compliance, and ongoing research aimed at enhancing sustainability strategies. Proactive measures are imperative to adapt to and mitigate potential risks in the future. Through these efforts, we aim to lead by example in promoting sustainability and resilience in our industry and beyond.

Our approach and performance

To tangibly demonstrate our commitment to upholding environmental standards and championing green construction, we are resolutely dedicated to meeting current requirements while actively contributing to a sustainable future. This dedication includes the integration of chargeable stations in our forthcoming residential and commercial projects. Specifically, we aim to incorporate at least one chargeable station in our condominium projects. Additionally, we have allocated six bays for EV parking, equipped with three units of EV chargers, and have installed solar panels at our corporate office, targeted to be operational by 2024. Simultaneously, we are pursuing the Green Building Index (“GBI”) certification for our corporate office.

This initiative aims to reduce carbon footprint and promote the use of electric vehicles. Alongside chargeable stations, we will offer solar panels as alternatives for our customers in our upscale projects. On 26 April 2023, we signed a Memorandum of Understanding (“MoU”) with solar photovoltaic (“PV”) service provider, Micro Energy Holdings (M) Sdn Bhd (“MEH”), to install solar PV systems in our Taman Bertam Heights Phase 2A Gated and Guarded housing development project in Malacca. This partnership aims to create a greener and energy-efficient living environment for homebuyers.

We take pride in being the pioneer of green development in Malacca by being the first property developer to install solar systems for homebuyers. In conjunction with the Malaysian Government’s Net Energy Metering Rakyat 3.0 (NEM) programme, we are committed to playing our part in the

nation’s sustainability efforts by offering solar-ready homes. Our solar-ready homes are designed to demonstrate that sustainability can be seamlessly integrated into every aspect of sustainable living, serving as an exemplary model for future developments.

Our initiatives are not solitary endeavours; instead, we aim to unite our stakeholders in realising the vision of sustainable development. As we contribute to the development of sustainable cities, we remain vigilant in staying abreast of the latest market innovations and solutions. To this end, we actively pursue Green Certification for our upcoming projects. This certification not only ensures that our buildings adhere to the highest environmental standards but also empowers us to reduce embodied carbon with green materials and building solutions.

Moreover, our new corporate offices will exemplify green building principles, being designed and constructed to minimise their overall impact on the built environment. This approach focuses on enhancing resource efficiency in energy, water, and materials usage, while mitigating the building’s impact on human health and the environment throughout its lifecycle. The decision to design our new corporate offices as a green building underscore our commitment to reducing environmental impact and promoting sustainability in the workplace.

Simultaneously, our primary objective in sustainable operations is to conduct our activities responsibly, safeguarding the quality of our products without causing disruptions to the environment and community. As part of this commitment, we engage in continuous monitoring and reporting to ensure that our procedures align with our sustainability goals. Through these concerted efforts, we strive to lead by example in integrating sustainability into every facet of our operations and projects.

Related UNSDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Intellectual (cont'd)

Product Quality and Safety Management

Teladan places strong emphasis on the significance of preserving and delivering exceptional standards of product quality as a cornerstone of our commitment to value creation and sustainable business growth. Our steadfast dedication to maintaining industry-leading quality standards has yielded numerous positive outcomes. These include heightened customer satisfaction, augmented market value, bolstered reputation, proficient risk mitigation, and an empowered workforce wholly dedicated to excellence.

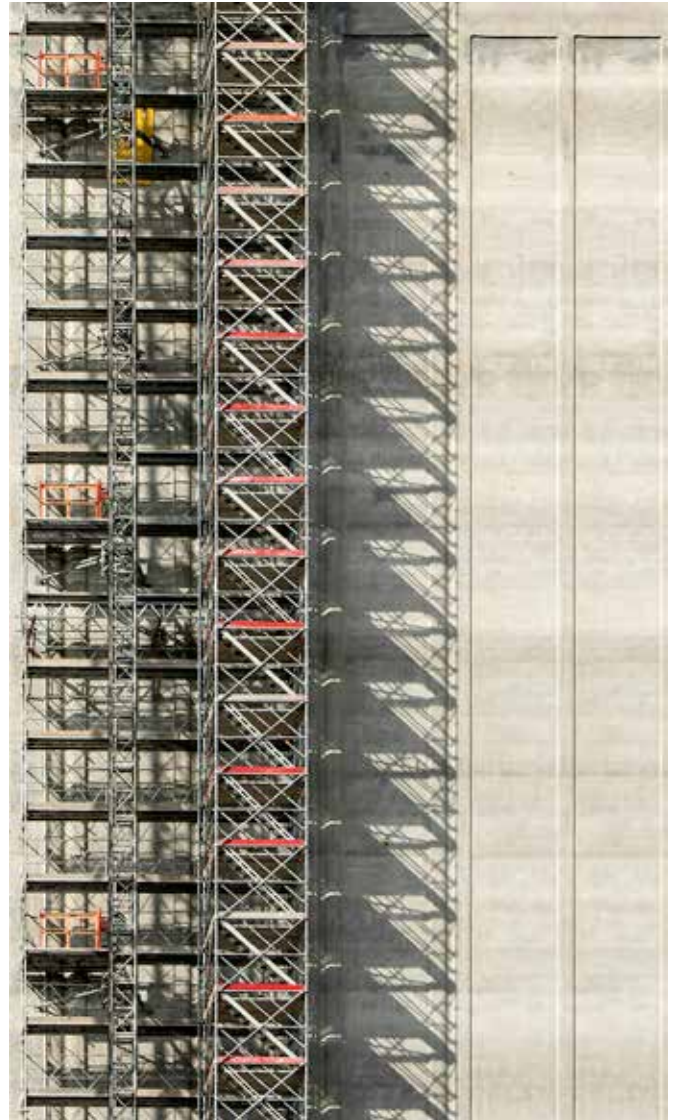
Our approach and performance

We take great pride in benchmarking our products and services against the highest industry standards. Since 2018, the Group has implemented QLASSIC, a quality assurance system based on a grading procedure. Our Bandar Baru Merlimau development project was the first to obtain the QLASSIC certification. This system aims to minimise the probability or scale of necessary fixing and repair works in the future.

To maintain our mark of quality and superiority, we leverage industry-leading assessment tools such as our Teladan Quality Merit System. This system reflects our commitment to advancing our quality standards to the next level through regular assessment of our products and services.


The Teladan Quality Merit System encompasses detailed and defined quality criteria, including industry regulations and additional quality standards that we strive to achieve. Regular assessments are conducted at various stages of the development process and compared to other projects within the Group. This approach enables us to recognise and establish best practices for projects while identifying areas for improvement. With an unwavering commitment to quality improvement, we ensure that our development projects meet the highest possible standards and ultimately deliver value to our stakeholders.

Teladan's Quality Merit System is a crucial component of our sustainability strategy, as it not only helps us achieve our goal of developing high-quality properties but also propels us closer to our sustainability objectives. Furthermore, we ensure compliance with relevant industry regulations and voluntary codes, with no incidents of non-compliance in environmental, health, and safety impacts of our products reported in FY 2023. This achievement underscores our dedication to quality and our ability to consistently deliver safe, sustainable, and high-quality products and services to our stakeholders.



Related UNSDGs:

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)



Governance

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



Anti-corruption

Teladan prioritises practicing good governance and maintaining high standards of business ethics and compliance throughout the Group. The Board acknowledges the critical importance of a strong risk management framework and internal control system in promoting sound corporate governance. By disclosing relevant sustainability-related information, our aim is to enhance the transparency of our management practices, thereby building greater confidence among our customers, stakeholders, and the wider public.

Our approach and performance

The Group remains steadfast in its commitment to conducting business with integrity, guided by our comprehensive Code of Conduct (“**CoC**”), which communicates fundamental principles and guidelines to all employees. To reinforce our dedication to ethical business practices, we have adopted a zero-tolerance approach towards fraud, bribery, corruption, money laundering, and insider trading. Our Anti-Bribery and Corruption (“**ABC**”) Policy and Whistleblowing Policy serve as vital tools in this effort, promoting transparency and fostering a governance-friendly environment. These essential policies, along with our CoC, are readily accessible on our corporate website, ensuring availability for all stakeholders.

To facilitate whistleblowing, Teladan encourages our employees and stakeholders to report or raise concerns via email to designated individuals from the Board, with a guarantee of whistleblower protection. In accordance with Section 17(A) of the Malaysian Anti-Corruption Commission (Amendment) Act, 2018, all employees across the Group received communication on the Group’s anti-corruption practices, including a Business Associate ABC Commitment and Declaration form. In addition to committing and declaring to the ABC form, all employees are required to apply and declare any activities involving gifts, entertainment, corporate hospitality, and travel. These measures not only enhance the transparency of our group but also cultivate an environment conducive to better governance.

As of 31 December 2023, we recorded zero incidents of corruption across the Group’s business operations.

	2021	2022	2023
Number of confirmed corruption incidents	0	0	0

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Governance (cont'd)

Anti-corruption (cont'd)

Our approach and performance (cont'd)

Furthermore, the Group has implemented mandatory annual training on the ABC policy and awareness, conducted online for a duration of two hours. This comprehensive approach underscores Teladan's commitment to transparency, accountability, and fostering a culture where concerns can be raised and addressed effectively.

The table below provides details on the completion rate of trained employees at Teladan.

Employee Category	Completion Rate (%)		
	2021	2022	2023
Management	100	100	100
Executive	100	100	100
Non-executive/Technical Staff	100	100	100

Our suppliers and building contractors are also expected to adhere to high ethical standards and anti-bribery and corruption guidelines. They are required to acknowledge their agreement to abide by these guidelines and policies by signing a Business Associate ABC Commitment and Declaration form. Since the initiation of sending the Business Associate Due Diligence checklist to building contractors in 2022, we are committed to continuously ensuring that all our suppliers and building contractors go through the checklist to confirm their adherence to these guidelines and policies in their business dealings with the Group. This measure is essential for mitigating risk management and upholding ethical standards throughout our supply chain.

	2021	2022	2023
Percentage of operations assessed for corruption-related risks (%)	N/A	100	100

Related UNSDGs:



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.





SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)



Workplace

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

Health and Safety

Teladan prioritises the health and safety of employees in all our business operations and workplaces. By providing a healthy, safe, and conducive work environment, our aim is to prevent injuries and illnesses among our workforce. This commitment, in turn, enhances efficiency and productivity.

Our approach and performance

We have formed a Safety Committee consisting of carefully selected members tasked with collaborating and overseeing safety measures within the Group. Guided by our Occupational Health, Safety, and Environmental (“OHSE”) Policy, we remain steadfast in our commitment to ensuring the safe conduct

of our business operations and prioritising the safety of employees and communities. Our objective is to maintain minimal environmental impacts while upholding safety standards, underscoring our dedication to safeguarding our operations in alignment with sustainable advancement.

As a means to ensure all employees are familiar with and adhere to health and safety requirements, the Group has organised training on the Introduction to Effective OHS Management System. In FY 2023, a total of 71 participants underwent training on health and safety standards, underscoring our commitment to prioritising the well-being of our workforce.

	2021	2022	2023
Number of employees trained on health and safety standards	0	0	71

Implementing comprehensive safety procedures is a top priority for us. This includes providing signage, with an Emergency Evacuation Plan displayed on each floor of the building. Additionally, we conduct fire drills to ensure that all employees are vigilant and fully aware of emergency routes and procedures.

As we engage with outsourced contractors, our main objective is to ensure the safety of all workers, ensuring they return home safely and without injury at the end of each workday. To fulfil this commitment, we are dedicated to continuously upholding

and enhancing our health and safety standards. Over the past three years, we have consistently maintained a low level of reported injury cases. This achievement highlights our unwavering dedication to prioritising the well-being of our workforce and fostering a safe and secure working environment for all. Moving forward, we remain steadfast in our efforts to sustain and further improve our occupational health and safety performance.



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Health and Safety (cont'd)


Our approach and performance (cont'd)

Below is the data for our outsourced contractors. Total hours worked were not calculated; however, it was recorded that there was only one case of lost time injuries in FY 2021.

	2021	2022	2023
Total hours worked	N/A	N/A	N/A
Number of work-related fatalities	0	0	0
Number of lost time injuries	1	0	0
Lost time incident rate	N/A	N/A	N/A


Related UNSDGs:

3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Employee Management

The Group places significant value on our employees, recognising them as the backbone of our organisation’s sustained growth and success. As such, we prioritise the well-being and overall satisfaction of our stakeholders as a fundamental aspect of our management strategy. Our commitment extends to recruiting, nurturing, and retaining high-performing employees within a work environment that is both conducive and empowering. Furthermore, we make substantial investments in development programmes to ensure our employees remain competitive, forward-thinking, and prepared for the future.

Our approach and performance

At Teladan, we are committed to upholding labour practices and standards in our current employment terms. The three key aspects of our employee management—Training and Development, Remuneration Packages and Performance Management, and Employee Engagement and Initiatives—form the foundation of our Human Resources department. We believe that these approaches are essential for enhancing employees’ productivity and fostering continuous performance improvement.



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Employee Management (cont'd)

Our approach and performance (cont'd)

- **Training and Development**

We strongly believe that investing in workforce development is essential for attracting and retaining top talent, ultimately leading to the growth of our business, and improved financial performance. The Group is dedicated to prioritising human capital in its operations by committing to invest in employee training to support their growth and align with evolving business requirements. Our objective is to provide a comprehensive training experience that enables employees to reach their fullest potential and acquire the necessary skills for effective performance.

Moreover, we are open to training recommendations and suggestions from our management team or team leaders. We are also proud to have employees who are willing to improve and develop their skills by initiating training themselves, seeking approval from their superiors. This open communication on the implementation of training and developing skills is essential in ensuring the ongoing relevance of our training initiatives and accommodating our employees' training needs.

Our training and development programmes in FY 2023 include the following:

No.	Training and Development Programmes	No.	Training and Development Programmes
1	Webinar on Building Defects & Qlassic	16	Lean Construction
2	IBS Tour Series 1.1	17	Anti Bribery and Corruption (“ABC”) Training e-course
3	Strata Management Seminar 2023	18	Latest Updates in 2023 on Employers' Tax Statutory Obligations - Including Tax Implications on Employee Related Expenses
4	Property Development Process 2023	19	Introduction to Effective OHS Management System
5	Rehda Melaka Gamuda Cove Study Visit	20	Bengkel Penerangan Had Penggunaan Komponen Perancah Kerangka Keluli A-Frame Sebagai Penyangga (Falsework)
6	Bengkel Pembangunan Mampan di Bandar Warisan Dunia	21	Rehda Melaka Briefing Session Series 1/2023
7	Building Inspection Online	22	Land Development & Practical Land Laws
8	Seminar Pemantapan Pengurusan Buangan Terjadual di Bawah Peraturan-peraturan Kualiti Alam Sekeliling (Buangan Terjadual) 2005 dan Hands on Penggunaan Sistem eSwiss	23	Seminar Pendidikan dan Pemeraksanaan Akta Pengurusan Strata 2013 (Akta 757) Di Bawah Pentadbiran MBMB Tahun 2023
9	Kursus Peningkatan Bagi Penilaian SHASSIC & QLASSIC	24	Top 11 Landmines that make Tax Authorities Target your Business Confirmation
10	Seminar Pengurusan Kewangan dan Pelaksanaan Penguatkuasaan Bagi Tunggakan Caj Penyelenggaraan dan Caruman Kumpulan Wang Penjelas Mengikut Akta Pengurusan Strata 2013 Anjuran MPHTJ	25	Navigating the E-Invoice Evolution and Maximising Opportunities with SVDP 2.0
11	Mandatory Accreditation Programme Part II: Leading for Impact (“LIP”)	26	Talent Management
12	Hands-on Design of Erosion & Sediment Control Plan (“ESCP”)	27	Energy Commission Dialogue cum Briefing Session
13	Industrial Development Masterclass	28	Investment Analysis on Property Industry
14	Malaysia Property Law Conference 2023	29	2024 Budget Seminar
15	IBS Tour Series 3	30	Job Evaluation Techniques & Salary Structure

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

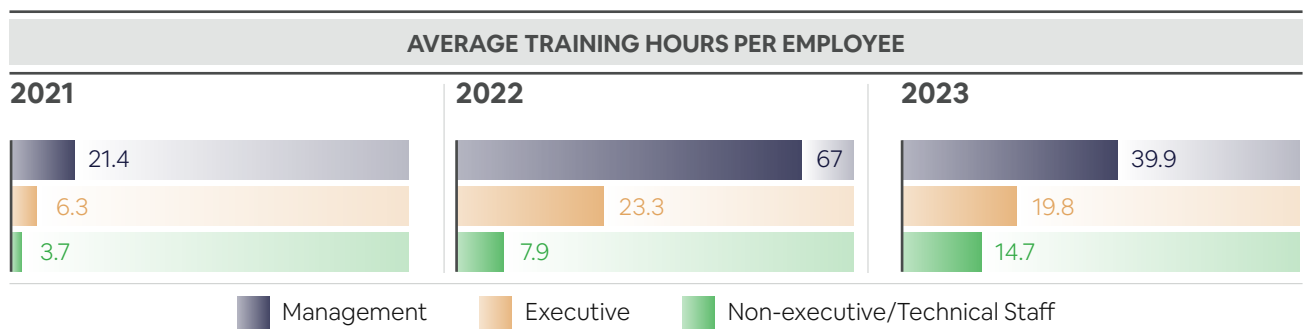
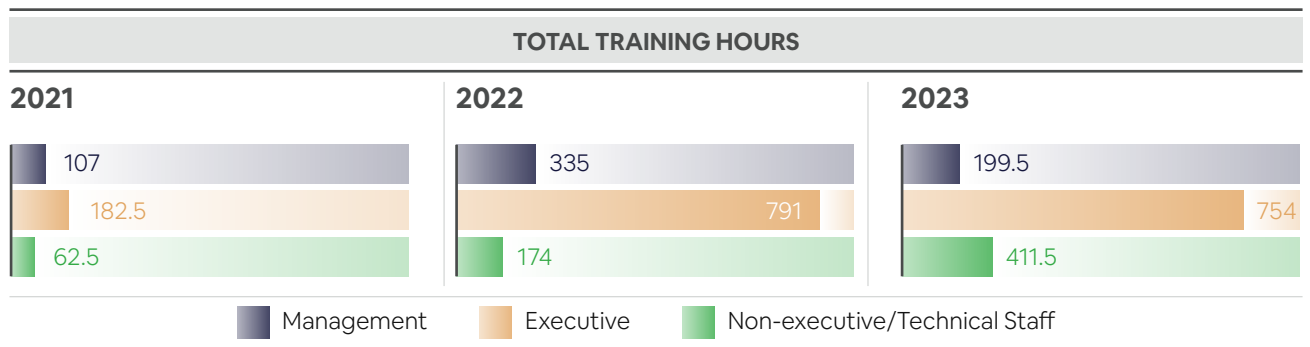
Workplace (cont'd)

Employee Management (cont'd)

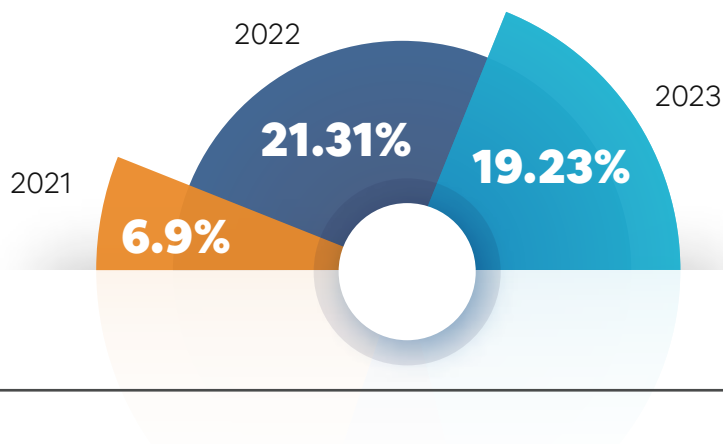
Our approach and performance (cont'd)

- Training and Development (cont'd)**

In total, we have invested a sum of MYR 101,697.40 on training and the employees received a total of 1,365 training hours in FY 2023. The details of the employees' training hours are detailed as follows:



OVERALL AVERAGE TRAINING HOURS PER EMPLOYEE





SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Employee Management (cont'd)

Our approach and performance (cont'd)

• **Remuneration Packages and Performance Management**

Teladan highly values our employees, recognising them as the cornerstone of the Group's enduring growth and achievements. Guided by principles of being result-driven, accountable, collaborative, and embracing shared success, we aim to drive individual and team performance. To foster a high-performance culture, we conduct an annual performance and career development review, providing employees with opportunities for self-assessment, feedback, coaching, and support.

Our objective is to cultivate a motivating and encouraging environment by offering competitive benefits and compensation packages, attracting and retaining top talent. As an additional evaluation method, we require employees to fill out a Job Description form that records their daily routine, ad-hoc work, and comments from their superiors. This enables employees to monitor their progress and improve their performance in their duties. Concurrently, it serves as a valuable resource for the Human Resources department for recruitment purposes and identifying training and development needs. Additionally, recognition and celebration of exceptional performance, high-quality results, and outstanding behaviour are integral to our remuneration and reward system. Therefore, we consider both the appraisal form and the job description form as references for performance reviews.

In line with our commitment to safeguarding their well-being, the Group's current employment terms adhere to standard industry practices. The employment benefits we provide include the following:



Leave

Annual Leave, Emergency leave, Medical or hospitalisation leave, Maternity and paternity leave, Compassionate leave, Marriage leave



Medical/ Hospitalisation/ Insurance Benefits

Medical claim, Group Personal Accident Insurance Scheme, Group Hospitalisation and Surgical Insurance



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

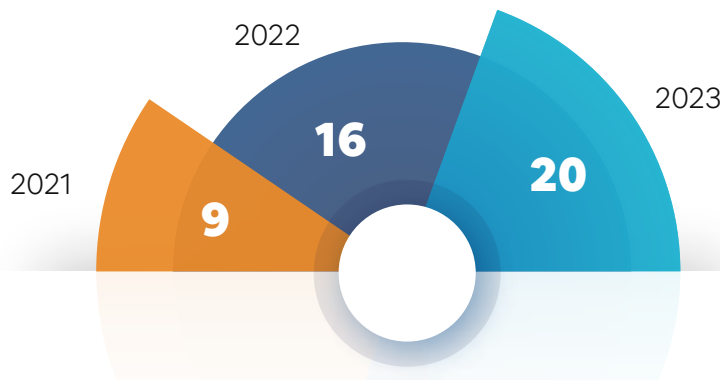
Employee Management (cont'd)

Our approach and performance (cont'd)

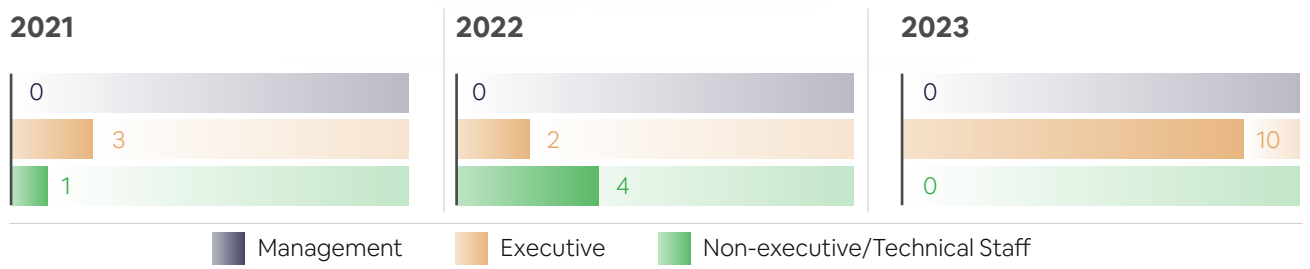
- Remuneration Packages and Performance Management (cont'd)**

In addition to achieving a 100% rate of employees undergoing performance reviews, we take pride in maintaining a highly engaged workforce. The tables below outline the total number of new hires, employee turnover, and turnover rate over the past three years.

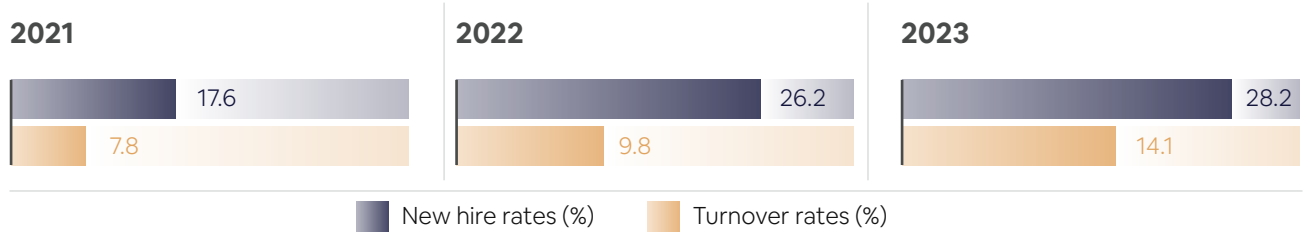
TOTAL NUMBER OF NEW HIRES



TOTAL NUMBER OF EMPLOYEE TURNOVER



RATES OF NEW HIRES AND TURNOVER





SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Employee Management (cont'd)

Our approach and performance (cont'd)

- Employee Engagement and Initiatives**

Alongside prioritising employees' health and safety, Teladan places significant emphasis on their mental well-being. We firmly believe that fostering an active lifestyle is essential for improving our employees' health and overall well-being, thereby nurturing a positive and dynamic workplace culture. As dedicated advocates of achieving a healthy work-life balance, we proactively arrange various engagement initiatives aimed at fostering camaraderie and boosting work productivity. Some of the employee engagement activities conducted in FY 2023 include:



Annual Dinner



Annual Dinner



Festive Celebrations



Buffet Ramadan at Swiss Garden



Christmas Party at Teladan New Office

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Employee Management (cont'd)

Our approach and performance (cont'd)

- *Employee Engagement and Initiatives (cont'd)*



Sports and Recreational Activities



Sports Day for the foreign workers



Sports Day for the foreign workers



Rehda Bowling Tournament



Health Screening



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Employee Management (cont'd)

Our approach and performance (cont'd)

- *Employee Engagement and Initiatives (cont'd)*



Company Trip



Company Trip to Bangkok



Other Events



Wisma Teladan Opening Ceremony



Team Building

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)


Employee Management (cont'd)

Our approach and performance (cont'd)

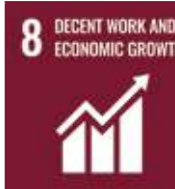
- **Employee Engagement and Initiatives (cont'd)**

A highlight event for the Group this year is the Sport Day event tailored for foreign workers, which integrates a tree planting initiative. This activity unites Teladan’s employees with members of the local community, fostering camaraderie and collaboration towards a common goal of cultivating a positive workplace environment and ensuring a sustainable future.


Related UNSDGs:



1 NO POVERTY
End poverty in all its forms everywhere.



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



4 QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



10 REDUCED INEQUALITIES
Reduce inequality within and among countries

Diversity, Equity and Inclusion

Teladan remains steadfast in its commitment to championing a nurturing work environment that vehemently opposes any form of unlawful discrimination. This stance holds true regardless of factors such as race, colour, gender, religion, age, disability, or any other legally protected classification. Our unwavering commitment extends to fostering a culture that upholds inclusivity and equal opportunities for all our employees. This environment enables them to grow and succeed to the best of their abilities.

Our approach and performance

Aligned with our dedication to fostering diversity and equality, we acknowledge that cultivating an inclusive workplace culture requires continual effort and engagement. Our Code of Conduct policy expressly prohibits any form of harassment or discrimination based on protected grounds. Our objective is to establish an environment where employees of all backgrounds feel welcome, valued, and empowered to contribute their unique perspectives and talents. In FY 2023, we have recorded zero cases of complaints regarding human rights violations.

	2021	2022	2023
Number of substantiated complaints concerning human rights violation	0	0	0

Moreover, we endeavour to promote equal opportunities for career advancement and leadership roles. Our talent management process encompasses regular skills assessments and career development planning for all employees, irrespective of their gender, race, religion, age, or other personal characteristics. We firmly believe that by offering equal opportunities for professional growth, we can attract and retain the most talented individuals and enhance our overall business performance.



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Workplace (cont'd)

Diversity, Equity and Inclusion (cont'd)

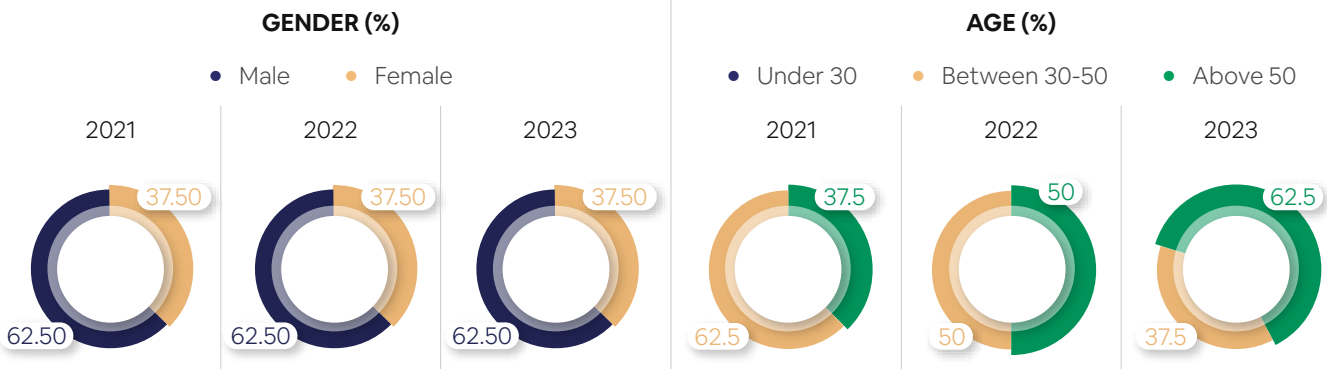
Our approach and performance (cont'd)

As part of our commitment to diversity, we routinely review our workforce data to pinpoint areas for enhancement and ensure progress towards our objectives. In FY 2023, we are proud to announce that our female directors continue to maintain a consistent percentage of over 30%. Additionally, our workforce comprises more females compared to males, with a ratio of 57.75% to 42.25%. While we acknowledge that there is still room for improvement, we remain dedicated to ongoing initiatives aimed at advancing diversity, equity, and inclusion across all facets of our operations.

The charts below illustrate the Group's board diversity performance and workforce profile.

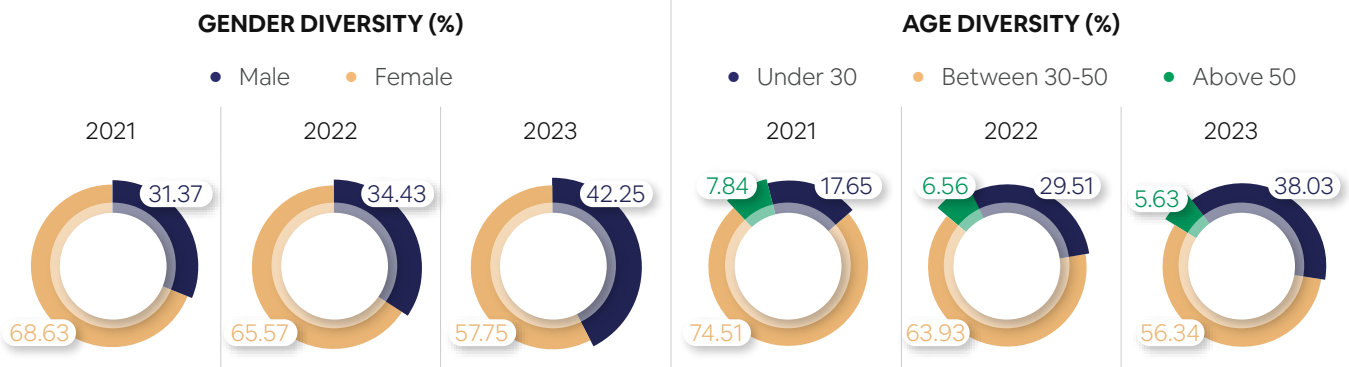
Board Diversity

Total Directors of 8 in FY 2023



Workforce Profile

Total Employees of 71 in FY 2023



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

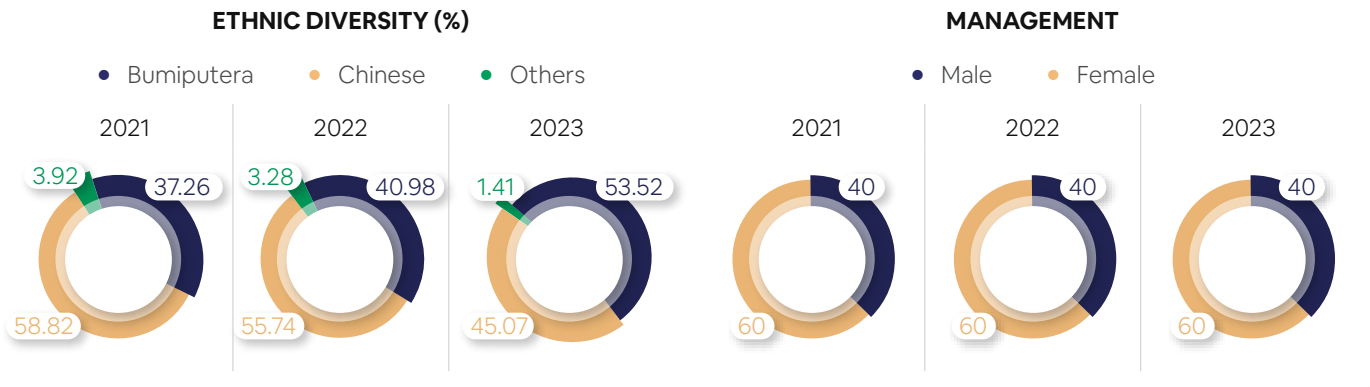
Workplace (cont'd)

Diversity, Equity and Inclusion (cont'd)

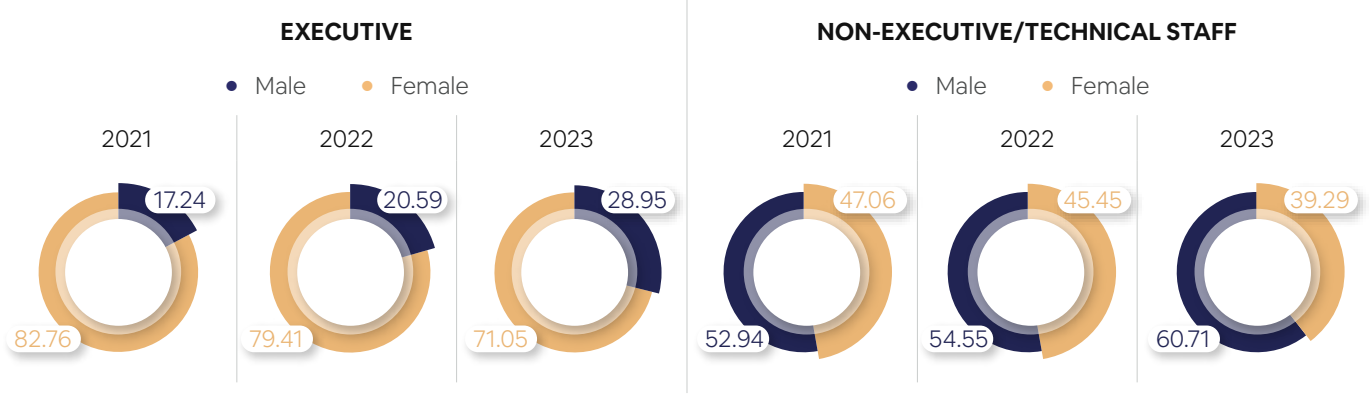
Our approach and performance (cont'd)

Workforce Profile (cont'd)	Gender Diversity by Employee Category (%)
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Total Employees of 71 in FY 2023



Gender Diversity by Employee Category (%) (cont'd)
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SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

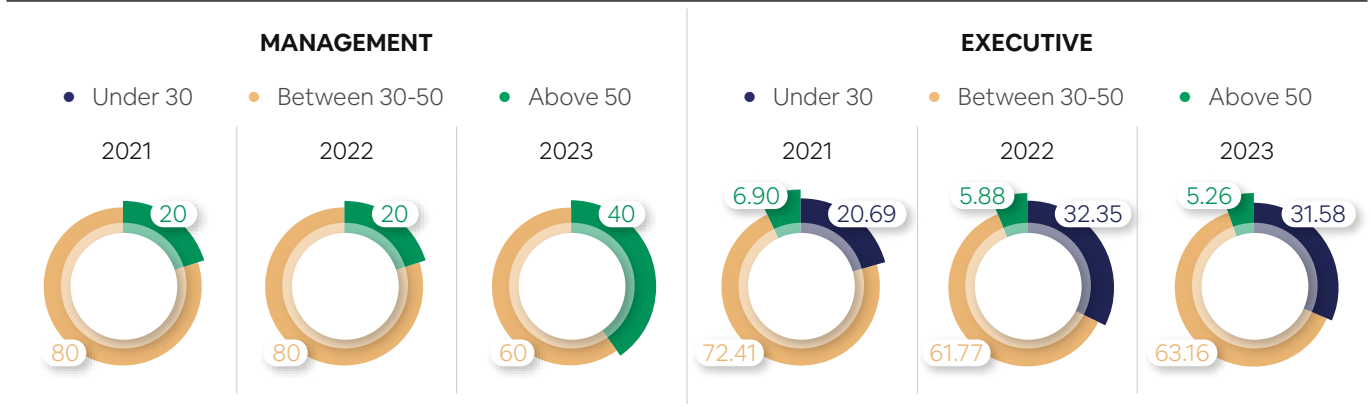
Management Approach for Material Matters (cont'd)

Workplace (cont'd)

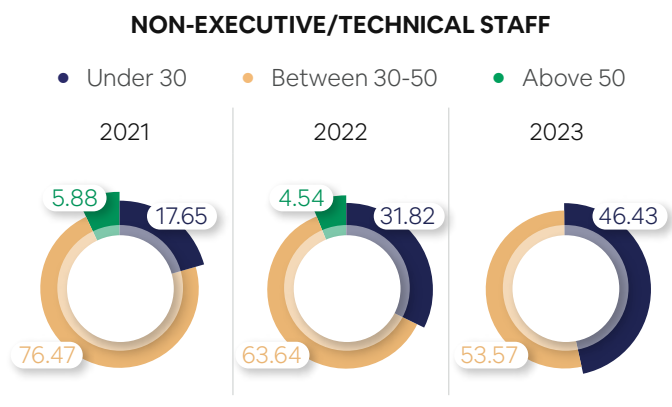
Diversity, Equity and Inclusion (cont'd)

Our approach and performance (cont'd)

Age Diversity by Employee Category (%)




Age Diversity by Employee Category (%) (cont'd)




Related UNSDGs:

5 GENDER EQUALITY



Achieve gender equality and empower all women and girls.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)



Community

Contributing to local community development

Contributing to Local Communities/CSR

Acknowledging the importance of building strong bonds between businesses and communities to promote social inclusion and achieve sustainable positive results, Teladan is dedicated to actively connecting with the community through diverse programmes. Our objective is to enhance our brand image and reputation while efficiently addressing their concerns and requirements. Our dedication to the community surpasses mere satisfaction and delivering excellent products and services; it entails educating them about our business principles and fostering confidence in our endeavours. Furthermore, our involvement in welfare-driven initiatives aimed at improving local communities further strengthen our relationship with them.

Our approach and performance

In line with our dedication to promoting environmental consciousness, we orchestrated a tree planting event in conjunction with our Sports Day for foreign workers at Taman Desa Bertam. This event had involved both our staff, foreign workers from our contractors and members of the community, totalling 133 participants. This endeavour resulted in the successful planting of 12 Pokok Melaka trees. Our aim is to foster a greener, more sustainable environment for future generations while uniting the community towards this shared objective. We firmly believe that even small actions can yield significant impacts, and through such initiatives and gatherings, we strive to make a meaningful difference in our communities.



Tree planting initiative



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Community (cont'd)

Contributing to Local Communities/CSR (cont'd)

Our approach and performance (cont'd)

Furthermore, this collaborative approach not only enhances our relationship with the community but also contributes to the overall welfare of the local area. In FY 2023, Teladan invested MYR 167,768.75 to community causes.



Tree planting initiative

Teladan holds firm to the belief that mutual assistance can significantly benefit society. In the fiscal year 2023, the Group further demonstrated this commitment by offering our parking facilities to TzuChi Melaka whenever they hosted events.



Parking spaces provided for TzuChi Melaka

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Community (cont'd)

Contributing to Local Communities/CSR (cont'd)


Our approach and performance (cont'd)

The chart and table below depict the Group's contribution to the community in the past three years.

Total Amount Invested in The Community Where The Target Beneficiaries are External to Teladan (MYR)		Total number of beneficiaries (institutions and categories) of the investment in the communities	
2021	157,199.00	2021	16
2022	256,452.85	2022	47
2023	167,768.75	2023	45

Related UNSDGs:

4 QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.





SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Community (cont'd)

Customer Satisfaction

At Teladan, we understand the utmost significance of customer satisfaction. Therefore, we place a strong emphasis on prioritising customer feedback. We firmly believe that customers are central to the growth and prosperity of our organisation. With this in mind, we are committed to continuously enhancing customer satisfaction by actively seeking and valuing their feedback. Our dedication to improving customer satisfaction is evident through our steadfast focus on upholding high-quality standards across all our products and services. By integrating customer feedback into our procedures and practices, we strive not only to meet but to surpass customer expectations, fostering enduring relationships founded on trust and contentment.

Our approach and performance

In FY 2023, we conducted customer satisfaction surveys twice, focusing on the launch of new projects and project handovers. These surveys were made available in three languages – Bahasa Malaysia, Mandarin, and English, to accommodate our customers’ language preferences. The purpose was to gather feedback and effectively address our customers’ concerns, providing us with valuable insights into their needs and expectations. This enables us to enhance our products and services offerings accordingly. Additionally, we are dedicated to aligning our offerings with sustainability principles, aiming not only to improve customer satisfaction

but also to contribute positively to environmental and social outcomes.

Furthermore, prior to handing over properties, we conduct comprehensive briefings with customers to explain the handover procedure and after-sales service. During these sessions, we furnish customers with vital information regarding their new residences, including maintenance and warranty particulars. Moreover, we offer customers the opportunity to inspect their new homes alongside our representatives during the handover phase. This facilitates the identification of any potential defects or issues, which we endeavour to resolve promptly. Our objective is to ensure that our customers are thoroughly satisfied with their new homes and harbour confidence in the quality of our craftsmanship.

We believe that effective communication and transparency are essential for ensuring our customers’ optimal experience. Consequently, we maintain continual communication with our customers throughout the handover process and thereafter, furnishing them with regular updates and addressing any concerns they may have. Our ultimate aim is to surpass our customers’ expectations and forge enduring relationships founded on trust and excellent service. Through this initiative, we seek to underscore our commitment to responsible business practices and meet the evolving expectations of our customers in an increasingly sustainability-conscious world.

Related UNSDGs:

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)



Environment

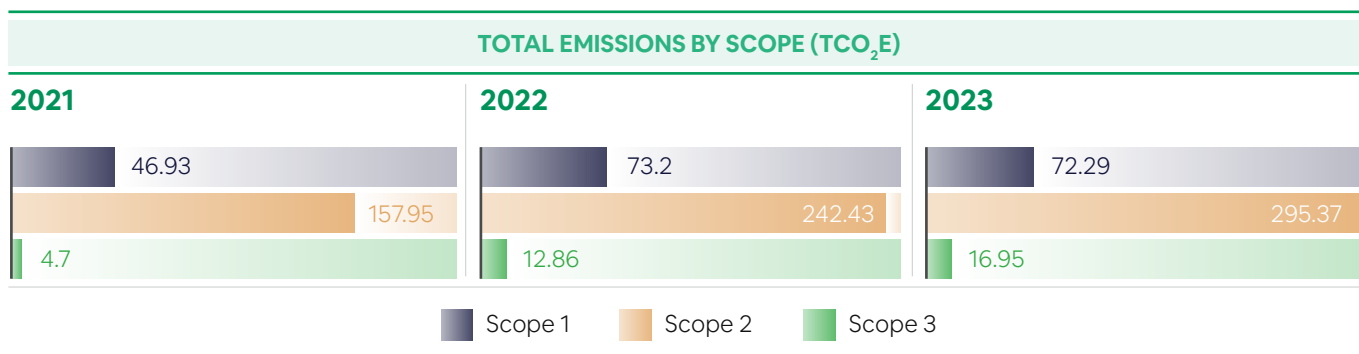
Improving our environment by utilising greener alternatives

Climate Change (Energy Management and Emissions)

As a company committed to environmental stewardship, we prioritise making meaningful contributions to the environment. Understanding the significant influence of our energy usage and greenhouse gas emissions on climate change, we are steadfast in developing our business in a sustainable and responsible manner. Our dedication extends to participating in endeavours that advance environmental conservation and yield benefits for both the present and future. We actively implement and advocate for eco-friendly initiatives aimed at diminishing our carbon footprint. Moreover, we welcome opportunities that emerge during the shift towards a low-carbon economy.

Our approach and performance

Given the elevated importance of addressing climate change within the ESG frameworks, the Group is steadfast in enhancing our environmental performance over time and adhering to all pertinent environmental regulations. Acknowledging our status as property developers, we recognise that our operations tend to be energy intensive. Consequently, there is a potential to generate high levels of greenhouse gas (“GHG”) emissions, primarily stemming from energy consumption through direct combustion of fossil fuels like diesel, petrol, and liquefied petroleum gas (Scope 1 and 3), as well as purchased electricity (Scope 2). Our total emissions by scope are as follows:



Total emissions by scope (tCO ₂ e)	2021	2022	2023
Scope 1 (the Group’s vehicle fuel consumption)	46.53*	73.20*	72.29
Scope 2 (electricity consumption)	157.95*	242.43*	295.37
Scope 3 (staff claim)	4.70*	12.86*	16.95

* Restated due to the internal management review and application of new data methodology.

We have also diligently tracked the Group’s total energy consumption, noting a recorded figure of 1,363.24 GJ, reflecting a slight increase compared to the previous year due to heightened operational activities.

	2021	2022	2023
Total energy consumption (GJ)	729.02	1,118.90	1,363.24



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Environment (cont'd)


Climate Change (Energy Management and Emissions) (cont'd)

Our approach and performance (cont'd)

Moreover, we are strategically implementing pollution prevention initiatives to mitigate GHG emissions and combat the impacts of climate change. One such initiative involves the establishment of an energy-saving programme aimed at reducing the duration, labour, and energy consumption involved in our sales process. Typically, the sales process spans one to two days, encompassing property viewing, form completion, unit confirmation, and confirmation transmission to headquarters, either physically or via email. However, through digitalisation, we have streamlined this process to just 30 minutes.

Additionally, we are promoting carpooling among our employees by designating reserved parking spaces for participants. This effort aligns with our commitment to sustainable practices and reducing our carbon footprint. As we continue to integrate environmentally friendly initiatives, we remain steadfast in our dedication to fostering a greener and more sustainable future.


Related UNSDGs:



11 SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient and sustainable.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.



13 CLIMATE ACTION
Take urgent action to combat climate change and its impacts.

Waste Management

The property development industry is a significant contributor to the millions of tonnes of construction waste generated annually; a figure projected to surpass 3.4 billion metric tonnes globally by 2050 if current consumption rates persist. This alarming trend has detrimental effects on natural ecosystems, leading to resource depletion, soil degradation, and compromised water quality due to uncontrolled landfill runoff.

As a Group committed to environmental sustainability, we understand our responsibility to minimise waste output and extend the lifespan of materials we use. Therefore, we have embraced a hierarchy-based waste management framework as the cornerstone of our circular economy initiatives. Through this approach, we aim to mitigate the environmental impact of our operations while promoting responsible resource management and fostering a more sustainable future.

Our approach and performance

Our primary objective is to minimise waste generation by reducing the volume of materials utilised in our operations. To achieve this goal, we have adopted the 6R approach, which includes reusing, reducing, repairing, refusing, recycling, and reimagining. This approach aligns with the principles of the circular economy and emphasises the importance of sustainable waste management.

Additionally, we prioritise raising awareness among our employees regarding the significance of sustainable waste management practices. We strongly advocate for the reduction, reuse, and recycling of materials, particularly within our office and sales gallery spaces, to promote efficient waste management practices.

Through effective and responsible waste management, we aim to mitigate the environmental impact of our operations while contributing to the preservation of natural resources and safeguarding human health. Our commitment to sustainable waste management underscores our dedication to corporate responsibility and environmental stewardship.

Furthermore, in compliance with the Department of Environment's ("DOE") Environmental Quality (Scheduled Wastes) regulation 2005, we adhere to stringent record-keeping and monitoring practices. This ensures proper storage and disposal by licensed contractors at designated landfills. In FY 2023, our total waste generation at our corporate office amounted to 40.57 MT, recorded from August to December 2023 due to changes in building infrastructure. Moving forward, we will diligently monitor our waste management starting from FY 2024 and implement necessary initiatives whenever possible.

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Management Approach for Material Matters (cont'd)

Environment (cont'd)

Waste Management (cont'd)


Our approach and performance (cont'd)

	2021	2022	2023
Waste diverted from disposal	N/A	N/A	N/A
Waste directed to disposal	N/A	N/A	N/A
Total waste generated (MT)	N/A	N/A	40.57

Related UNSDGs:



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.



13 CLIMATE ACTION
Take urgent action to combat climate change and its impacts.

Water Management

High water consumption poses significant risks to water resources and can result in wastewater contamination, compromising water quality. This not only disrupts ecosystem functions but also negatively impacts local communities. Therefore, our commitment to reducing total water consumption involves actively promoting and implementing water-saving practices. Through these efforts, we aim to mitigate risks and contribute to preserving water quality and the well-being of both ecosystems and communities.


Our approach and performance

In FY 2023, the Company's average annual water consumption stood at 15,563 cm³. Despite our relatively modest water consumption, we recognise that every endeavour to conserve this precious resource is invaluable. Hence, we have instituted various strategies aimed at promoting water conservation within our organisation. These initiatives include raising employee awareness regarding the importance of water conservation and the installation of a rainwater harvesting system on the premises' roof. Through these proactive measures, we aspire to make a positive impact on the preservation of water resources and the safeguarding of local ecosystems and communities.

Total volume of water used (cm ³)	
2021	1,131*
2022	11,678*
2023	15,563

* Restated due to the internal management review and application of new data methodology.

Related UNSDGs:



6 CLEAN WATER AND SANITATION
Ensure availability and sustainable management of water and sanitation for all.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Performance Data Table

Indicator	Unit	2021	2022	2023	Target
Economic Performance					
<i>Economic value generated (e.g., revenue and other income)</i>	MYR'000	199,372	255,365	276,685	
<i>Economic value distributed (e.g., cost of sales, operating costs, payment to providers of capital, and payment to government)</i>	MYR'000	166,635	220,059	249,642	
<i>Economic value retained</i>	MYR'000	32,737	35,306	27,043	
Cybersecurity and Data Protection					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	0	0	0	
Sustainable Supply Chain Management					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	100	100	
Anti-Corruption					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	100	100	100	
Executive	Percentage	100	100	100	
Non-executive/Technical Staff	Percentage	100	100	100	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	N/A	100	100	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	
Health and Safety					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	N/A	N/A	N/A	
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	0	71	

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Performance Data Table (cont'd)

Indicator	Unit	2021	2022	2023	Target
Labour Practices and Standards/Employee Management					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	107	335	199.5	
Executive	Hours	182.5	791	754	
Non-executive/Technical Staff	Hours	62.5	174	411.5	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	0	0	0	
Executive	Number	3	2	10	
Non-executive/Technical Staff	Number	1	4	0	
Diversity, Equity and Inclusion					
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	
Bursa C3(a) Percentage of employees by gender and age group by employee category					
Gender group by employee category					
Management - Male	Percentage	40	40	40	
Management - Female	Percentage	60	60	60	
Executive - Male	Percentage	17.24	20.59	28.95	
Executive - Female	Percentage	82.76	79.41	71.05	
Non-executive/Technical Staff - Male	Percentage	52.94	54.55	60.71	
Non-executive/Technical Staff - Female	Percentage	47.06	45.45	39.29	
Age group by employee category					
Management - Under 30	Percentage	0	0	0	
Management - Between 30-50	Percentage	80	80	60	
Management - Above 50	Percentage	20	20	40	
Executive - Under 30	Percentage	20.69	32.35	31.58	
Executive - Between 30-50	Percentage	72.41	61.77	63.16	
Executive - Above 50	Percentage	6.90	5.88	5.26	
Non-executive/Technical Staff - Under 30	Percentage	17.65	31.82	53.57	



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Performance Data Table (cont'd)

Indicator	Unit	2021	2022	2023	Target
Diversity, Equity and Inclusion (cont'd)					
Bursa C3(a) Percentage of employees by gender and age group by employee category (cont'd)					
Age group by employee category (cont'd)					
Non-executive/Technical Staff - Between 30-50	Percentage	76.47	63.64	46.43	
Non-executive/Technical Staff - Above 50	Percentage	5.88	4.54	0	
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	62.50	62.50	62.50	
Female	Percentage	37.50	37.50	37.50	
Under 30	Percentage	0	0	0	
Between 30-50	Percentage	62.50	50	37.50	
Above 50	Percentage	37.50	50	62.50	
Bursa C6(b) Percentage of employees that are contractors or temporary staff					
	Percentage	N/A	N/A	N/A	
<i>Gender diversity - Male</i>	Percentage	31.37	34.43	42.25	
<i>Gender diversity - Female</i>	Percentage	68.63	65.57	57.75	
<i>Age diversity - Under 30</i>	Percentage	17.65	29.51	38.03	
<i>Age diversity - Between 30-50</i>	Percentage	74.51	63.93	56.34	
<i>Age diversity - Above 50</i>	Percentage	7.84	6.56	5.63	
<i>Ethnic diversity - Bumiputera</i>	Percentage	37.26	40.98	53.52	
<i>Ethnic diversity - Chinese</i>	Percentage	58.82	55.74	45.07	
<i>Ethnic diversity - Indian</i>	Percentage	0	0	0	
<i>Ethnic diversity - Others</i>	Percentage	3.92	3.28	1.41	
Contributing to Local Communities/CSR					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	157,199.00	256,452.85	167,768.75	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	16	47	45	

SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY (CONT'D)

Performance Data Table (cont'd)

Indicator	Unit	2021	2022	2023	Target
Climate Change (Energy Management and Emissions)					
Bursa C4(a) Total energy consumption	Gigajoules	729.02	1,118.90	1,363.24	
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	46.53*	73.20*	72.29	
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	157.95*	242.43*	295.37	
Bursa C11 (c) Scope 3 emissions in tonnes of CO ₂ e (i.e., business travel and employee commuting)	tCO ₂ e	4.70*	12.86*	16.95	
Waste Management					
Bursa C10(a) Total waste generated	Metric tonnes	N/A	N/A	40.57	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	N/A	N/A	N/A	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	N/A	N/A	N/A	
Water Management					
Bursa C9(a) Total volume of water used	Cubic centimetre	1,131*	11,678*	15,563	
<i>Internal assurance</i>	<i>External assurance</i>	<i>No assurance</i>	<i>(*) Restated</i>		

Note: *Italicised fonts represent indicators other than those under the common material matters.*



SUSTAINABILITY REPORT

ASSURANCE STATEMENT

To bolster the credibility of our Sustainability Statement, specific sections have been subjected to the following:

- Internal Review by the Group's Management Internal Audit Team
- Independent Assurance exempted for the first year in accordance with recognised standards for selected indicators and has been approved by the Company's Audit Committee

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Internal Review by Management Internal Audit Team	Economic Performance	Direct economic value generated and distributed	Operations assessed: Malaysia	Currently in review by the management team.
	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category		
		Percentage of operations assessed for corruption-related risk		
	Cybersecurity and Data Protection	Confirmed incidents of corruption and action taken		
		Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		
Employee Management	Total hours of training by employee category			
	Total number of employee turnover by employee category			

Moving forward, we are committed to enhancing the accuracy and quality of our data to bolster our disclosures. We aim to achieve this by subjecting all indicators to independent assurance over the next five years. This proactive approach underscores our dedication to transparency and accountability in our sustainability reporting practices.

- * *Note: In preparing the Subject Matter mentioned above, Teladan applied the following criteria:*
- *IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles*
 - *Teladan's relevant policies and procedures*

SUSTAINABILITY REPORT

LOOKING FORWARD

Teladan is proud to be recognised as a responsible publicly listed company that places transparency and integrity at the forefront of our business operations. Our Sustainability Statement serves as a cornerstone for communicating with stakeholders, providing valuable insights into our sustainability initiatives. To uphold this commitment, we have implemented robust policies such as the Anti-Bribery and Corruption Policy and Whistleblowing Policy. Our unwavering stance against fraudulent behaviour, bribery, corruption, money laundering, and insider trading reflects our zero-tolerance approach to unethical practices. By adhering to these core values and principles, we aim to foster trust and confidence among our stakeholders while fulfilling our responsibilities as a responsible corporate entity.


















Furthermore, we are guided by our core value of “*ESHI*”, derived from the Mandarin words *意识* and *意思*, symbolising quality empowerment to bring about life transformation from within to the world. Our aim is to empower communities while incorporating green technologies into our projects. As we endeavour to unite communities sharing a common commitment to creating a sustainable future, we remain committed in delivering excellence in our products and enriching the lives of communities.

Moving forward, our management remains steadfast in enhancing our capabilities to better address customer needs and promote sustainable practices throughout our operations. Our continued focus on sustainability builds upon the progress we have made in reducing our environmental footprint and engaging stakeholders on social and ethical issues. Through these ongoing efforts, we are committed to creating long-term value for all stakeholders while making positive contributions to society and the environment.



SUSTAINABILITY REPORT

RELATIONSHIP WITH UNSDGS

Sustainable Development Goals	Main Activity	Detailed Information
 No Poverty	Providing equal work opportunities	<ul style="list-style-type: none"> Workplace
 Zero Hunger	-	-
 Good Health and Well-being	Safe working environment	<ul style="list-style-type: none"> Workplace
 Quality Education	Training and development for employees	<ul style="list-style-type: none"> Workplace Community
 Gender Equality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
 Clean Water and Sanitation	Promoting water conservation	<ul style="list-style-type: none"> Environment
 Affordable and Clean Energy	-	-
 Decent Work and Economic Growth	Good management	<ul style="list-style-type: none"> Economic Marketplace Workplace Community
 Industry, Innovation, and Infrastructure	Fostering innovation and adopting new technologies	<ul style="list-style-type: none"> Marketplace Community
 Reducing Inequality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
 Sustainable Cities and Communities	Implementation of energy saving initiatives	<ul style="list-style-type: none"> Environment
 Responsible Consumption and Production	Promise to deliver safe and quality products	<ul style="list-style-type: none"> Marketplace Environment
 Climate Action	Reduce CO2 emission	<ul style="list-style-type: none"> Environment
 Life Below Water	-	-
 Life On Land	-	-
 Peace, Justice, and Strong Institutions	Anti-corruption, cybersecurity and data protection	<ul style="list-style-type: none"> Marketplace Governance
 Partnerships for the Goals	Sustainability report initiative	<ul style="list-style-type: none"> Looking Forward

SUSTAINABILITY REPORT

TCFD-ALIGNED DISCLOSURES

(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)

TCFD Recommendation	Teladan Disclosure	Reference
Governance – Disclose the organisation’s governance around climate-related risks and opportunities		
a) Describe the Board’s oversight of climate -related risks and opportunities	<ul style="list-style-type: none"> · Risk management Board skills and experience – climate change · Sustainability Management Team – role and focus 	<ul style="list-style-type: none"> · Chairman Statement · Governance
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> · Risk management Climate change – managing risk and opportunity · Sustainability Management Team – role and focus FY 2023 	<ul style="list-style-type: none"> · Governance · Supply Chain Management · Environment
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> · Risk management – Risk factors (climate change, greenhouse gas emissions and energy) · Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> · Materiality Matrix
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	<ul style="list-style-type: none"> · Risk management – Risk factors (climate change, greenhouse gas emissions and energy) · Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> · Materiality Matrix
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> · Climate change – evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> · Energy Management & Emissions
Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> · Risk management 	<ul style="list-style-type: none"> · Materiality Matrix
b) Describe the organisation’s processes for managing climate-related risks.	<ul style="list-style-type: none"> · Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> · Materiality Matrix · Energy Management & Emissions
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation’s overall risk management.	<ul style="list-style-type: none"> · Risk management non-financial KPIs – sustainability KPIs · Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> · Materiality Matrix · Energy Management & Emissions



SUSTAINABILITY REPORT

TCFD-ALIGNED DISCLOSURES (CONT'D)

(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)

TCFD Recommendation	Teladan Disclosure	Reference
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – Operational emissions Climate change – Scope 3 emissions 	<ul style="list-style-type: none"> Energy Management & Emissions
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance Climate change – Scope 3 emissions performance Climate change data 	<ul style="list-style-type: none"> Energy Management & Emissions
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance FY2023 performance outcomes 	<ul style="list-style-type: none"> Energy Management & Emissions

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 Group Berhad (**“TGB”**) 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 2023 (**“CG Report”**), which is made available on the Company’s website at

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

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

Preamble

- The Company has successfully transfer its listing from ACE Market to Main Market of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) with effect from 2 January 2024.
- 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 2023 (**“FY2023”**) 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

- For avoidance of doubts, the applicable regulation for this Statement shall be the ACE LR as the Company was still listed on ACE Market of Bursa Securities for FY2023.
- That in compliance with Rule 15.15(1) of the ACE LR of Bursa Securities and the MCCG, the Board is pleased to present this Corporate Governance Overview Statement.



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	
Practice 1.1 Key Responsibilities of the Board	<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. 	
Practice 4.1 The Board and management take responsibility for the governance of sustainability in the company	Environmental, Social and Governance (“ESG”) considerations <ul style="list-style-type: none"> The Board has been proactively raising sustainability awareness, in particular the ESG issues during Board meetings. 	
Practice 5.2 At least half the Board comprises independent directors	50%	Independent Non-Executive Directors (“ INEDs ”)
	25%	Non-Independent Non-Executive Directors (“ NINEDs ”)
	25%	Executive Directors (“ EDs ”)
Practice 5.8 Nominating Committee is chaired by an independent director or Senior Independent Director	<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. 	
Practice 6.1 Formal and objective evaluation on Board, its Committees and each individual director	<ul style="list-style-type: none"> Facilitated by the Company Secretary, the Directors have been completing the assessment forms at their convenience and the results were compiled by the Company Secretary for review and analysis. 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. 	
Step Up Practice 10.3 The Board establish a Risk Management Committee, which comprises a majority of independent directors to oversee the company’s risk management framework and policies	<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. 	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I: Board Responsibilities

(1) Board Functions and Activities

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

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

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

Strategy planning	<ul style="list-style-type: none"> • The Board provides direction and has in place a strategy planning process, where management presents its recommended strategy and business plans to the Board for review and approval before implementation. • During the FY2023, the Board reviewed the sustainability, effectiveness and implementation of the land banking strategy for the year and provided guidance and input to Management.
Overseeing the conduct of the Group's business	<ul style="list-style-type: none"> • The Managing Director (“MD”) and the Executive Director are responsible to oversee the day-to-day management of the Group's business and operations. The MD and the Executive Director are assisted by various departmental heads in monitoring daily activities and further supported by the management and other committees established within the Group's management framework. The Management's performance is monitored and assessed by the Board through management reports which are tabled to the Board on a periodic basis. These reports include a brief summary of business operations and comprehensive financial performance. • The Board also required regular Management updates of key strategic initiatives and operational issues within the Group.
Identifying principal business risks and ensuring the implementation of appropriate systems to manage risks	<ul style="list-style-type: none"> • The Board has established Risk Management Committee (“RMC”), a Board-level Committee to determine and put in place a robust process for identifying, reporting, managing and monitoring potential high risk faced by the Group, apart from reviewing the risk management policies. • RMC would also make feasible recommendation to the Board for establishing adequate and appropriate controls over the organisation, as well as advise the management in executing the appropriate action plan. • During the Applicable Period, the RMC has identified the following key risks which would pose an impact to the Group:- <ul style="list-style-type: none"> • Political Risk • Manpower Risk • Strategic Risk • Sustainability Risk • Interest Rate Risk • Cash Flow Risk • Bribery Risk
Succession planning	<ul style="list-style-type: none"> • The Board, with the assistance of the Nominating Committee (“NC”), ensures that an appropriate framework and plan for succession within the Group are in place. • The Board has also entrusted the MD with the responsibility to review candidates, compensation packages and oversee development for key senior management personnel.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part I: Board Responsibilities (cont'd)

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

Shareholders' Communication Policy and Activities

- The Company recognised the importance of communication to the stakeholders. The objective of such communication proves to forge a quality public performance and increases awareness and confidence of interested parties towards the Company. The Board endeavours to ensure that pertinent information such as annual reports, quarterly reports, and announcements are released on a timely basis via:
 - Bursa Securities' website
 - TGB's website
 - General Meetings
- In addition, the Board noted company-endorsed press releases would also be released in conjunction of the issuance of quarterly reports and/or to supplement the announcement(s) on corporate activities, in order to furnish stakeholders with accurate reporting and disclosures.

Reviewing the adequacy and integrity of management information and internal controls system of the Group

- The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system.
- The Board has established Board-level Committees such as Audit Committee ("**AC**"), Risk Management Committee with specific terms of reference to assist with the regular oversight and reporting on internal controls and regulatory compliance.
- The internal audit function has been outsourced to an independent consulting firm and the AC regularly reviews and scrutinises the audit reports.
- For the FYE 2023, details relating to the internal control system and review of effectiveness were available in the Statement on Risk Management and Internal Control as set out in this Annual Report.
- For FYE 2023, the Board has met and held 6 meetings in line with the business, operational and compliance needs of the Group. There were established procedures on the agenda, content and presentation of reports for each meeting so that all pertinent information would be included for deliberation.

Environmental, Social and Governance ("ESG") initiatives and Sustainability Governance

- In line with the MCCG, the oversight of ESG initiatives and sustainability governance has been elevated to the Board level.

(2) Role of Company Secretaries

2 Company Secretaries



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

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

Continuous Professional Development

- The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, capital market, corporate governance, other pertinent matters and with changes in the same regulatory environment, through continuous training and industry updates.
- During the FYE 2023, the Company Secretaries have attended relevant development and trainings programmes as required by MAICSA for practicing chartered secretaries to enhance their ability in discharging their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part I: Board Responsibilities (cont'd)

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

Qualifications	Unrestricted access to the Company Secretaries	Salient duties of the Company Secretaries
<ul style="list-style-type: none"> Both are members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 (“the Act”). Both the Company Secretaries have also obtained their practising certificates issued by the Companies Commission of Malaysia pursuant to Section 241(1) of the Act. Details of the qualifications and experience of the Company Secretaries are set out in Practice 1.5 of the CG Report, which are available for viewing on the Company’s website at https://teladan.my/investor-relations/investor-centre-reports/. 	<ul style="list-style-type: none"> Every Director has ready and unrestricted access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board. The Directors were regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements issued by regulatory authorities and its implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretaries also play a key role to facilitate communication between the Board and Management. 	<ul style="list-style-type: none"> Statutory duties as required under the Act, ACE LR of Bursa Securities and Capital Market and Services Act 2007; Attending Board meetings and Board Committee meetings, Ensuring that Board meetings and Board Committee meetings, respectively are properly convened and the proceedings are properly recorded; Ensuring timely communication of the Board level decisions to the Management for further action; Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations; Maintaining records for the purpose of meeting statutory obligations; Facilitating the provision of information as may be requested by the Directors from time to time and ensuring adherence to Board policies and procedures; Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee’s notation; Assisting the Board with the preparation of announcements for release to Bursa Securities; and Rendering advice and support to the Board and Management.

For FYE 2023, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

(3) Supply and Access to Information and Advice

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

Ready access to information	<ul style="list-style-type: none"> The Board may obtain all information pertaining to TGB from the Management and/or Company Secretaries.
Notification of Board Meetings	<ul style="list-style-type: none"> The notice of the Board meeting is served at least seven (7) days prior to the Board meeting.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part I: Board Responsibilities (cont'd)

(3) Supply and Access to Information and Advice (cont'd)

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

Dissemination of Board Papers	<ul style="list-style-type: none"> Relevant Board papers were disseminated to all Directors at least five (5) days prior to the Board meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company.
Independent Professional Advices	<ul style="list-style-type: none"> 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. The Board's right to seek independent advices have been enshrined in the Board Charter.
Minutes of Board/ Committee Meetings	<ul style="list-style-type: none"> All pertinent issues discussed at the meetings in arriving at decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities. Representatives of Management have also been invited to attend Board meetings to furnish the Group with updates of their respective functions and to discuss on issues that may be raised by the Directors. Minutes of the Board/Board Committees Meetings have been accurately recorded by the Company Secretaries to reflect the deliberations, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities. The Minutes was then tabled at the next following Board/Board Committees Meetings for perusal and confirmation. Upon Committee/Directors' confirmation, the Chairman of the Board/Board Committee Meetings signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Act.

(4) Demarcation of Responsibilities

i) Board Charter

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part I: Board Responsibilities (cont'd)

(5) Good Business Conduct and Corporate Culture

i) Code of Conducts and Ethics

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

ii) Whistleblowing Policy

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

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

Designated Persons:-

<p>For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:</p> <p>AC Chairperson</p> <p>Ms. Foo Yit Lan at email address: foo.yl@teladan.my</p>	<p>For employment-related concerns, one can report directly to the following designated person(s):</p> <p>1) Chairman of the Board</p> <p>Mr. Roy Thean Chong Yew at email address: roy.thean@teladan.my</p> <p>2) Managing Director</p> <p>Mr. Teo Lay Ban at email address: ricteo@teladan.my</p> <p>3) Financial Controller</p> <p>Ms. Ng Mih Fern at email address: ng.mf@teladan.my</p>	<p>For any concerns from the shareholders/stakeholders and/or whistleblowing, one can email to the following designated Director:</p> <p>Senior Independent Non-Executive Director</p> <p>Ms. Madeline Lee May Ming at email address: madeline.lee@teladan.my</p>
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For the FYE 2023, none of the designated persons have received any reports or concerns via the abovementioned communication and feedback channels.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part I: Board Responsibilities (cont'd)

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

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

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

iv) Sustainability risks and opportunities

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

Part II: Board Composition

(6) Board’s Objectivity

i) Composition of the Board

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

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

ii) Board Tenure, Board Diversity and Key Senior Management

a) Tenure of INED

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

b) Policy of Independent Director's Tenure

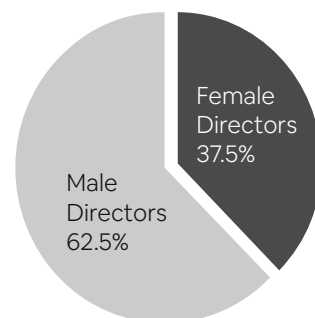
The Company observed the good governance practice which limits the tenure of the INED to nine (9) years as stated in the Board Charter.

c) Diversity of the Board and Key Senior Management

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

d) Boardroom Diversity Policy

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





CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

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

iii) NC

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

(a) Composition

The NC consists of three (3) members, all of whom are INEDs and the composition of the NC is as follows:

Members	Designation	Number of NC meetings attended/held during the FYE 2023
Madeline Lee May Ming	Chairperson	1/1
Foo Yit Lan	Member	1/1
Annandan A/L Chandran	Member	1/1

(b) Chair of NC

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

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

iii) NC (cont'd)

(c) Summary of Works

- In compliance with the provision of the Rule 15.08A(3) of the ACE LR of Bursa Securities, the activities of the NC for the FYE 2023 are set out in Practices 5.3, 5.5, 5.6, 5.7 and 5.10 of the CG Report.
- The following works were undertaken by the NC during the FYE 2023:
 - Examined the composition of the Board and Board Committees.
 - Reviewed the required mix of skills, experience, gender diversity and other qualities of the Board.
 - Reviewed the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
 - Reviewed the independence of the Independent Non-Executive Directors and assessed their abilities to bring independent and objective judgement to Board's deliberations and proposals.
 - Assessed the fit and proper, and suitability of the Directors who were standing for re-election at the 5th AGM of the Company and recommended the same to the Board for approval.

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

- The Board adopts the concept of independence in tandem with the definition of INED as prescribed under Rule 1.01 of the ACE LR. The Board also carries out an annual assessment of the independence of its INEDs through the assistance of the NC for the FYE 2023.
- Upon review, the Board considers that its INEDs provide an objective and independent view on various issues dealt with at the Board and Board Committees level. All the Independent Non- Executive Directors are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement.

(e) Re-election of Directors

(i) 1/3 Rotation

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

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

iii) NC (cont'd)

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

(i) 1/3 Rotation (cont'd)

- Pursuant to Clause 21.7 of the Constitution of the Company, the following Directors are to retire at the forthcoming 5th AGM (hereinafter referred to as **"the Retiring Directors"**):-
 - Mr. Teo Lay Ban;
 - Ms. Teo Siew May; and
 - Ms. Foo Yit Lan.
- The NC has conducted the following assessment based on the criteria as prescribed by the ACE LR of Bursa Securities (**"Prescribed Criteria"**) for the Retiring Directors:-
 - Mix of skills;
 - Character;
 - Experience;
 - Integrity;
 - Competence; and
 - Time commitment to discharge their roles.
- The NC, as guided by the Directors' Assessment Policy and Directors' Fit and Proper Policy, has undertaken a formal assessment of the Retiring Directors using the Prescribed Criteria as well as non-Prescribed Criteria such as the following:-
 - State of participation at the Board Committee(s)/ Board Meeting(s); and
 - Advice/ Guidance rendered to the Board Committee(s) and/or Board based on individual experience and background.
- Being satisfied with the performance of the Retiring Directors, the NC and in turn, the Board has recommended to shareholders, their re-election at the forthcoming 5th AGM of the Company.

(ii) Casual Vacancy

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

Upon review, the Board noted no Director would be retiring under this category at the forthcoming 5th AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part II: Board Composition (cont'd)****(7) Overall Board Effectiveness****(i) Annual Evaluation of the Board**

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

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

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

(ii) Board Meetings

During the FYE 2023, a total of six (6) 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	6/6	100%
Mr. Teo Lay Ban	6/6	100%
Mr. Annandan A/L Chandran	6/6	100%
Ms. Foo Yit Lan	6/6	100%
Ms. Madeline Lee May Ming	6/6	100%
Mr. Sia Ah Piew	6/6	100%
Mr. Teo Lay Lee	6/6	100%
Ms. Teo Siew May	6/6	100%

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

(iii) Time commitment

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

(7) Overall Board Effectiveness (cont'd)

(iii) Time commitment (cont'd)

For FYE 2023, the attendance rate of the Board members for Board and Board Committee Meetings were as follows:-

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

- Upon review, the Board is satisfied with the time commitment rendered by the Directors for FYE 2023.
- In respect of board directorship at public listed companies, all Directors do not hold more than five (5) directorships in public listed companies as stipulated under the ACE LR. If any Director wishes to accept a new directorship in the public listed companies, the Chairman will be informed beforehand together with indication of time that will be spent on the new appointment.
- For FYE 2023, the Company did not receive any such notification from any Director.

(iv) Directors' Training

During the FYE 2023, the Directors had attended the following training programmes:

Directors	Training(s) Attended
Mr. Roy Thean Chong Yew	<ul style="list-style-type: none"> • Bursa Malaysia Immersive Session – The Board “Agender” • Rise of the Chatbots: Artificial Intelligence and the Future of Accounting. • MIA International Accountants Conference 2022 • Mandatory Accreditation Programme Part II – Leading for Impact (LIP) • ESG Briefing – Sustainability Reporting Awareness & Development 2023 • Russell Bedford Malaysia’s 2024 Budget Seminar
Mr. Teo Lay Ban	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II – Leading for Impact (LIP)
Mr. Annandan A/L Chandran	<ul style="list-style-type: none"> • Championing Diversity Equity and Inclusion • Why ESG? A Governance Perspective • Mandatory Accreditation Programme Part II – Leading for Impact (LIP)
Ms. Madeline Lee May Ming	<ul style="list-style-type: none"> • Directors’ Training workshop on Financial Reporting • Ship Arrest and the New Norm in Malaysia • Intellectual Property Implications on ChatGPT • Issues and Developments to Companies Act 2016 • Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Tax considerations in M&A Transactions • AI and Crypto Assets: A brave new Frontier or an Absolute Conundrum for IP Practitioner? • Hybrid Conference on Corporate and Commercial Law

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part II: Board Composition (cont'd)

(7) Overall Board Effectiveness (cont'd)

(iv) Directors' Training (cont'd)

Directors	Training(s) Attended
Ms. Foo Yit Lan	<ul style="list-style-type: none"> • Technical updates on MFRS 2022/2023 • Post Budget 2023 • Chapter 10 - Transactions with 3rd party and related party • MIA International Accountants Conference 2023 • Sales Tax Compliance for registrants, exemption reports and audit risks • Putting people, profit and Planet on Par : Shifting business priorities for a better world • SSM National Conference 2023 : Shared responsibility in strengthening AML/CFT compliance • IFRS sustainability standards : are you ready? • Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Board Oversight of climate risks and opportunities • ESG matters @ ACCA : Integrating sustainability into financial planning & decision making • 2024 Budget seminar • GHG Accounting Essentials - measuring your carbon footprint • Briefing on ESG by consultant, ASAP Advisory PLT • AOB's conversion with Audit Committee • IIA Malaysia - Bursa Malaysia's enhanced conflict of interest disclosure
Mr. Sia Ah Piew	<ul style="list-style-type: none"> • Introduction to Effective OHS Management System • Rehda Melaka Briefing Session Series 1/2023 • Property Development Process 2023 • Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Industrial Development Masterclass • Malaysia Property Law Conference 2023 • Lean Construction
Mr. Teo Lay Lee	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
Ms. Teo Siew May	<ul style="list-style-type: none"> • Green and sustainable finance, opportunities and challenges • Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Code of Ethics for Professional Accountants

Upon review, the Board noted for the FYE 2023, the Directors have collectively attended 45 development and training programmes in accordance to their individual needs to enhance their ability in discharging their duties and responsibilities more effectively.

2024 Training Needs

Upon review of the training needs of the Directors for the financial year ending 31 December 2024 and recognising the need to keep abreast with the fast-changing business and regulatory environment, the Board has encouraged its members to attend at least one (1) continuing education programme.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part III: Remuneration

(8) Remuneration Packages

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

(9) RC

(a) Function

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

(b) Composition

The RC consists of three (3) 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 2023
Mr. Annandan A/L Chandran	Chairman	3/3
Ms. Foo Yit Lan	Member	3/3
Ms. Madeline Lee May Ming	Member	3/3

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part III: Remuneration (cont'd)****(10) Directors' Remuneration**

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the FYE 2023 are as follows:

(a) Group

Name of directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Other emoluments RM'000	Total RM'000
Independent Non-Executive Directors							
Roy Thean Chong Yew	84.0	8.5	-	-	-	-	92.5
Annandan A/L Chandran	48.0	10.0	-	-	-	-	58.0
Madeline Lee May Ming	48.0	10.0	-	-	-	-	58.0
Foo Yit Lan	48.0	17.0	-	-	-	-	65.0
Non-Independent Non-Executive Directors							
Teo Lay Lee	120.0	3.5	-	-	-	-	123.5
Teo Siew May	120.0	3.5	-	-	-	-	123.5
Executive Directors							
Teo Lay Ban	-	-	840.0	980.0	81.9	219.6	2,121.5
Sia Ah Piew	-	-	384.0	768.0	44.0	145.9	1,341.9

(b) Company

Name of directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Other emoluments RM'000	Total RM'000
Independent Non-Executive Directors							
Roy Thean Chong Yew	84.0	8.5	-	-	-	-	92.5
Annandan A/L Chandran	48.0	10.0	-	-	-	-	58.0
Madeline Lee May Ming	48.0	10.0	-	-	-	-	58.0
Foo Yit Lan	48.0	17.0	-	-	-	-	65.0



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Part III: Remuneration (cont'd)

(10) Directors' Remuneration (cont'd)

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the FYE 2023 are as follows (cont'd):

(b) Company (cont'd)

Name of directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Other emoluments RM'000	Total RM'000
Non-Independent Non-Executive Directors							
Teo Lay Lee	48.0	3.5	-	-	-	-	51.5
Teo Siew May	48.0	3.5	-	-	-	-	51.5
Executive Directors							
Teo Lay Ban	-	-	-	-	-	-	-
Sia Ah Piew	-	-	-	-	-	-	-

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

The top five senior management's remuneration component including salaries, allowance, bonus, benefits and other emoluments are as follows:-

Name	Position	Salary RM'000	Allowance RM'000	Bonus RM'000	Benefits RM'000	Other emoluments RM'000	Total RM'000
Teo Lay Ban	Managing Director	800-850	0-50	950-1,000	50-100	200-250	2,100-2,150
Sia Ah Piew	Executive Director	350-400	0-50	750-800	0-50	100-150	1,300-1,350
Ng Mih Fern	Financial Controller	100-150	0-50	50-100	0-50	0-50	250-300
Tong Siok Meng	Head of Marketing	100-150	0-50	300-350	0-50	50-100	550-600
Goh Fong Kim	Account Manager	100-150	0-50	100-150	0-50	0-50	300-350

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

(12) AC

(a) Composition

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(12) AC (cont'd)

(b) Financial Literacy

- Upon review on the performance of the AC for the FYE 2023, the Board noted all members of the AC were financially literate and have the relevant accounting, finance and/or related financial experience and expertise to effectively discharge their duties.
- The qualification and experience of the individual AC members are disclosed in the Directors' Profile in this Annual Report.

(c) AC Report

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

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

- The AC is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the External Auditors.
- The Board has adopted policies and procedures to assess the suitability, objectivity and independence of the external auditors ("**EA Policy**") which set out the criteria to enable the AC to conduct its evaluation impartially.
- Evaluation of the External Auditors is carried out on a yearly basis to determine its continuance suitability, objectivity and independence via a formal assessment form. The AC remains confident that the objectivity and independence of the External Auditors are not in any way impaired by reason of the non-audit services provided to the Group.
- The Board, through the AC, maintains a formal and transparent relationship with its External Auditors in seeking professional advice.
- The AC met up with the External Auditors without the presence of the Executive Board members and Management twice for FYE 2023 regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.
- For the FYE 2023, the AC and Board have assessed the provision of the non-audit services rendered by the affiliates of the EA.
- The External Auditors confirmed their independence to the AC and that there was no conflict of interest for the audit and non-audit services engagement during the FYE 2023.

(14) Risk Management and Internal Control

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(15) Corporate Reporting

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

(16) Communication with Stakeholders

(a) Communication Channels

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

(b) Official Spokesperson

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

(c) Corporate Website

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

(17) Conduct of General Meetings and Participation at AGM

(a) Notice of AGM

- The Notice of the forthcoming 5th AGM would be issued not less than twenty-eight (28) days prior to the AGM so as to enable the shareholders to have full information about 5th AGM and to facilitate informed decision-making. Full explanation of the effects of proposed resolution(s) of any special business would also be accompanying such Notice.
- **Publication of Notice of AGM on corporate website**
In addition to the publication on a national daily newspaper, pursuant to Section 320(2) of the Companies Act 2016, a copy of the Notice of AGM together with the proxy form would be made available at the corporate website of Teladan Group Berhad at <https://teladan.my/investor-relations/investor-centre-reports/>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

(b) Directors' Commitment

All Directors of the Company have committed to be present at the Company's 5th AGM to answer any questions that the shareholders may ask, be it physical, virtual or hybrid meeting.

(c) Poll Voting and remote shareholders' participation

For the 4th AGM of the Company held on 9 June 2023, it was conducted on a physical basis and the resolutions tabled at the 4th AGM were all voted by poll.

Key CG future priority for Financial Year ending 31 December 2024 ("FYE 2024")

Upon review, the Board has outlined its key CG priorities for FYE 2024 as follow:-

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

COMPLIANCE WITH MCCG

The Board is satisfied that during the FYE 2023, 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 13.3: Listed companies should leverage technology to facilitate-
 - voting including voting in absentia; and
 - remote shareholders' participation at general meetings.

The departure of the above practice would be explained in the CG Report. As a mitigating measure, the Company shall be conducting on 2024 AGM on a virtual basis by leveraging on the technology provided for remoting participation and remote voting facility offered by identified Poll Administrator.

This Statement and the CG report are made in accordance with a resolution of the Directors passed on 9 April 2024.



DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

This Statement of Directors' Responsibility for preparing the financial statements is approved by the Board of Directors on 9 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds

No proceed were raised by the Company from any corporate proposal during the financial year ended 31 December 2023.

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 2023 (“**FYE 2023**”), 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 2023	21,000	147,500
Tax fees in respect of FYE 2023	4,500	36,100
Review of the Statement on Risk Management and Internal Control for Annual Report 2023	3,600	3,600
Total	29,100	187,200

4. Material Contracts

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



AUDIT COMMITTEE REPORT

Preamble




- The Company has successfully transfer its listing from ACE Market to Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) with effect from 2 January 2024.
- That this Audit Committee Report has been prepared for the financial year ended 31 December 2023 (“**FY2023**”), when the Company was still listed on the ACE Market of Bursa Securities. In view thereof, unless otherwise specifically indicated, the applicable regulation for this Statement shall be the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Securities.
- That in compliance with Rule 15.15(1) of the ACE LR of Bursa Securities and the Malaysian Code on Corporate Governance 2021 (“**MCCG**”), the Board is pleased to present this Audit Committee (“**AC**”) Report in order to provide insights on the discharge of the AC’s functions during the FY2023.

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 2023:-



MCCG Practice	Applications by Teladan	
<p>Practice 9.1</p> <p>Chairman of the Audit Committee is not chairman of the Board</p>	<p>Chairman</p>  <p>Mr. Roy Thean Chong Yew</p>	<p>Chairperson of AC</p>  <p>Ms. Foo Yit Lan</p>
<p>Practice 9.2</p> <p>Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)</p>	<p>Incorporated in the TOR of AC</p>	
<p>Practice 9.3</p> <p>Policies & Procedures to assess the suitability, objectivity and independence of external auditors</p>	<p>EA Policy & Procedures established</p>	
<p>Step-up Practice 9.4</p> <p>The Audit Committee comprises solely of independent directors</p>	<p>The AC comprises solely of three (3) Independent Non-Executive Directors (“INEDs”)</p> 	

AUDIT COMMITTEE REPORT

AUTHORITY (CONT'D)

Compliance Dashboard (cont'd)

The AC is pleased to provide below a snapshot of the key CG compliance by the AC for the FYE 2023 (cont'd):-

MCCG Practice	Applications by Teladan
<p>Practice 9.5</p> <p>AC Members possess wide range of skills and financially-literate</p>	<p>AC members with diverse background, experience and skills, being financially-literate and able to understand the financial reporting process</p> 
<p>Practice 11.1</p> <p>Effective and independent internal audit function</p>	<p>Appointed outsourced independent internal auditors, Needsbridge Advisory Sdn. Bhd. (“Needsbridge”) to undertake internal audit activities</p> 

COMPOSITION

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. All of the members of the AC satisfied the test of independence under the ACE LR and also met the requirements of the MCCG.

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

The current composition of the AC is as follows:-

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

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

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



AUDIT COMMITTEE REPORT

COMPOSITION (CONT'D)

Assessment on the Term of Office and Performance of the AC

The Nominating Committee (“**NC**”) had on 26 February 2024, 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 2023.

Upon review, the NC is satisfied with the overall performance of the AC and its individual members for FYE 2023. The NC had reported the outcome of assessment to the Board of Directors (“**Board**”) for notation.

Formal assessment on the External Auditors

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

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

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

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

Upon assessment, the AC is satisfied with Messrs. RSM Malaysia PLT’s technical competency, effectiveness, suitability and independence during the financial year under review and has recommended to the Board for the latter’s re-appointment for FYE 2024. The Board, in turn, has recommended the same for shareholders’ approval at the forthcoming Fifth (5th) Annual General Meeting (“**5th AGM**”) of the Company.

MEETINGS AND ATTENDANCES

The AC held a total of five (5) meetings during the FYE 2023 and the attendance of the members during the financial year under review were as below:-

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

The lead audit partner of the external auditors responsible for the Group had attended three (3) AC Meetings held in FYE 2023.

The external auditors were encouraged to raise to the AC, any matters they considered important to bring to the AC’s attention. For FYE 2023, two (2) private sessions were held between the AC with the external auditors without the presence of the Executive Board members and management personnel.

AUDIT COMMITTEE REPORT

MEETINGS AND ATTENDANCES (CONT'D)

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

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

All deliberations during the AC Meetings were duly minutes. 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 adopted by the Board on 23 December 2019 and revised on 20 November 2023, which is in line with the ACE LR and MCCG.

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

SUMMARY OF WORKS

During the FYE 2023, 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 2022, 31 March 2023, 30 June 2023 and 30 September 2023 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 2022 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 2023 prepared by the external auditors, entailing mainly the key audit matters, overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group.
- Met two (2) times with the external auditors without the presence of the Executive Directors and management personnel.



AUDIT COMMITTEE REPORT

SUMMARY OF WORKS (CONT'D)

2. Oversight of External Auditors (cont'd)

- 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 2023, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for FYE 2023 and recommended the same for the Board’s approval.
- Received assurance of independence by the engagement partner and his engagement team.

3. Oversight of Internal Audit Function

- Received assurance of independence by the engagement partner of NeedsBridge and his engagement team.
- Reviewed the risk-based Internal Audit Plan for the Group prepared by NeedsBridge for FYE 2023.
- Reviewed the Internal Audit Reports for the FYE 2023 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 2023.

4. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the AC Meetings.
- Review the disclosures in AC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and Corporate Overview Statement for inclusion in the Annual Report 2022.
- Deliberated and noted the key observations of the internal audit function of the Company.
- Received assurance from the Managing Director and Financial Controller on the status of internal control system of the Group for FYE 2023.

5. Review of Related Party Transactions and Conflict of Interests (if any)

- 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 2023, the Board is satisfied that the AC has carried out their responsibilities and duties in accordance with the AC’s TOR.

AUDIT COMMITTEE REPORT

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 2023, 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 2023

During FYE 2023, the summary of works undertaken by the internal auditors comprised the followings:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- The internal audits performed met the objective of highlighting to the AC the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and
- 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 2023

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2023 was amounted to RM43,000.



AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

(4) Continuing Education Programmes/ Trainings attended by AC

During FYE 2023, 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

- ACCA: Technical Updates on MFRS 2022/2023
 - ACCA Virtual: Post Budget 2023
 - MIA Webinar Series: Chapter 10 – Transaction with 3rd Party and Related Party
 - MIA International Accountants Conference 2023
 - MIA Webinar Series: Sales Tax Compliance for Registrants, Exemption Reports and Audit Risk
 - ACCA: Putting People, Profit and Planet on Par: Shifting Business Priorities for a Better World
 - ACCA: IFRS Sustainability Standards: Are you Ready?
 - MIA 2024 Budget Seminar
 - ACCA: GHG Accounting Essentials – Measuring Your Carbon Footprint
 - Securities Commission's Audit Oversight Board Conversation with AC
 - Director's Training Workshop on Financial Reporting
 - Tax Consideration in M&A Transactions
-

This AC Report is made in accordance with a resolution passed by the Board of Directors on 9 April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Preamble

- The Company has successfully transfer its listing from ACE Market to Main Market of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) with effect from 2 January 2024.
- That this Statement on Risk Management and Internal Control has been prepared for the financial year ended 31 December 2023 (**"FY2023"**), when the Company was still listed on the ACE Market of Bursa Securities. In view thereof, unless otherwise specifically indicated, the applicable regulation for this Statement shall be the ACE Market Listing Requirements (**"ACE LR"**) of Bursa Securities.

INTRODUCTION

Pursuant to Rule 15.26(b) and Guidance Note 11 of the ACE LR of Bursa Securities 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 Group Berhad (**"TGB"** or **"the Company"**) (collectively with its subsidiaries, **"the Group"**) is pleased to present the statement on the state of risk management and internal controls of the Group for FY2023. 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. Thereafter, 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, it 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 the internal control system and good management practices in the pursuits of its mission, vision, core values, strategies and business objectives. The Board maintained a continuous commitment to identifying, evaluating and managing significant risks and opportunities faced by the Group systematically during the financial year under review. The Board had put in place a formal Group Risk Management Framework, as the governance structure and processes for enterprise-wide risk management, in order to embed risk management practices into all levels of the Group and to manage key business risks faced by the Group as well as to optimise key business opportunities available to the Group adequately and effectively as the second line of defense. Duties for the identification, evaluation and management of the key business risks and opportunities are delegated to the RMWG comprising the Managing Director, Executive Director and Heads of Departments.

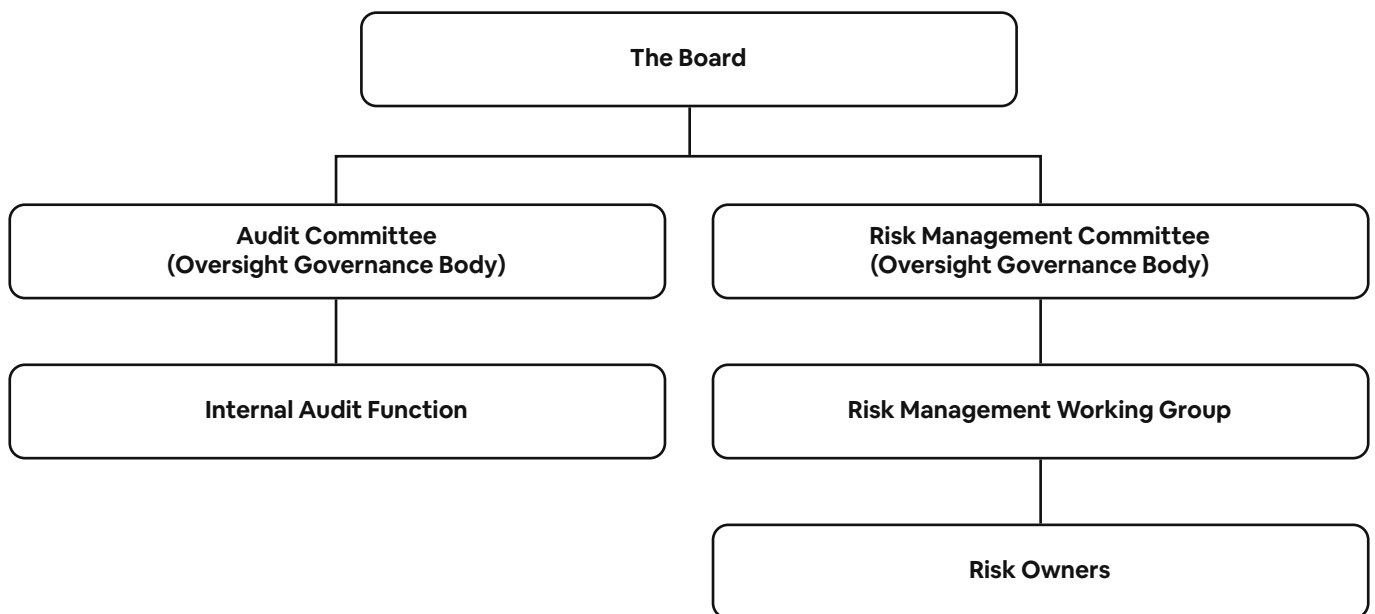


STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

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 are as follows:-



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:-

- implement the Group Risk Management Framework as approved by the Board;
- 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 communicating the risk management methodology to the Risk Owners;
- 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;
- 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;
- update the Board, through the RMC, on changes to the Key Risk Registers on a periodical basis (at least on an annual basis) or when appropriate (e.g. due to significant changes to the internal business processes, business strategies or external environment) and the courses of action to be taken by management in managing the changes; and
- 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:-

- manage the risks of the business processes under his/her control;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

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

- (b) continuously identify risks and evaluate existing controls. If controls are 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 changes in the existing business risks on a timely manner;
- (d) to assist the RMWG in the development of management action plans and implement these action plans;
- (e) assist the RMWG with the update (at least annually) of the changes in the Key Risks Register, management action plans and the statuses of these plans;
- (f) ensure that staff working under him/her understand the risk exposure of the relevant processes under his/her duty and the importance of the related controls; and
- (g) ensure adequacy of training for staff on risk and opportunity management.

A 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 the RMWG and Risk Owners. Risk and opportunity assessment, at gross and residual levels, are guided by the likelihood rating and impact rating established by the Board based on the risk appetite accepted by the Board. Based on the risk management process, Key Risk Registers were compiled by the 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 are 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 risk and opportunity 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 levels 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 update exercise whereby existing strategic, governance, financial, fraud and key operational risks as well as opportunities of the Company and all operating subsidiaries were assessed, reviewed and updated into the Key Risk Registers for on-going risk and opportunities monitoring. Key Risk Profile (including 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 results were reported to the Board, which assumes the primary responsibility for risk management of the Group.

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

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

The monitoring of risk management conducted 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 audit plan reviewed by the AC.

The above process has been practised 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 explained as follows:-

- **Board of Directors/Board Committees**

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

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

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

- **Integrity and Ethical Value**

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

Integrity and ethical value expected from the employees are incorporated in the Employee Handbook whereby ethical standards expected from employees are stated. Codes of conduct expected from employees when carrying out their assigned duties and responsibilities are also established and formalised in the Employee Handbook.

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

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.

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 levels 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 minimise the impact of any abrupt departure of key personnel.

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 the employees' job description, these guidelines clearly define 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

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

The Group had put 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 be communicated timely, reliably and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders. Apart from that, relevant financial and management reports are generated for different levels of management and employee for their review and decision making. Management and board meetings are held for effective two-way communication of information at different levels of management and the Board.

Communication of policies and procedures of the Group are conducted via written format, electronic mail system and/or 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 or 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, when deemed necessary, 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 contain key financial results are presented to the Board for their review. Financial performance reports are also presented by the Managing Director and Financial Controller during the Board's meeting to assess the financial performance of the Group.

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

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

INTERNAL AUDIT FUNCTION

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 the assurance it requires in respect of the adequacy and effectiveness of the Group's system on risk management and internal control. To uphold the professional firm's independence and objectivity, the outsourced internal audit function reports directly to the AC. At least once annually, the AC will meet with the outsourced internal audit function without the presence of Management to promote free flow of information.

The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global. The engagement director, Mr. Lau Min Wei, is a professional member of the Institute of Internal Auditors Malaysia. During the financial year under review, the resources allocated to the fieldwork of the internal audits 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

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

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

To preserve 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 the internal audit function and review of work performed and deliverables from 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 FY2023 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 cycle within the internal audit plan is specific with regard to the audit objectives, key risks to be assessed and scopes of the internal control review.

As the third line of defense, the internal control review procedures performed by the outsourced internal audit function were designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk structures, control structures and processes. Recommendations were formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consisted of process evaluations through interviews with relevant personnel involved in the process under review, reviews of the standard operating procedures and/or process flows provided as well as observations of the functioning of processes in compliance with results of interviews, documented standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the audit 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 FY2023, in accordance with the internal audit plan reviewed and approved by the AC for execution, the outsourced internal audit function had conducted:

- a review of the Group's internal controls on project management, with the scope focused on site-related activities (including the management of contracts, construction progress, quality control, claims and safety and health);
- a review of the Group's internal controls on risk management; and
- two (2) follow ups on progress of action plans implementation.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

Upon the completion of each 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 statuses 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 FY2023 amounted to RM43,000.

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

The Board is committed towards maintaining an effective risk management and internal control system throughout the Group and, where necessary, putting in place appropriate action plans to further enhance the Group's risk management and internal control system and improving the risk maturity within 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 Rule 15.23 of the ACE LR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. Based on their review, nothing had come to their attention that caused them to believe this Statement was not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines and Practices 10.1 and 10.2 of the MCCG to be set out, nor that this Statement is factually incorrect.



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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 2023.

CHANGE OF NAME

The Company changed its name from Teladan Setia Group Berhad to Teladan Group Berhad, effective on 9 June 2023.

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/(loss) for the financial year attributable to:		
Equity holders of the Company	27,101,333	4,366,188
Non-controlling interest	(58,397)	-
	27,042,936	4,366,188

In the opinion of the directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

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

	RM
In respect of the financial year ended 31 December 2023:	
Interim single-tier dividend of RM0.005 per ordinary share, paid on 13 December 2023	4,048,888

The directors do not recommend any final dividend in respect of the financial year ended 31 December 2023.

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 increased its issued ordinary share capital from 807,693,902 shares to 809,857,502 shares through the issuance of 2,163,600 new ordinary shares pursuant to the conversion of Warrants at an exercise price of RM0.50 per ordinary share for cash.

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES (CONT'D)

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

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

WARRANTS

Details of the warrants are disclosed in Note 15(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

* These directors are also directors of the Company's subsidiaries

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

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Acquired	(Disposed)	
THE COMPANY				
Teo Lay Ban	335,003,762	-	-	335,003,762
Teo Lay Lee	89,478,080	500,000	-	89,978,080
Teo Siew May	89,978,080	-	-	89,978,080
Sia Ah Piew	415,000	-	-	415,000
Annandan A/L Chandran	10,000	-	-	10,000
Foo Yit Lan	78,000	-	-	78,000
Roy Thean Chong Yew	50,000	15,000	-	65,000



DIRECTORS' REPORT

DIRECTORS (CONT'D)

	At 1.1.2023	Number of warrants		At 31.12.2023
		Bonus Issue	(Exercised)	
THE COMPANY				
Teo Lay Ban	100,501,128	-	-	100,501,128
Teo Lay Lee	26,843,424	-	(500,000)	26,343,424
Teo Siew May	26,343,424	-	-	26,343,424
Sia Ah Piew	124,500	-	-	124,500
Annandan A/L Chandran	3,000	-	-	3,000
Roy Thean Chong Yew	15,000	-	(15,000)	-

The terms and conditions of the warrants are disclosed in Note 15 (b) to the financial statements.

Teo Lay Ban by virtue of his interest in the ordinary shares of the Company is also deemed to be interested in the ordinary shares of all the Company's subsidiaries to the extent that the Company has interest.

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

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from warrants issued by the Company.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown in the notes to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which a director has a substantial financial interest.

DIRECTORS' REMUNERATION

The amounts of remunerations received or receivable by the Directors of the Company during financial year are as follows:

	GROUP RM	COMPANY RM
Fees	468,000	324,000
Salaries, bonuses and other benefits	3,033,317	52,500
Defined contribution plan	356,640	-
	3,857,957	376,500

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a Directors and Officers liability insurance throughout the period, which provides appropriate insurance cover for the directors and officers of the Group. During the financial year, the total amount of insurance premium paid for the Group is RM18,000.

There was no indemnity given to or insurance effected for the auditors of the Group in accordance with Section 289 of the Companies Act 2016.

DIRECTORS' REPORT

AUDITORS' REMUNERATION

The amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	GROUP RM	COMPANY RM
Audit fees	152,400	21,000

SUBSIDIARY COMPANIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off nor any doubtful debts to be provided for; and
 - (ii) to ensure that the current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would require the write off of bad debts or the setting up of provision for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the Group's and the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.



DIRECTORS' REPORT

AUDITORS

The auditors, RSM Malaysia PLT, have expressed their willingness to continue in office.

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

TEO LAY BAN

SIA AH PIEW

Melaka

9 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	6	33,939,094	19,596,962	-	-
Right-of-use assets	7	1,781,357	923,412	-	-
Investments in subsidiaries	8	-	-	322,119,000	322,119,000
Inventories	9	337,999,571	392,830,639	-	-
Other receivables	11	8,714,172	-	-	-
Deferred tax assets	10	24,000	1,128,000	-	-
		382,458,194	414,479,013	322,119,000	322,119,000
CURRENT ASSETS					
Inventories	9	357,626,748	235,374,852	-	-
Trade and other receivables	11	53,783,688	18,192,866	75,866,451	69,175,352
Contract assets	12	16,293,224	33,991,269	-	-
Contract cost assets	13	32,696,247	30,183,349	-	-
Current tax assets		834,441	433,254	-	-
Short-term funds and deposits, cash and bank balances	14	83,728,208	132,674,298	3,291,143	8,109,186
		544,962,556	450,849,888	79,157,594	77,284,538
TOTAL ASSETS		927,420,750	865,328,901	401,276,594	399,403,538
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	399,324,933	398,243,133	399,324,933	398,243,133
Merger reserve	16	(318,369,000)	(318,369,000)	-	-
Retained earnings		438,669,428	415,616,983	1,383,946	1,066,646
Non-controlling interest		41,603	-	-	-
TOTAL EQUITY		519,666,964	495,491,116	400,708,879	399,309,779
NON-CURRENT LIABILITIES					
Bank borrowings	17	296,214,788	269,384,076	-	-
Lease liabilities	7	581,844	597,783	-	-
Hire purchase	18	-	615,846	-	-
Deferred tax liabilities	10	680,921	1,072,921	-	-
		297,477,553	271,670,626	-	-
CURRENT LIABILITIES					
Trade and other payables	19	58,935,457	62,353,218	327,246	46,259
Contract liabilities	12	89,360	1,228,880	-	-
Bank borrowings	17	48,801,880	33,308,464	-	-
Lease liabilities	7	468,615	392,918	-	-
Hire purchase	18	-	338,692	-	-
Current tax liabilities		1,980,921	544,987	240,469	47,500
		110,276,233	98,167,159	567,715	93,759
TOTAL LIABILITIES		407,753,786	369,837,785	567,715	93,759
TOTAL EQUITY AND LIABILITIES		927,420,750	865,328,901	401,276,594	399,403,538



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	20	274,074,469	253,146,341	-	-
COST OF SALES	21	(211,995,823)	(185,277,177)	-	-
GROSS PROFIT		62,078,646	67,869,164	-	-
OTHER OPERATING INCOME		2,610,672	2,218,616	7,151,483	13,210,743
OTHER OPERATING EXPENSES		(3,671,737)	(3,920,676)	-	-
ADMINISTRATIVE EXPENSES		(20,972,834)	(17,265,734)	(2,112,263)	(798,053)
FINANCE COSTS	22	(1,825,540)	(776,159)	-	-
PROFIT BEFORE TAX	23	38,219,207	48,125,211	5,039,220	12,412,690
INCOME TAX EXPENSE	24	(11,176,271)	(12,819,087)	(673,032)	(160,630)
NET PROFIT, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		27,042,936	35,306,124	4,366,188	12,252,060
ATTRIBUTABLE TO:					
Equity holders of the Company		27,101,333	35,306,124	4,366,188	12,252,060
Non-controlling interest		(58,397)	-	-	-
		27,042,936	35,306,124	4,366,188	12,252,060
Basic earnings per ordinary share (sen):	25	3.35	4.38		
Diluted earnings per ordinary share (sen):	25	2.87	3.97		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

GROUP	Note	Attributable to equity holders of the Company				Non-controlling interest RM	Total equity RM
		Share capital RM	Merger reserve RM	Retained earnings RM	Total RM		
Balance as at 1.1.2022		397,045,183	(318,369,000)	390,781,278	469,457,461	-	469,457,461
Total comprehensive income for the financial year		-	-	35,306,124	35,306,124	-	35,306,124
Issuance of ordinary shares pursuant to conversion of warrants	15(a)	1,197,950	-	-	1,197,950	-	1,197,950
Dividends	29	-	-	(10,470,419)	(10,470,419)	-	(10,470,419)
Total transactions with owners of the Company for the financial year ended 31.12.2022		1,197,950	-	(10,470,419)	(9,272,469)	-	(9,272,469)
Balance as at 31.12.2022/1.1.2023		398,243,133	(318,369,000)	415,616,983	495,491,116	-	495,491,116
Total comprehensive income for the financial year		-	-	27,101,333	27,101,333	(58,397)	27,042,936
Issuance of ordinary shares pursuant to conversion of warrants	15(a)	1,081,800	-	-	1,081,800	-	1,081,800
Changes in ownership interest in a subsidiary		-	-	-	-	100,000	100,000
Dividends	29	-	-	(4,048,888)	(4,048,888)	-	(4,048,888)
Total transactions with owners of the Company for the financial year ended 31.12.2023		1,081,800	-	(4,048,888)	(2,967,088)	100,000	(2,867,088)
Balance as at 31.12.2023		399,324,933	(318,369,000)	438,669,428	519,625,361	41,603	519,666,964

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



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

COMPANY	Note	Share capital RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Balance as at 1.1.2022		397,045,183	(714,995)	396,330,188
Total comprehensive income for the financial year		-	12,252,060	12,252,060
Issuance of ordinary shares pursuant to conversion of warrants	15(a)	1,197,950	-	1,197,950
Dividends	29	-	(10,470,419)	(10,470,419)
Total transactions with owners of the Company for the financial year ended 31.12.2022		1,197,950	(10,470,419)	(9,272,469)
Balance as at 31.12.2022/1.1.2023		398,243,133	1,066,646	399,309,779
Total comprehensive income for the financial year		-	4,366,188	4,366,188
Issuance of ordinary shares pursuant to conversion of warrants	15(a)	1,081,800	-	1,081,800
Dividends	29	-	(4,048,888)	(4,048,888)
Total transactions with owners of the Company for the financial year ended 31.12.2023		1,081,800	(4,048,888)	(2,967,088)
Balance as at 31.12.2023		399,324,933	1,383,946	400,708,879

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		38,219,207	48,125,211	5,039,220	12,412,690
Adjustments for:					
Depreciation of property, plant and equipment		1,105,586	964,848	-	-
Depreciation of right-of-use assets		747,495	230,718	-	-
Dividend income		-	-	(4,050,000)	(12,375,000)
Early termination of lease contracts		(20,703)	-	-	-
Interest expense		1,727,189	682,773	-	-
Interest expense on lease liabilities		98,351	93,386	-	-
Interest income		(1,541,878)	(1,095,454)	(3,101,452)	(835,743)
Gain on bargain purchase		-	(44,406)	-	-
Gain on disposal of property, plant and equipment		(310,642)	(502,483)	-	-
Property, plant and equipment written off		151,122	4,959	-	-
Reassessment of lease liability		-	(7,563)	-	-
Operating profit/(loss) before working capital changes		40,175,727	48,451,989	(2,112,232)	(798,053)
(Increase)/Decrease in inventories		(21,792,761)	2,491,612	-	-
(Increase)/Decrease in trade and other receivables		(34,726,820)	17,295,436	(3,706,495)	(1,229,006)
Decrease in contract assets/liabilities		16,558,525	45,197,333	-	-
Decrease in contract cost assets		43,129,656	27,789,781	-	-
(Decrease)/Increase in trade and other payables		(2,513,118)	8,490,893	280,987	17,208
		655,482	101,265,055	(3,425,508)	(1,211,798)
Cash generated from/(used in) operations		40,831,209	149,717,044	(5,537,740)	(2,009,851)
Interest paid		(1,676,384)	(682,773)	-	-
Interest received		1,541,878	1,095,454	116,848	142,976
Tax paid		(10,231,770)	(16,384,375)	(481,282)	(153,130)
Tax refunded		196,622	711,681	1,219	-
Net cash generated from/ (used in) operating activities		30,661,555	134,457,031	(5,900,955)	(2,020,005)



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary	(1,825,954)	-	-	-
Additions to inventories - land held for property development (Note 9(a)(ii))	(18,667,473)	(26,543,302)	-	-
Deposits paid for acquisition of development land	(3,883,504)	(1,881,829)	-	-
Dividend received	-	-	4,050,000	12,375,000
Placement of fixed deposits	(595,920)	(982,983)	-	-
Proceeds from disposal of property, plant and equipment	1,169,214	527,783	-	-
Purchase of property, plant and equipment (Note 6(c))	(2,204,909)	(10,720,189)	-	-
Net cash (used in)/generated from investing activities	(26,008,546)	(39,600,520)	4,050,000	12,375,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(4,048,888)	(10,470,419)	(4,048,888)	(10,470,419)
Drawdown of bank borrowings	10,000,000	3,521,664	-	-
Interest paid	(14,572,919)	(11,501,462)	-	-
Interest paid on lease liabilities	(98,351)	(93,386)	-	-
Net proceeds from issuance of ordinary shares	1,081,800	1,197,950	1,081,800	1,197,950
Payment of transaction costs on borrowings	(369,085)	(567,936)	-	-
Proceeds from issuance of shares to non-controlling interest	100,000	-	-	-
Repayment of:				
- bank borrowings	(47,541,574)	(28,268,776)	-	-
- hire purchase	-	(253,120)	-	-
- lease liabilities	(692,243)	(191,914)	-	-
Net cash used in financing activities	(56,141,260)	(46,627,399)	(2,967,088)	(9,272,469)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(51,488,251)	48,229,112	(4,818,043)	1,082,526
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	113,145,685	64,916,573	8,109,186	7,026,660
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 14)	61,657,434	113,145,685	3,291,143	8,109,186

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

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of accounting

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

The preparation of the financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5. Although these estimates and assumptions are based on the directors’ best knowledge of events and actions, actual results could differ from those estimates.

3.2 Basis of consolidation

(a) Subsidiaries

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity’s relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group’s financial statements incorporate the results, cash flows, assets and liabilities of Teladan Group Berhad (formerly known as 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.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Basis of consolidation (cont'd)

(a) Subsidiaries (cont'd)

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.

(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 previously recognised 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 difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Under the merger method of accounting, the financial statements of the subsidiary are included in the consolidated financial statements as if the business combination had occurred from the earliest date presented and that the Group has operated as a single economic entity throughout the financial periods presented in the consolidated financial statements.

The Group applies the acquisition method to account for acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by MFRS 3 *Business Combinations*).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group.

Acquisition-related costs (e.g. finder's fees, consulting fees, administrative costs, etc.) are recognised as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Group's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by MFRS.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Basis of consolidation (cont'd)

(b) Business combinations (cont'd)

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 cost directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Except for freehold land and capital work in progress, which are not depreciated, depreciation is calculated so as to write off the cost of the assets, less their estimated residual value, over their useful economic lives as follows:

Freehold building	2%
Leasehold buildings	2%
Site equipment	10%
Office equipment	10%
Renovation	10% to 20%
Furniture and fittings	10%
Motor vehicles	20%

Freehold land is not depreciated. Capital work in progress is not depreciated until the assets are ready for their intended use.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Property, plant and equipment (cont'd)

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 from 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

Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes the freehold and leasehold rights for land, amounts paid to contractors for development, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs and non-refundable commission cost.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory properties under development are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once contracted to be sold, the related costs of these inventories would be transferred to cost to fulfil contracts, and subsequently recognised in profit or loss as and when control passes to the respective purchasers. Property development costs of unsold units are transferred to completed development properties once the development is complete.

Completed development properties are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land, direct building costs, related development costs and other costs of bringing the development properties to their present location and condition.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally, no significant development work would have been undertaken on these lands other than project planning, infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to property development costs under current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**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.

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.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases (cont'd)

(b) Recognition and initial measurement (cont'd)

(i) As a lessee (cont'd)

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(c) Subsequent measurement

(i) As a lessee

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	2 to 6 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases (cont'd)

(c) Subsequent measurement (cont'd)

(i) As a lessee (cont'd)

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".

3.6 Impairment of non-financial assets

The carrying amounts of such assets, other than contract assets, are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs to sell of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit which impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit.

Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits placed with licensed banks and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, fixed deposits with maturities of more than three months and pledged deposits, if any.

3.8 Provisions

Where, at reporting date, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Provisions (cont'd)

Any reimbursement attributable to a recognised provision from a counterparty (such as an insurer) is not offset against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

3.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions cost. Ordinary shares are classified as equity.

When ordinary shares and other equity instruments are issued in a public offering or in a rights issue to existing shareholders, they are recorded at the issue price.

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

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings.

All transactions with owners of the parent are recorded separately within equity.

Dividend distribution

Dividends are recognised as liabilities when they are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity). Typically, dividends are recognised as liabilities in the period in which their distribution is approved at the Shareholders' Annual General Meeting.

3.10 Financial instruments

(a) Initial recognition and measurement

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the statements of financial position when, and only when, an entity in the Group and the Company become a party to the contractual provisions of the instruments.

If a contract is a host financial liability or a non-financial host contract that contains an embedded derivative, the Group and the Company assess whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group and the Company become a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group and the Company do not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial liability out of the fair value through profit or loss category. Embedded derivatives in host financial assets are not separated.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**3.10 Financial instruments (cont'd)****(a) Initial recognition and measurement (cont'd)**

For financial instruments subsequently measured at amortised cost and debt instruments subsequently measured at fair value through other comprehensive income, transaction costs are included in the calculation of the amortised cost using the effective interest method, in effect reducing/(increasing) the amount of interest income/(expense) recognised over the life of the instrument.

(b) Derecognition of financial instruments

For derecognition purposes, the Group and the Company first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group and the Company transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group and the Company act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group and the Company consider a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

(c) Financial assets

For the purpose of subsequent measurement, the Group and the Company classify financial assets into three measurement categories, namely: (i) financial assets at amortised cost ("AC"); (ii) financial assets at fair value through other comprehensive income ("FVOCI"); and (iii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follows:

(i) Financial assets at AC

A financial asset is measured at amortised cost if: (a) it is held within a business model whose objective is to hold the financial asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at FVOCI

A financial asset is measured at FVOCI if: (a) it is held within a business model whose objective is to hold the financial asset both to collect contractual cash flows and selling the financial asset, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Financial instruments (cont'd)

(c) Financial assets (cont'd)

After initial recognition, the Group and the Company measure financial assets, as follows (cont'd):

- (iii) Financial assets at FVPL

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the conditions specified for the AC or FVOCI model.

Other than financial assets measured at FVPL, all other financial assets are subject to review for impairment in accordance with Note 3.10(g).

(d) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

- (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.
- (iii) Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees issued are initially measured at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, they are measured at higher of: (a) the amount of the loss allowance; and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

(e) Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 3.19.

(f) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or loss are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Financial instruments (cont'd)

(g) Impairment of financial assets

The Group and the Company apply the expected credit loss (“ECL”) model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12-month ECL is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group and the Company have availed the exception to the 12-month ECL requirement to recognise only lifetime ECL.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications: (a) a 12-month ECL is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and (b) credit risk is considered to have increased significantly if payments are more than 30 days past due if no other borrower-specific information is available without undue cost or effort.

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions. The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidence of impairment), the lifetime ECL is determined individually.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers’ end-financiers.

3.11 Contract assets and contract liabilities

A contract asset is the right of the Group to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance with MFRS 9 *Financial Instruments*.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.11 Contract assets and contract liabilities (cont'd)

A contract liability is the obligation of the Group to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and downpayments received from customers and other amounts where the Group has billed before the goods are delivered or services are provided to the customers.

3.12 Contract costs

(a) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

(b) Cost to fulfil a contract

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

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

3.13 Revenue recognition

The Group's revenue comprises revenue from property development projects.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.13 Revenue recognition (cont'd)

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

For a portfolio of property development contracts with customers, when control of the promised good or service is transferred over time to the customer (and hence the performance obligation is satisfied over time), revenue is recognised in profit or loss over time or progressively by reference to the stage of completion in a performance obligation. The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

When the outcome of a performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the outcome of the performance obligation.

Revenue from sale of completed properties is recognised at a point in time upon delivery of properties where the control of the properties has been passed to the buyers.

Interest income is recognised as it accrues, using the effective interest method.

Rental income is recognised on a straight-line basis over the term of an ongoing lease.

Management fees are recognised when services are rendered.

Dividend income is recognised when the rights to receive payment is established.

3.14 Borrowing costs

Interest on borrowings to finance the purchase and development of a self-constructed qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) is included in the cost of the asset until such time as the assets are substantially ready for use or sale. Such borrowing costs are capitalised net of any investment income earned on the temporary investment of funds that are surplus pending such expenditure.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.15 Employees benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund ("EPF"). The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employees render their services. Once the contributions have been paid, the Group has no further payment obligations.

3.16 Income taxes

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only to the extent that the Group and the Company consider that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's and the Company's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year for the effects of conversion of all dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.18 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group and the Company use market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group and by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and by the Company at the end of the reporting period during which the change occurred.

3.20 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.20 Current versus non-current classification (cont'd)

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

4.1 New MFRS and amendments to MFRSs adopted

For the preparation of the financial statements, the following new MFRS and amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial years beginning on or after 1 January 2023:

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- Amendment to MFRS 17 *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 Financial Instruments – Comparative Information*
- 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 and International Tax Reform – Pillar Two Model Rules*

The amendments to MFRS 101 - *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosure of Accounting Policies* require the disclosure of ‘material’, rather than ‘significant’, accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments also clarified that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments did not result in any changes to the Group’s and the Company’s accounting policies. The previous term, “significant accounting policies” used throughout the financial statements has been replaced with “material accounting policy information”.

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONT'D)

4.2 Amendments to MFRSs not yet effective

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

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned amendments will be adopted by the Group and the Company when they become effective.

The initial application of amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and the Company.

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 make sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

5.1 Recognition of property development profits

The Group recognises property development revenue and expenses in the profit or loss by using an input method which is based on the actual cost incurred to date on the property development projects as compared to the total estimated cost for the respective development projects.

Significant judgement is required in determining the extent of property development costs incurred and the total estimated costs of property development, which is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, the Group relies on its industry knowledge, past experience and work of specialists.



NOTES TO THE FINANCIAL STATEMENTS

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

5.2 Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is written down to their estimated realisable value when their cost may no longer be recoverable such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realisable value represents the best estimate of the recoverable amount, is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. In general, such an evaluation process requires significant judgement and may materially affect the carrying amount of inventories at the end of the reporting period. Carrying amount of inventories are as disclosed in Note 9.

5.3 Income tax and deferred tax estimation

Management's judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be different from the initial estimate.

The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits being available in the future. Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Group and the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset and liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

NOTES TO THE FINANCIAL STATEMENTS

6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Freehold 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										
At 1.1.2022	5,419,902	-	1,300,187	28,624	548,783	1,710,928	500,568	4,827,706	376,303	14,713,001
Additions	-	-	-	3,940	544,236	64,750	7,602	2,310,604	8,767,907	11,699,039
Transfer from completed development properties	-	-	148,865	-	-	-	-	-	-	148,865
Disposals	-	-	-	-	(5,955)	-	-	(1,290,970)	-	(1,296,925)
Written off	-	-	-	-	-	-	(9,757)	-	-	(9,757)
At 31.12.2022/1.1.2023	5,419,902	-	1,449,052	32,564	1,087,064	1,775,678	498,413	5,847,340	9,144,210	25,254,223
Additions	1,144,177	3,772,409	31,560	950	334,835	1,689,621	1,691,066	206,003	9,374,065	18,244,686
Disposals	(770,603)	-	-	-	(87,550)	-	(59,131)	(1,152,926)	-	(2,070,210)
Written off	-	-	-	-	(137,321)	(1,710,928)	(279,889)	-	-	(2,128,138)
Reclassification to right-of-use assets	-	-	-	-	-	-	-	(2,003,078)	-	(2,003,078)
Reclassification	-	18,347,577	-	-	36,670	-	134,028	-	(18,518,275)	-
At 31.12.2023	5,793,476	22,119,986	1,480,612	33,514	1,233,698	1,754,371	1,984,487	2,897,339	-	37,297,483
Accumulated depreciation										
At 1.1.2022	-	-	231,988	14,731	335,053	1,437,692	316,994	3,632,378	-	5,968,836
Charge for the financial year	-	-	26,985	3,059	76,331	153,943	44,290	660,240	-	964,848
Disposals	-	-	-	-	(3,172)	-	-	(1,268,453)	-	(1,271,625)
Written off	-	-	-	-	-	-	(4,798)	-	-	(4,798)
At 31.12.2022/1.1.2023	-	-	258,973	17,790	408,212	1,591,635	356,486	3,024,165	-	5,657,261
Charge for the financial year	-	184,333	84,405	3,042	102,924	173,870	115,917	441,095	-	1,105,586
Disposals	-	-	-	-	(61,180)	-	(51,732)	(1,098,726)	-	(1,211,638)
Written off	-	-	-	-	(127,470)	(1,620,953)	(228,593)	-	-	(1,977,016)
Reclassification to right-of-use assets	-	-	-	-	-	-	-	(215,804)	-	(215,804)
At 31.12.2023	-	184,333	343,378	20,832	322,486	144,552	192,078	2,150,730	-	3,358,389
Net carrying amount										
At 31.12.2022	5,419,902	-	1,190,079	14,774	678,852	184,043	141,927	2,823,175	9,144,210	19,596,962
At 31.12.2023	5,793,476	21,935,653	1,137,234	12,682	911,212	1,609,819	1,792,409	746,609	-	33,939,094



NOTES TO THE FINANCIAL STATEMENTS

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

- (a) The following property, plant and equipment of the Group stated at net carrying amount are charged to licensed banks for banking facilities granted to the Group as disclosed in Note 17:

	GROUP	
	2023	2022
	RM	RM
Freehold land	5,793,476	5,419,902
Freehold building	21,935,653	-
Capital work in progress	-	9,144,210
	<hr/>	<hr/>
	27,729,129	14,564,112

- (b) Included in the net carrying amount of property, plant and equipment of the Group are the following assets which were acquired and partly financed under hire purchase arrangements:

	GROUP	
	2023	2022
	RM	RM
Motor vehicles	-	2,064,872

- (c) Details of cash outflow on acquisition of property, plant and equipment during the financial year are as follows:

	GROUP	
	2023	2022
	RM	RM
Aggregate cost of property, plant and equipment acquired	18,244,686	11,699,039
Amount financed by term loan	(15,800,000)	-
Amount financed by hire purchase arrangements	-	(865,000)
Borrowing costs capitalised	(239,777)	(113,850)
	<hr/>	<hr/>
Cash outflow on acquisition of property, plant and equipment	2,204,909	10,720,189

NOTES TO THE FINANCIAL STATEMENTS

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	Buildings RM	GROUP Motor vehicles RM	Total RM
Cost			
At 1.1.2022	854,299	-	854,299
Additions	738,213	-	738,213
Reassessment of lease liability	(194,252)	-	(194,252)
At 31.12.2022/1.1.2023	1,398,260	-	1,398,260
Reclassification from property, plant and equipment	-	2,003,078	2,003,078
Additions	13,925	-	13,925
Early termination of lease contracts	(616,492)	-	(616,492)
At 31.12.2023	795,693	2,003,078	2,798,771
Accumulated depreciation			
At 1.1.2022	(388,431)	-	(388,431)
Charge for the financial year	(230,718)	-	(230,718)
Reassessment of lease liability	144,301	-	144,301
At 31.12.2022/1.1.2023	(474,848)	-	(474,848)
Reclassification from property, plant and equipment	-	(215,804)	(215,804)
Charge for the financial year	(346,975)	(400,520)	(747,495)
Early termination of lease contracts	420,733	-	420,733
At 31.12.2023	(401,090)	(616,324)	(1,017,414)
Net carrying amount			
At 31.12.2022	923,412	-	923,412
At 31.12.2023	394,603	1,386,754	1,781,357

The Group has lease contracts for commercial properties and motor vehicles used in its operations. Lease of commercial properties has lease term of 3 years (2022: 2 to 6 years), while motor vehicles generally have lease terms between 3 to 5 years. Generally, the Group is restricted from assigning, transferring or subleasing, or creating any charge, lien or trust in respect of or disposing of the commercial properties.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the lease-asset portfolio and align with the Group's business needs. Management exercises judgment in determining whether these extension and termination options are reasonably certain to be exercised.



NOTES TO THE FINANCIAL STATEMENTS

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

(b) Lease liabilities

	GROUP	
	2023 RM	2022 RM
Non-current		
Lease liabilities	581,844	597,783
Current		
Lease liabilities	468,615	392,918
Total lease liabilities	1,050,459	990,701

The movements of lease liabilities during the financial year are as follows:

	GROUP	
	2023 RM	2022 RM
At 1 January	990,701	501,916
Additions	13,925	738,213
Reclassification from hire purchase	954,538	-
Early termination of lease contracts	(216,462)	(57,514)
Accretion of interest	98,351	93,386
Payment of:		
- Principal	(692,243)	(191,914)
- Interest	(98,351)	(93,386)
At 31 December	1,050,459	990,701

	GROUP	
	2023 RM	2022 RM
Cash outflows for leases		
<i>Included in net cash from financing activities:</i>		
Interest paid in relation to lease liabilities	98,351	93,386
Repayment of lease liabilities	692,243	191,914
Total cash outflows for leases	790,594	285,300

The maturity analysis of lease liabilities is disclosed in Note 32(ii).

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2023	2022
	RM	RM
Unquoted shares, at cost	322,119,000	322,119,000

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

Name	Principal place of business/ Country of incorporation	Interest in equity held by the Company		Principal activities
		2023 %	2022 %	
Teladan Setia Sdn. Bhd.	Malaysia	100	100	Property development and housing developer
<u>Held through Teladan Setia Sdn. Bhd.</u>				
Asal Harta Sdn. Bhd.	Malaysia	100	100	Property development
Midas Dimensi Sdn. Bhd.	Malaysia	100	100	Property developer
Riverwell Resources Sdn. Bhd.	Malaysia	100	100	Property development
Oriview Realty Sdn. Bhd.	Malaysia	100	100	Housing developer
Pavilion Link Sdn. Bhd.	Malaysia	100	100	Property development and housing developer for residential and commercial projects
Polyintan Sdn. Bhd.	Malaysia	100	100	Construction of buildings
TS Power Sdn. Bhd.	Malaysia	90	100	Management consultancy activities, operation of generation facilities that produce electric energy and other specialised construction activities

On 9 March 2023, Teladan Setia Sdn. Bhd. (“TSSB”) subscribed 899,998 of the 999,998 new ordinary shares allotted by TS Power Sdn. Bhd. (“TPSB”), for a total cash consideration of RM899,998. Following the completion of the share subscription, TPSB has become a 90% owned subsidiary of TSSB, which in turn is an indirect 90% owned subsidiary of the Company. The effective equity interest in TPSB has decreased from 100% to 90% as a result of allotment of shares to a non-controlling interest.



NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORIES

	GROUP	
	2023	2022
	RM	RM
Non-current		
Land held for property development (Note (a))	337,999,571	392,830,639
Current		
Completed development properties, at cost	33,890,425	50,815,461
Property development costs (Note (b))	323,736,323	184,559,391
	357,626,748	235,374,852

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM20,206,096 (2022: RM8,767,793).

Land held for property development (Note 9(a)) of RM279,805,948 (2022: RM341,774,551) have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 17.

Completed development properties of the Group of RM3,310,010 (2022: RM3,310,010) have been pledged with licensed banks for bank borrowing granted to the Group as disclosed in Note 17.

Included in property development costs (Note 9 (b)) and contract cost assets (Note 13(a)) are freehold and leasehold land of the Group of RM223,268,468 (2022: RM128,501,915) which have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 17.

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
GROUP				
At cost				
At 1.1.2023	42,541,881	315,832,940	34,455,818	392,830,639
Additions	52,686,162	506,069	14,501,625	67,693,856
Transfer to property development costs (Note (b))	(22,450,813)	(94,766,553)	(5,307,558)	(122,524,924)
At 31.12.2023	72,777,230	221,572,456	43,649,885	337,999,571
At 1.1.2022	35,931,819	188,892,389	17,488,483	242,312,691
Additions	9,940,388	126,940,551	18,407,020	155,287,959
Disposals	(3,330,326)	-	(1,439,685)	(4,770,011)
At 31.12.2022	42,541,881	315,832,940	34,455,818	392,830,639

NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORIES (CONT'D)

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

- (i) Included in additions incurred during the financial year are borrowing costs capitalised of RM7,768,429 (2022: RM9,154,882).
- (ii) Details of cash outflow on additions to land held for property development during the financial year are as follows:

	GROUP	
	2023	2022
	RM	RM
Aggregate cost of additions to land held for property development	67,693,856	155,287,959
Acquisition of a subsidiary	-	(13,500,000)
Amount financed by term loan	(40,347,000)	(94,300,000)
Borrowing costs capitalised	(7,768,429)	(9,154,882)
Transfer of deposit paid for acquisition of development land	(910,954)	(11,789,775)
	<hr/>	<hr/>
Cash outflow on additions to land held for property development	18,667,473	26,543,302

(b) Property development costs

	GROUP	
	2023	2022
	RM	RM
At cost		
Freehold land	136,214,274	148,795,202
Leasehold land	22,969,219	24,510,270
Development expenditure	25,375,898	58,753,707
At 1 January	184,559,391	232,059,179
Costs transferred from land held for property development (Note (a))		
Freehold land	22,450,813	-
Leasehold land	94,766,553	-
Development expenditure	5,307,558	-
	122,524,924	-
Costs incurred during the financial year		
Freehold land	378,499	-
Development expenditure	64,577,925	8,707,564
	64,956,424	8,707,564
Costs transferred to contract cost assets (Note 13)		
Freehold land	(22,187,622)	(11,801,055)
Leasehold land	(5,027,609)	(762,232)
Development expenditure	(17,820,533)	(23,080,624)
	(45,035,764)	(35,643,911)
Cost of land surrendered to authorities		
Freehold land	-	(111,143)
Development expenditure	-	(195,696)
	-	(306,839)



NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORIES (CONT'D)

(b) Property development costs (cont'd)

	GROUP	
	2023 RM	2022 RM
Transfer to completed development properties		
Freehold land	(570,564)	(668,730)
Leasehold land	-	(778,819)
Development expenditure	(3,052,349)	(18,809,053)
	(3,622,913)	(20,256,602)
Transfer from completed development properties		
Freehold land	354,261	-
At 31 December	323,736,323	184,559,391
Represented by:		
At cost		
Freehold land	136,639,661	136,214,274
Leasehold land	112,708,163	22,969,219
Development expenditure	74,388,499	25,375,898
	323,736,323	184,559,391

Included in additions incurred during the financial year are borrowing costs capitalised of RM6,591,372 (2022: RM3,062,615).

10. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2023 RM	2022 RM
At 1 January	55,079	(46,000)
Recognised in profit or loss	(712,000)	779,000
Acquisition of a subsidiary	-	(677,921)
At 31 December	(656,921)	55,079
Presented after appropriate offsetting as follows:		
Deferred tax assets	24,000	1,128,000
Deferred tax liabilities	(680,921)	(1,072,921)
	(656,921)	55,079

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	GROUP	
	2023	2022
	RM	RM
Deferred tax assets		
Property development costs	-	1,137,000
Provision	424,000	205,000
Lease liabilities	252,000	237,000
	<hr/>	<hr/>
	676,000	1,579,000
<hr/>		
Deferred tax liabilities		
Excess of net book value over tax written down value of property, plant and equipment	(228,000)	(144,000)
Contract assets	-	(77,000)
Contract cost assets	-	(404,000)
Fair value adjustment on business combination	(677,921)	(677,921)
Right-of-use assets	(427,000)	(221,000)
	<hr/>	<hr/>
	(1,332,921)	(1,523,921)
<hr/>		

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

11. TRADE AND OTHER RECEIVABLES

	GROUP	
	2023	2022
	RM	RM
Non-current		
Non-trade		
Other receivables	7,369,038	-
Prepayments	1,345,134	-
	<hr/>	<hr/>
Total other receivables	8,714,172	-
<hr/>		
Current		
Trade		
Third parties	34,437,653	6,494,071
	<hr/>	<hr/>



NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES (CONT'D)

	GROUP	
	2023 RM	2022 RM
Current		
Non-trade		
Other receivables	1,830,203	656,868
Deposits	16,042,457	10,920,551
Prepayments	1,364,177	40,300
Interest receivables	109,198	81,076
	19,346,035	11,698,795
Total trade and other receivables	53,783,688	18,192,866

	COMPANY	
	2023 RM	2022 RM
Non-trade		
Deposits	1,000	1,000
Prepayments	131,222	-
Amount due from subsidiaries	75,734,229	69,174,352
Total trade and other receivables	75,866,451	69,175,352

- (a) Included in deposits of the Group are deposits paid amounting to RM4,854,379 (2022: RM1,881,829) for the acquisition of land held for property development as disclosed in Note 30 and Note 36.
- (b) The amount due from subsidiaries represents advances and is unsecured, bears interest at 4.00% (2022: 4.00%) per annum and is recoverable on demand.

12. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2023 RM	2022 RM
Contract assets from property development	16,293,224	33,991,269
Contract liabilities from property development	(89,360)	(1,228,880)
	16,203,864	32,762,389

NOTES TO THE FINANCIAL STATEMENTS

12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

The movements of contract assets/(liabilities) from property development are as follows:

	GROUP	
	2023	2022
	RM	RM
At 1 January	32,762,389	77,959,722
Consideration payable to customers	(172,395)	1,099,575
Revenue recognised during the year	243,703,701	239,124,210
Progress billings during the year	(260,089,831)	(285,421,118)
	<hr/>	
At 31 December	16,203,864	32,762,389

Expenses borne on behalf of customers (i.e. legal fees and other expenses) are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:

	GROUP	
	2023	2022
	RM	RM
Sale of development properties	181,705,534	242,999,891

The remaining performance obligations are expected to be recognised within 1 to 2 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

13. CONTRACT COST ASSETS

	GROUP	
	2023	2022
	RM	RM
Costs to fulfil contracts with customers (Note (a))	31,475,729	28,498,267
Costs to obtain contracts with customers (Note (b))	1,220,518	1,685,082
	<hr/>	
	32,696,247	30,183,349



NOTES TO THE FINANCIAL STATEMENTS

13. CONTRACT COST ASSETS (CONT'D)

(a) Costs to fulfil contracts with customers

	GROUP	
	2023	2022
	RM	RM
At 1 January	28,498,267	19,786,163
Costs transferred from inventories – property development costs (Note 9(b))	45,035,764	35,643,911
Costs incurred during the financial year	146,343,205	145,135,222
Costs recognised in profit or loss during the financial year	(188,401,507)	(172,067,029)
	<hr/>	
At 31 December	31,475,729	28,498,267

(b) Costs to obtain contracts with customers

	GROUP	
	2023	2022
	RM	RM
At 1 January	1,685,082	2,093,422
Costs incurred during the financial year	2,923,656	4,034,015
Costs recognised in profit or loss during the financial year	(3,388,220)	(4,442,355)
	<hr/>	
At 31 December	1,220,518	1,685,082

Costs to obtain contracts with customers represent sales commission paid to intermediaries which are amortised to cost of sales when the related revenues are recognised.

14. SHORT-TERM FUNDS AND DEPOSITS, CASH AND BANK BALANCES

	GROUP	
	2023	2022
	RM	RM
At amortised cost:		
Cash and bank balances	55,039,499	102,916,345
Fixed deposits placed with licensed banks	23,342,717	22,650,789
	<hr/>	
	78,382,216	125,567,134
At fair value through profit or loss:		
Short-term funds	5,345,992	7,107,164
	<hr/>	
Balance as stated in the Statements of Financial Position	83,728,208	132,674,298
Less: Bank overdrafts	(1,947,912)	(1,671)
Less: Fixed deposits pledged with licensed banks	(19,981,951)	(19,388,937)
Less: Fixed deposits with maturity periods of more than three months	(140,911)	(138,005)
	<hr/>	
Cash and cash equivalents	61,657,434	113,145,685

NOTES TO THE FINANCIAL STATEMENTS

14. SHORT-TERM FUNDS AND DEPOSITS, CASH AND BANK BALANCES (CONT'D)

	COMPANY	
	2023	2022
	RM	RM
At amortised cost:		
Cash and bank balances	70,584	1,005,476
At fair value through profit or loss:		
Short-term funds	3,220,559	7,103,710
<hr/>		
Cash and cash equivalents	3,291,143	8,109,186

- (a) Included in cash and bank balances of the Group are amounts of RM31,545,634 (2022: RM79,126,280) held under the Housing Development Accounts (“HDA”) pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. These HDA consist of monies received from purchasers. Withdrawals from the HDA are restricted in accordance with the Housing Developers (Housing Development Account) Regulations 1991.
- (b) Fixed deposits of the Group have maturity periods of 1 to 15 months (2022: 1 to 15 months). The effective interest rates of the fixed deposits are between 1.85% to 3.45% (2022: 1.85% to 2.90%) per annum.
- (c) Fixed deposits with licensed banks of the Group of RM19,981,951 (2022: RM19,388,937) have been pledged with licensed banks for bank guarantee facilities granted to the Group.
- (d) Short-term funds of the Group and of the Company represent money market fund investments managed by licensed financial institutions. These short-term funds are investments in highly liquid money market which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.
- (e) Short-term funds of the Group and of the Company represent total amount of financial assets measured at fair value through profit or loss.

15. SHARE CAPITAL

- (a) Share capital

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	
	2023	2022	2023	2022
	Unit	Unit	RM	RM
Issued and fully paid-up with no par value				
At 1 January	807,693,902	805,298,002	398,243,133	397,045,183
Conversion of warrants	2,163,600	2,395,900	1,081,800	1,197,950
<hr/>				
At 31 December	809,857,502	807,693,902	399,324,933	398,243,133

During the financial year, the Company increased its ordinary share capital from 807,693,902 shares to 809,857,502 shares through the issuance of 2,163,600 new ordinary shares pursuant to the conversion of Warrants at an exercise price of RM0.50 per ordinary share for cash.

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



NOTES TO THE FINANCIAL STATEMENTS

15. SHARE CAPITAL (CONT'D)

(b) Warrants

The movements in these Warrants during the financial year to take up new ordinary shares in the Company are as follows:

	Number of warrants
At 1.1.2022	241,589,397
Converted to ordinary shares	(2,395,900)
<hr/>	
At 31.12.2022/1.1.2023	239,193,497
Converted to ordinary shares	(2,163,600)
<hr/>	
At 31.12.2023	237,029,897

The main features of Warrants, which were issued on 23 September 2021 and admitted to the Official List and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 27 September 2021 are as follows:

- (i) Each Warrant entitles the Warrant holders, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.50, subject to adjustments in accordance with the provisions set out in Deed Poll dated 3 September 2021;
- (ii) The Warrants may be exercised at any time within a period of five (5) years commencing from and including the date of issuance of the Warrants. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iii) Subject to the provisions of the Deed Poll, the exercise price and/or number of Warrants shall be adjusted by the Board of Directors in consultation with an approved adviser appointed by the Company and certification by the auditors of the Company in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll; and
- (iv) All new ordinary shares to be issued arising from the exercise of the Warrants shall rank *pari passu* in all respects with the existing ordinary shares of the Company except for such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

On 2 January 2024, the listing of and quotation for the entire share capital and outstanding warrants of the Company have been transferred from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

16. 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 that was completed on 20 January 2021.

NOTES TO THE FINANCIAL STATEMENTS

17. BANK BORROWINGS

	GROUP	
	2023	2022
	RM	RM
Non-current		
Term loans	296,577,642	269,474,727
Less: Unamortised transaction costs	(362,854)	(90,651)
	<hr/>	<hr/>
	296,214,788	269,384,076
<hr/>		
Current		
Term loans	36,948,817	33,331,419
Less: Unamortised transaction costs	(94,849)	(24,626)
	<hr/>	<hr/>
	36,853,968	33,306,793
Revolving credits	10,000,000	-
Bank overdrafts	1,947,912	1,671
	<hr/>	<hr/>
	48,801,880	33,308,464
<hr/>		
Total bank borrowings		
Term loans	333,526,459	302,806,146
Less: Unamortised transaction costs	(457,703)	(115,277)
	<hr/>	<hr/>
	333,068,756	302,690,869
Revolving credits	10,000,000	-
Bank overdrafts	1,947,912	1,671
	<hr/>	<hr/>
	345,016,668	302,692,540
<hr/>		
The bank borrowings are repayable as follows:		
Not later than one year	48,896,729	33,333,091
Later than one year but not later than five years	174,059,562	148,284,999
Later than five years	122,518,080	121,189,727
Less: Unamortised transaction costs	(457,703)	(115,277)
	<hr/>	<hr/>
	345,016,668	302,692,540
<hr/>		
Unamortised transaction costs:		
At 1 January	115,277	-
Incurred during the financial year	369,085	567,936
Amortisation for the financial year	(26,659)	(452,659)
	<hr/>	<hr/>
At 31 December	457,703	115,277
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NOTES TO THE FINANCIAL STATEMENTS

17. BANK BORROWINGS (CONT'D)

- (a) Borrowings of the Group are secured by legal charges over certain property, plant and equipment, land held for development, property development costs and contract cost assets of the Group disclosed in Notes 6, 9 and 13.
- (b) Term loans interest of the Group is payable between 4.52% to 7.22% (2022: 4.27% to 6.97%) per annum. Term loans are repayable by monthly instalments of various amount each, inclusive of interest.
- (c) Bank overdrafts interests are payable at 6.70% (2022: 5.95%) per annum, repayable on demand for the Group.
- (d) Revolving credit interests are payable at 5.88% to 5.99% (2022: NIL) per annum, repayable biannually.
- (e) Changes in liabilities arising from financing activities:

	Bank borrowings excluding bank overdrafts RM	Hire purchase RM	Lease liabilities RM	Total liabilities from financing activities RM
GROUP				
At 1.1.2022	232,876,032	342,658	501,916	233,720,606
Acquisition of property, plant and equipment	-	865,000	-	865,000
Additions to land held for property development	94,300,000	-	-	94,300,000
Capitalisation of borrowing costs	12,331,347	-	-	12,331,347
Cash flows	(36,816,510)	(253,120)	(285,300)	(37,354,930)
New leases	-	-	738,213	738,213
Others	-	-	35,872	107,565,898
At 31.12.2022/1.1.2023	302,690,869	954,538	990,701	304,636,108
Acquisition of property, plant and equipment	15,800,000	-	-	15,800,000
Additions to land held for property development	40,347,000	-	-	40,347,000
Capitalisation of borrowing costs	14,599,578	-	-	14,599,578
Cash flows	(52,483,578)	-	(790,594)	(53,274,172)
New leases	-	-	13,925	13,925
Others	22,114,887	(954,538)	836,427	21,996,776
At 31.12.2023	343,068,756	-	1,050,459	344,119,215

- (f) The undrawn committed borrowing facilities as at the reporting date are as follows:

	GROUP	
	2023 RM	2022 RM
Undrawn committed borrowing facilities	178,502,470	16,842,357

NOTES TO THE FINANCIAL STATEMENTS

18. HIRE PURCHASE

	GROUP	
	2023	2022
	RM	RM
Future lease payments payable:		
- not later than one year	-	368,204
- later than one year but not later than five years	-	674,244
<hr/>		
Total future minimum lease payments	-	1,042,448
Less: Future finance charges	-	(87,910)
<hr/>		
Present value of minimum lease payments	-	954,538
<hr/>		
The present value of payments are as follows:		
Later than one year but not later than five years	-	615,846
Not later than one year	-	338,692
<hr/>		
	-	954,538
<hr/>		

In the previous financial year, the annual effective interest rates of the hire purchase ranged from 3.80% to 4.53% per annum.

The corresponding motor vehicles under hire purchase were presented as property, plant and equipment as disclosed in Note 6(b).

19. TRADE AND OTHER PAYABLES

	GROUP	
	2023	2022
	RM	RM
Trade		
Third parties	21,298,426	16,103,035
Retention sums	22,655,201	15,306,169
Accrued development costs	5,408,039	5,594,148
Provision for affordable housing shortfalls	1,768,609	898,103
<hr/>		
	51,130,275	37,901,455
<hr/>		



NOTES TO THE FINANCIAL STATEMENTS

19. TRADE AND OTHER PAYABLES (CONT'D)

	GROUP	
	2023	2022
	RM	RM
Non-trade		
Other payables	3,497,389	8,910,955
Accrued expenses	2,060,868	3,214,274
Deposits received	2,246,925	493,106
Amount due to a related party	-	11,833,428
	7,805,182	24,451,763
Total trade and other payables	58,935,457	62,353,218

The movement in provision for affordable housing shortfalls is as follows:

	GROUP	
	2023	2022
	RM	RM
At 1 January	898,103	-
Provision made during the financial year	870,506	898,103
At 31 December	1,768,609	898,103

	COMPANY	
	2023	2022
	RM	RM
Non-trade		
Other payables	280,563	25,920
Accrued expenses	46,683	20,339
Total trade and other payables	327,246	46,259

- (i) The amount due to a related party refers to a company in which a director of the Group has interest. The amount was unsecured, interest free and fully settled during the financial year.
- (ii) The normal credit terms granted to the Group range from 30 to 60 (2022: 30 to 60) days.

NOTES TO THE FINANCIAL STATEMENTS

19. TRADE AND OTHER PAYABLES (CONT'D)

- (iii) Retention sums are relating to the development projects. Retention sums are repayable upon expiry of the defect liability period of 12 to 48 months (2022: 12 to 48 months). The retention sums are expected to be settled as follows:

	GROUP	
	2023	2022
	RM	RM
Within one year	1,690,265	1,161,516
Later than one year	20,964,936	14,144,653
	<hr/>	<hr/>
	22,655,201	15,306,169
	<hr/>	<hr/>

20. REVENUE

	GROUP	
	2023	2022
	RM	RM
Sale of development properties	243,703,701	239,124,210
Sale of completed development properties	30,273,439	6,278,099
Sale of land	-	7,744,032
Sale of furnishing package	97,329	-
	<hr/>	<hr/>
Revenue from contracts with customers	274,074,469	253,146,341
	<hr/>	<hr/>
Timing of revenue recognition		
- over time	243,703,701	239,124,210
- at a point in time	30,370,768	14,022,131
	<hr/>	<hr/>
	274,074,469	253,146,341
	<hr/>	<hr/>

Revenue from contracts with customers of the Group includes RM4,780,634 (2022: RM1,994,427) that was included in contract liabilities at the beginning of the financial year.



NOTES TO THE FINANCIAL STATEMENTS

21. COST OF SALES

	GROUP	
	2023	2022
	RM	RM
Costs to fulfil contracts with customers	188,401,507	172,067,029
Costs to obtain contracts with customers	3,388,220	4,442,355
Cost of completed development properties sold	20,206,096	3,690,943
Cost of land sold	-	4,770,011
Cost of land surrendered to authorities	-	306,839
	211,995,823	185,277,177

22. FINANCE COSTS

	GROUP	
	2023	2022
	RM	RM
Bank overdraft interest	119,698	-
Term loan interest	1,556,686	662,416
Revolving credits interest	50,805	-
Interest expense on hire purchase	-	20,357
Interest expense on lease liabilities	98,351	93,386
	1,825,540	776,159

NOTES TO THE FINANCIAL STATEMENTS

23. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration current year	152,400	128,100	21,000	20,000
Depreciation of				
- property, plant and equipment	1,105,586	964,848	-	-
- right-of-use assets	747,495	230,718	-	-
Directors' remuneration				
- fees	468,000	468,000	324,000	324,000
- salaries, bonuses and other benefits	3,033,317	3,149,004	52,500	46,000
- defined contribution plan	356,640	371,280	-	-
Dividend income	-	-	(4,050,000)	(12,375,000)
Early termination of lease contracts	(20,703)	-	-	-
Gain on bargain purchase	-	(44,406)	-	-
Gain on disposal of property, plant and equipment	(310,642)	(502,483)	-	-
Interest income	(1,541,878)	(1,095,454)	(116,848)	(142,976)
Interest income from subsidiaries	-	-	(2,984,604)	(692,767)
Property, plant and equipment written off	151,122	4,959	-	-
Reassessment of lease liability	-	(7,563)	-	-
Staff costs (Note 26)	6,574,841	7,346,854	-	-

24. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Current financial year				
- income tax	11,374,000	13,608,000	673,000	160,000
- deferred tax	120,905	(1,011,389)	-	-
	11,494,905	12,596,611	673,000	160,000
(Over)/Under provision in prior financial years				
- income tax	(909,729)	(9,913)	32	630
- deferred tax	591,095	232,389	-	-
	11,176,271	12,819,087	673,032	160,630



NOTES TO THE FINANCIAL STATEMENTS

24. INCOME TAX EXPENSE (CONT'D)

The reconciliation of income tax expense and profit before tax multiplied by the applicable statutory income tax rate is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	38,219,207	48,125,211	5,039,220	12,412,690
Taxation at statutory tax rate of 24% (2022: 24%)	9,172,610	11,550,051	1,209,413	2,979,046
Tax effects in respect of:				
Non-allowable expenses	2,016,626	1,044,229	435,587	150,954
Non-taxable income	(81,153)	(131,194)	(972,000)	(2,970,000)
Deferred tax assets not recognised (Over)/Under provision in prior financial years	386,822	133,525	-	-
- income tax	(909,729)	(9,913)	32	630
- deferred tax	591,095	232,389	-	-
Total tax expense	11,176,271	12,819,087	673,032	160,630

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	
	2023 RM	2022 RM
Unabsorbed tax losses	621,714	234,605
Unabsorbed capital allowances	-	287
	621,714	234,892

As at 31 December 2023, the Group has unabsorbed tax losses and unabsorbed capital allowances of RM2,590,478 and NIL (2022: RM977,522 and RM1,197) respectively, which are available to be set off against future chargeable income.

With effect from year of assessment ("YA") 2019, the period for unabsorbed tax losses carried forward is limited to 10 consecutive YAs. Any balance of unabsorbed tax losses after the end of the period of 10 consecutive YAs is to be disregarded.

	Unabsorbed tax losses RM	Disregarded from YA
YA 2019	319,236	2030
YA 2020	33,729	2031
YA 2021	15,062	2032
YA 2022	414,824	2033
YA 2023	1,807,627	2034

NOTES TO THE FINANCIAL STATEMENTS

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

Basic earnings per ordinary share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	GROUP	
	2023	2022
	RM	RM
Net profit attributable to equity holders of the Company	27,101,333	35,306,124
	<hr/>	
	Number of shares	
	2023	2022
Weighted average number of ordinary shares for basic earnings per ordinary share computation	809,043,467	805,687,879
	<hr/>	
Basic earnings per ordinary share (in sen)	3.35	4.38
	<hr/>	

The weighted average number of ordinary shares takes into account the weighted average effects of conversion of warrants to ordinary shares during the financial year.

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	GROUP	
	2023	2022
	RM	RM
Net profit attributable to equity holders of the Company	27,101,333	35,306,124
	<hr/>	
	Number of shares	
	2023	2022
Weighted average number of ordinary shares for basic earnings per ordinary share computation	809,043,467	805,687,879
Effects of dilution from conversion of warrants outstanding at reporting date to ordinary shares	133,870,985	84,216,825
	<hr/>	
Weighted average number of ordinary shares for diluted earnings per ordinary share computation	942,914,452	889,904,704
	<hr/>	
Diluted earnings per ordinary share (in sen)	2.87	3.97
	<hr/>	



NOTES TO THE FINANCIAL STATEMENTS

26. STAFF COSTS

	GROUP	
	2023	2022
	RM	RM
Salaries, bonuses and other benefits	5,933,275	6,640,219
Defined contribution plan	641,566	706,635
	6,574,841	7,346,854

27. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company.

The Company has related party relationships with its subsidiaries, related companies and directors.

Key management personnel compensation

The key management personnel of the Group and of the Company include executive directors of the Group and of the Company, non-executive directors of the Group and of the Company and certain members of senior management of the Group.

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

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
Directors				
- fees	468,000	468,000	324,000	324,000
- salaries, bonuses and other benefits	3,033,317	3,149,004	52,500	46,000
- defined contribution plan	356,640	371,280	-	-
Total directors' remuneration	3,857,957	3,988,284	376,500	370,000
Other key management personnel				
- salaries, bonuses and other benefits	1,025,883	1,311,797	-	-
- defined contribution plan	116,899	152,278	-	-
Total compensation for other key management personnel	1,142,782	1,464,075	-	-

NOTES TO THE FINANCIAL STATEMENTS

27. RELATED PARTY TRANSACTIONS (CONT'D)**Significant related party transactions**

The significant related party transactions of the Group and of the Company are as follows:

	GROUP	
	2023	2022
	RM	RM
Transaction with a director:		
- Progress billing on sale of property	262,500	245,000
Transactions with a director's spouse:		
- Progress billing on sale of properties	-	314,820
- Renovation package on sale of properties	39,900	30,900
Transactions with a company that director has interest:		
- Progress billing on sale of properties	-	313,695
- Provision of online investor relation services	12,000	12,000
	<hr/>	
	COMPANY	
	2023	2022
	RM	RM
Transaction with a company that director has interest:		
- Provision of online investor relation services	12,000	12,000
	<hr/>	

28. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment predominantly operates in Malaysia, namely developer which comprise development of residential and commercial properties.

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.



NOTES TO THE FINANCIAL STATEMENTS

29. DIVIDENDS

	GROUP AND COMPANY	
	2023	2022
	RM	RM
In respect of the financial year ended 31 December 2022:		
First interim single-tier dividend of RM0.007 per ordinary share, paid on 20 April 2022	-	5,637,086
Second interim single-tier dividend of RM0.006 per ordinary share, paid on 19 September 2022	-	4,833,333
In respect of the financial year ended 31 December 2023:		
Interim single-tier dividend of RM0.005 per ordinary share, paid on 13 December 2023	4,048,888	-
	4,048,888	10,470,419

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.

30. CAPITAL COMMITMENTS

	GROUP	
	2023	2022
	RM	RM
Land held for property development		
- Authorised and contracted for	43,689,408	50,713,151
- Authorised but not contracted for	-	46,037,713
Capital work in progress		
- Authorised and contracted for	-	16,684,056

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS**Categories of financial instruments**

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The material accounting policy information of the Group and of the Company describe how the classes of financial instruments are measured. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost	At fair value through profit or loss	Total
	RM	RM	RM
GROUP			
2023			
Financial assets			
Trade and other receivables (excluding prepayments)			
- Non-current	7,369,038	-	7,369,038
- Current	52,419,511	-	52,419,511
Cash and bank balances	55,039,499	-	55,039,499
Fixed deposits placed with licensed banks	23,342,717	-	23,342,717
Short-term funds	-	5,345,992	5,345,992
Total financial assets	138,170,765	5,345,992	143,516,757
Financial liabilities			
Lease liabilities			
- Non-current	581,844	-	581,844
- Current	468,615	-	468,615
Bank borrowings			
- Non-current	296,214,788	-	296,214,788
- Current	48,801,880	-	48,801,880
Trade and other payables (excluding provision)	57,166,848	-	57,166,848
Total financial liabilities	403,233,975	-	403,233,975
2022			
Financial assets			
Trade and other receivables (excluding prepayments)	18,152,566	-	18,152,566
Cash and bank balances	102,916,345	-	102,916,345
Fixed deposits placed with licensed banks	22,650,789	-	22,650,789
Short-term funds	-	7,107,164	7,107,164
Total financial assets	143,719,700	7,107,164	150,826,864



NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)**Categories of financial instruments (cont'd)**

	At amortised cost	At fair value through profit or loss	Total
	RM	RM	RM
GROUP			
2022			
Financial liabilities			
Lease liabilities			
- Non-current	597,783	-	597,783
- Current	392,918	-	392,918
Bank borrowings			
- Non-current	269,384,076	-	269,384,076
- Current	33,308,464	-	33,308,464
Hire purchase			
- Non-current	615,846	-	615,846
- Current	338,692	-	338,692
Trade and other payables (excluding provision)	61,455,115	-	61,455,115
Total financial liabilities	366,092,894	-	366,092,894
COMPANY			
2023			
Financial assets			
Trade and other receivables (excluding prepayments)	75,735,229	-	75,735,229
Cash and bank balances	70,584	-	70,584
Short-term funds	-	3,220,559	3,220,559
Total financial assets	75,805,813	3,220,559	79,026,372
Financial liabilities			
Trade and other payables, representing total financial liabilities	327,246	-	327,246
2022			
Financial assets			
Trade and other receivables (excluding prepayments)	69,175,352	-	69,175,352
Cash and bank balances	1,005,476	-	1,005,476
Short-term funds	-	7,103,710	7,103,710
Total financial assets	70,180,828	7,103,710	77,284,538
Financial liabilities			
Trade and other payables, representing total financial liabilities	46,259	-	46,259

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed mainly to the following risks. Information on the management of the related exposures is detailed below:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers, bank balances and short-term funds.

Receivables and contract assets

The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Based on the credit evaluation, the customers are rated into three risk categories, namely low risk, medium risk and high risk.

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables and contract assets that are neither past due nor impaired are stated at their realisable values.

Ageing analysis of contract assets and trade receivables as at the reporting date is as follows:

	Contract assets RM	Trade Receivables Loan RM	Self-finance RM	Total RM
Group				
At 31 December 2023				
Not past due	16,293,224	27,540,274	731,534	44,565,032
Past due 1-30 days	-	3,248,934	7,300	3,256,234
Past due 31-120 days	-	2,705,541	139,705	2,845,246
Past due more than 120 days	-	64,365	-	64,365
	16,293,224	33,559,114	878,539	50,730,877
At 31 December 2022				
Not past due	33,991,269	3,332,926	762,860	38,087,055
Past due 1-30 days	-	581,182	-	581,182
Past due 31-120 days	-	1,337,622	289,374	1,626,996
Past due more than 120 days	-	136,582	53,525	190,107
	33,991,269	5,388,312	1,105,759	40,485,340



NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Credit risk (cont'd)

Credit risk arising from property development

The Group does not have any significant credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

As the title and vacant possession of the sold properties would be transferred to the customers only upon full payment of the entire sale consideration, the management believes that credit risk inherent in the Group outstanding trade receivable balances and contract assets is not significant.

Trade receivables are monitored on an on-going basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does the Group has any major concentration of credit risk related to any financial instruments.

Credit risk arising from deposits with licensed banks

Concentration of credit risk arising from deposits with licensed banks is limited as bank deposits are held with reputable financial institutions.

Credit risk arising from financial corporate guarantees

The financial corporate guarantees and undertakings are provided by the Company to banks to secure borrowings of certain subsidiaries. The Company monitors the financial performance (including the ability to service the loans and facilities) of the subsidiaries on an on-going and individual basis.

The maximum exposure to credit risk amounts to RM333,526,459 (2022: RM302,806,146), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit shareholder's fund and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees since the fair value on initial recognition was not material.

Credit risk arising from financial guarantees

The maximum exposure to credit risk in relation to the financial guarantees given amounts to RM24,984,372 (2022: RM20,542,284) as at the end of the reporting period, representing deposits with the housing and local authorities as well as utilities provider.

Inter-company balances

The Company provides unsecured advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at end of the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. There was no indication that the loans and advances to the subsidiaries are not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

GROUP	Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	More than 5 years		
				Under 1 year RM	2-5 years RM	More than 5 years RM
At 31 December 2023						
Trade and other payables	58,935,457	-	58,935,457	37,970,521	20,964,936	-
Bank borrowings	345,016,668	4.52% - 7.22%	414,502,773	63,415,241	216,875,505	134,212,027
Lease liabilities	1,050,459	1.95% - 7.72%	1,157,244	521,996	635,248	-
Financial guarantees	-	-	24,984,372	16,646,818	7,260,028	1,077,526
	405,002,584		499,579,846	118,554,576	245,735,717	135,289,553
At 31 December 2022						
Trade and other payables	62,353,218	-	62,353,218	40,266,786	22,086,432	-
Bank borrowings	302,692,540	4.27% - 6.97%	368,356,952	48,014,768	187,675,160	132,667,024
Hire purchase	954,538	3.80% - 4.53%	1,042,448	368,204	674,244	-
Lease liabilities	990,701	6.67% - 7.72%	1,129,600	469,400	660,200	-
Financial guarantees	-	-	20,542,284	7,330,301	13,211,983	-
	366,990,997		453,424,502	96,449,459	224,308,019	132,667,024
COMPANY						
At 31 December 2023						
Trade and other payables	327,246	-	327,246	327,246	-	-
At 31 December 2022						
Trade and other payables	46,259	-	46,259	46,259	-	-



NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

Interest rate risk

The Group's floating rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP	
	2023 RM	2022 RM
Fixed rate instruments		
Lease liabilities	1,050,459	990,701
Hire purchase	-	954,538
	1,050,459	1,945,239
Floating rate instruments		
Bank borrowings	345,016,668	302,692,540

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At reporting date, if interest rates had been 100 basis points higher or lower, with all other variables held constant, the Group's profit after tax would have been RM2,622,127 (2022: RM2,300,463) 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.

33. ACQUISITION OF SUBSIDIARIES

Acquisition of a subsidiary – Polyintan Sdn. Bhd.

Pursuant to the Share Sale Agreement dated 11 November 2020, Supplemental Agreement dated 4 January 2021 and Second Supplemental Agreement dated 1 December 2022, the acquisition of the entire issued share capital of Polyintan Sdn. Bhd. by the Company has been completed on 22 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

33. ACQUISITION OF SUBSIDIARIES (CONT'D)**Acquisition of a subsidiary – Polyintan Sdn. Bhd. (cont'd)**

The effects of the acquisition of Polyintan Sdn. Bhd. to the financial statements are as follows:

	Carrying amount RM	Fair value RM
Asset		
Non-current asset		
Land held for development	10,675,328	13,500,000
Total asset	10,675,328	13,500,000
Non-current liability		
Deferred tax liability	-	677,921
Current liabilities		
Other payables and accruals	54,135	54,135
Amount due to Polywell Enterprise Sdn. Bhd.	10,007,474	10,007,474
Amount due to Teladan Setia Sdn. Bhd.	890,110	890,110
	10,951,719	10,951,719
Total liabilities	10,951,719	11,629,640
Net identifiable (liabilities)/assets	(276,391)	1,870,360
		2022 RM
Fair value of net identifiable assets, representing Group's interest in fair value of net identifiable assets		1,870,360
Gain on bargain purchase		(44,406)
Total purchase consideration		1,825,954

Included in amount due to a related party as disclosed in Note 19 was purchase consideration amounting to RM1,825,954 for the acquisition of Polyintan Sdn. Bhd., which is repayable within 12 months from 17 June 2022. The purchase consideration has been fully settled on 31 January 2023.



NOTES TO THE FINANCIAL STATEMENTS

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities:

	Fair value measurement using			Total RM
	Quoted prices (Level 1) RM	Significant observable inputs (Level 2) RM	Significant unobservable inputs (Level 3) RM	
Assets measured at fair value				
GROUP				
At 31 December 2023				
Short-term funds	-	5,345,992	-	5,345,992
At 31 December 2022				
Short-term funds	-	7,107,164	-	7,107,164
COMPANY				
At 31 December 2023				
Short-term funds	-	3,220,559	-	3,220,559
At 31 December 2022				
Short-term funds	-	7,103,710	-	7,103,710

There are no liabilities measured at fair value.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Short-term funds are valued based on the Net Asset Value ("NAV") of the funds.

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables, lease liabilities, hire purchase and bank borrowings approximate at fair values due to the relatively short-term nature of these financial instruments. As term loans were obtained from licensed banks at the prevailing market rate, the carrying value of these financial liabilities approximates their fair value.

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements and debt covenants. There have been no breaches of the financial covenants of any borrowing in the current financial year.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

35. CAPITAL MANAGEMENT (CONT'D)

The debt-to-equity ratios as at 31 December 2023 and at 31 December 2022 were as follows:

	GROUP	
	2023	2022
	RM	RM
Bank borrowings (Note 17)	345,016,668	302,692,540
Hire purchase (Note 18)	-	954,538
Lease liabilities (Note 7(b))	1,050,459	990,701
Less: Cash and bank balances	(83,728,208)	(132,674,298)
Net debt	262,338,919	171,963,481
Total equity	519,666,964	495,491,116
Debt-to-equity ratio	0.50	0.35

36. EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

- (i) On 2 January 2024, the listing of and quotation for the entire share capital and outstanding warrants 2021/2026 of the Company have been transferred from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad, marking the completion of the transfer.
- (ii) On 31 January 2023, the Group via its subsidiary, Asal Harta Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase a piece of leasehold land forming part of the Master Land held under PN 72035, Lot 11357, Kawasan Bandar XLIII (formerly known as PN 56725, Lot 11357, Kawasan Bandar XLII), District of Melaka Tengah, State of Melaka for a purchase consideration of RM48,543,787.

On 17 January 2024, the Company announced that Asal Harta Sdn. Bhd. agreed to grant third party a further extension of time for twelve (12) months to satisfy the Conditions Precedent ("Extension Sought"). Save for the Extension Sought, all other terms and conditions as stated in the sale and purchase agreement remain unchanged.

37. OTHER INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia. The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad and is transferred to the Main Market of Bursa Malaysia Securities Berhad on 2 January 2024.
- (b) The registered office is situated at:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan



NOTES TO THE FINANCIAL STATEMENTS

37. OTHER INFORMATION (CONT'D)

- (c) The principal place of business is situated at:

Wisma Teladan
Lot 13253
Jalan Batu Berendam
Batu Berendam
75350 Melaka

- (d) The financial statements are presented in Ringgit Malaysia, which is also the Group' and the Company's functional currency.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 9 April 2024.

STATEMENT BY DIRECTORS Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the directors of **TELADAN GROUP BERHAD (FORMERLY KNOWN AS 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 122 to 181 are drawn up in accordance with 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 financial position of the Group and of the Company as at 31 December 2023 and of the financial performance 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

9 April 2024

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 GROUP BERHAD (FORMERLY KNOWN AS TELADAN SETIA GROUP BERHAD) Registration No. 201901004975 (1314302-V)** do solemnly and sincerely declare that the financial statements set out on pages 122 to 181 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 9 April 2024

Before me,

Commissioner for Oaths
Melaka



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELADAN GROUP BERHAD (FORMERLY KNOWN AS TELADAN SETIA GROUP BERHAD)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Teldan Group Berhad (formerly known as Teladan Setia Group Berhad), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 122 to 181.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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

Revenue and cost of sales in respect of property development activities

Refer to Note 20 and Note 21 to the financial statements.

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2023, property development revenue from ongoing projects of RM243,703,701 and cost of sales of RM191,789,727 accounted for approximately 89% and 90% of the Group's revenue and cost of sales respectively. For these property development contracts which revenue is recognised over time, the Group uses the input method in determining the percentage of completion, which is based on the actual cost incurred to date on the property development project over the total budgeted cost for the respective development projects, in accounting for the progress towards complete satisfaction of the Group's performance obligation.

Our audit procedures included the following:

- Reviewed the reasonableness of the management's key judgements used in the estimation of budgeted property development costs including the provisions and allocations of common infrastructure costs for the property development projects by examining documentary evidence such as letter of award issued to contractors.
- Considered the historical accuracy of management's forecasts for similar property development projects in evaluating the estimated total property development costs.
- Evaluated the determination of the progress towards complete satisfaction of the Group's performance obligation by examining supporting evidence such as contractors' progress claims and suppliers' invoices.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELADAN GROUP BERHAD (FORMERLY KNOWN AS TELADAN SETIA GROUP BERHAD)

Key Audit Matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
<p><u>Revenue and cost of sales in respect of property development activities (cont'd)</u></p> <p>We identified revenue and cost of sales in respect of property development activities as areas requiring audit focus as significant management's judgement and estimates are involved in estimating the total property development costs to complete the project, which include the common infrastructure costs (which is used to determine progress towards complete satisfaction of the Group's performance obligation and gross profit margin of the property development activities undertaken by the Group).</p>	<p>Our audit procedures included the following: (cont'd)</p> <ul style="list-style-type: none"> - Reviewed the stage of completion of ongoing development projects to assess possible liquidated and ascertained damages ("LAD") and the adequacy of provision for LAD. - Observed the progress of the property development phases by performing site visit and examine physical progress reports. We also discussed the status of on-going property development phases with management, finance personnel and project officials. - Verified the gross development value by examining the signed sales and purchase agreement and intended selling price of the unsold units to the latest transacted selling price. - Recomputed the calculation of percentage of completion to ascertain there is no mathematical error which may render in the over/understatement of profit recognition.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises Directors' Report and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections included in the annual report, which are expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate actions in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELADAN GROUP BERHAD (FORMERLY KNOWN AS TELADAN SETIA GROUP BERHAD)

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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELADAN GROUP BERHAD (FORMERLY KNOWN AS TELADAN SETIA GROUP BERHAD)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

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

Kuala Lumpur

9 April 2024

Ronald Teo Ming Keong
03674/07/2024 J
Chartered Accountant



ANALYSIS OF SHAREHOLDINGS AS AT 26 MARCH 2024

Total Number of Issued Shares	:	812,359,502 Ordinary Shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	1,147
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	51	4.45	700	0.00
100-1,000	357	31.12	155,900	0.02
1,001-10,000	389	33.91	1,959,500	0.24
10,001-100,000	223	19.44	8,226,800	1.01
100,001-40,617,974 (*)	121	10.55	295,618,600	36.39
40,617,975 and above (**)	6	0.52	506,398,002	62.34
Total	1,147	100.00	812,359,502	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	337,003,762	41.48	-	-
2.	Teo Lay Lee	89,978,080	11.08	-	-
3.	Teo Siew May	89,978,080	11.08	-	-
4.	Wan Lei Chin	89,478,080	11.01	-	-

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Teo Lay Ban	337,003,762	41.48	-	-
2.	Teo Lay Lee	89,978,080	11.08	-	-
3.	Teo Siew May	89,978,080	11.08	-	-
4.	Sia Ah Piew	415,000	0.05	-	-
5.	Foo Yit Lan	78,000	0.01	-	-
6.	Roy Thean Chong Yew	65,000	0.01	-	-
7.	Annandan A/L Chandran	10,000	0.00	-	-
8.	Madeline Lee May Ming	-	-	-	-

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Teo Lay Ban	139,763,762	17.20
2.	Teo Lay Lee	89,978,080	11.08

ANALYSIS OF SHAREHOLDINGS AS AT 26 MARCH 2024

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
3.	Teo Siew May	89,978,080	11.08
4.	Wan Lei Chin	89,478,080	11.01
5.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Teo Lay Ban	54,200,000	6.67
6.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	43,000,000	5.29
7.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pembangunan Sumber Manusia Berhad	27,272,000	3.36
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	27,000,000	3.32
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Teo Lay Ban	24,160,000	2.97
10.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	21,300,000	2.62
11.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	10,500,000	1.29
12.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	10,080,000	1.24
13.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. - Pledged Securities Account for Dato' Ong Choo Meng	8,800,000	1.08
14.	Ajiya Berhad	8,371,500	1.03
15.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Dato' Ong Choo Meng	8,000,000	0.98
16.	M & A Nominee (Tempatan) Sdn. Bhd. - Al Rajhi Banking & Investment Corporation (Malaysia) Bhd - Signature International Berhad	7,000,000	0.86
17.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Lay Ban	7,000,000	0.86
18.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chow Kian Hung	6,239,200	0.77
19.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Tzu Chuen	5,649,400	0.70
20.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Hin Group Property Berhad	5,430,000	0.67
21.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Kum Moon	4,915,600	0.61
22.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Wai Yee	4,650,000	0.57



ANALYSIS OF SHAREHOLDINGS AS AT 26 MARCH 2024

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
23.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Tzu Chuen	4,550,000	0.56
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Signature International Berhad	4,477,800	0.55
25.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Peng Sian @ Chua Peng Sian	4,000,000	0.49
26.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheong Kong Fitt	4,000,000	0.49
27.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Peng Sian @ Chua Peng Sian	3,850,000	0.47
28.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Pui Shan	3,840,000	0.47
29.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheong Kai Meng	3,260,000	0.40
30.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Ng Min Lin	3,100,000	0.38

ANALYSIS OF WARRANT HOLDINGS AS AT 26 MARCH 2024

Instrument Type	: Warrants 2021/2026
Total Number of Outstanding Warrants Issued	: 234,527,897 Warrants
Number of Warrant Holders	: 995

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant Holders	%	No. of Warrants	%
1-99	386	38.79	15,546	0.01
100-1,000	226	22.71	92,861	0.04
1,001-10,000	220	22.11	773,080	0.33
10,001-100,000	113	11.36	4,099,030	1.75
100,001- 11,726,393 (*)	46	4.62	51,515,980	21.97
11,726,394 and above (**)	4	0.40	178,031,400	75.91
Total	995	100.00	234,527,897	100.00

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

DIRECTORS' WARRANT HOLDINGS

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Teo Lay Ban	98,501,128	42.00	-	-
2.	Teo Lay Lee	26,343,424	11.23	-	-
3.	Teo Siew May	26,343,424	11.23	-	-
4.	Sia Ah Piew	124,500	0.05	-	-
5.	Foo Yit Lan	-	-	-	-
6.	Roy Thean Chong Yew	-	-	-	-
7.	Annandan A/L Chandran	3,000	0.00	-	-
8.	Madeline Lee May Ming	-	-	-	-

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	Warrant holdings	%
1.	Teo Lay Ban	98,501,128	42.00
2.	Wan Lei Chin	26,843,424	11.45
3.	Teo Lay Lee	26,343,424	11.23
4.	Teo Siew May	26,343,424	11.23
5.	Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Dato' Ong Choo Meng	10,886,000	4.64
6.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Kim San	9,027,100	3.85
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Beng Soo	6,050,000	2.58
8.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Beng Soo	6,050,000	2.58



ANALYSIS OF WARRANT HOLDINGS AS AT 26 MARCH 2024

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name	Warrant holdings	%
9.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chiau Beng Teik	2,880,000	1.23
10.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account For Dato' Ong Choo Meng	2,495,800	1.06
11.	Chua Yong Giap	1,546,600	0.66
12.	M & A Nominee (Tempatan) Sdn Bhd - Pledged Securities Account for Chiau Beng Soo	1,293,400	0.55
13.	Shim Chun Wei	1,000,000	0.43
14.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Pak Yii	588,900	0.25
15.	Khor Siew Choo	570,600	0.24
16.	Teh Kar Hoon	490,000	0.21
17.	Lim Chee Huang	440,000	0.19
18.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cha Weay Chia	426,800	0.18
19.	Seet Chia Wei	406,900	0.17
20.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheng Lai Hock	406,300	0.17
21.	Bong Hon Liong	400,000	0.17
22.	Khor Le Hun	393,000	0.17
23.	Lok Boon Cheng	370,500	0.16
24.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Hau Han Kee	356,500	0.15
25.	Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chua Yong Giap	353,080	0.15
26.	Cheng Lai Hock	351,600	0.15
27.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiau Haw Loon	350,000	0.15
28.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Kian Hin	350,000	0.15
29.	Yoong See Kin	350,000	0.15
30.	Tan Ah Kieok	325,000	0.14

LIST OF MATERIAL PROPERTIES

No	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)
1	No. 8, 8-1, 8-2, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka	3 storey shop office	04.09.2000	0.04	Leasehold of 99 years (expiring on 17 April 2093)	185
2	Wisma Teladan, Lot 13253, Jalan Batu Berendam, Batu Berendam, 75350 Melaka	Corporate office	14.08.2023	1.46	Freehold	27,729
3	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)	789
4	A-07-02, 7th Floor, Tower A, Residensi Mutiara Bali, Kota Syahbandar, Jalan KSB 11A, 75200 Melaka	Studio	22.08.2022	Not applicable	Leasehold of 99 years (expiring on 18 May 2105)	164
5	Taman Desa Bertam in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land under development	22.02.2013	141.12	Freehold	20,510
6	Taman Bertam Heights in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land under development and held for development	18.09.2018	166.32	Freehold	140,381
7	Taman Impiana Kesang in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land under development and held for development	07.10.2020	116.00	Leasehold of 99 years (expiring on 21 March 2122)	50,011
8	Taman Bertam Putra in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land under development	25.04.2011	1.32	Freehold	10,860
9	Geran 22813 Lot 1137, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	06.12.2016	14.00	Freehold	6,936
10	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



LIST OF MATERIAL PROPERTIES

No	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)
11	GM2565 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	2,102
12	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)	67,861
13	PN118248, Lot 57747 (formerly known as HS(D) 316625 PT1259), 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)	30,382
14	Geran 6720, Lot 34, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	11.45	Freehold	5,066
15	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	2,463
16	Geran 12906 Lot 39, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	11.95	Freehold	6,571
17	GM 151 Lot 40, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	21.05.2020	5.85	Freehold	2,579
18	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	4,935
19	Geran 4872 Lot 1141, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Land held for development	03.01.2023	6.68	Freehold	3,638

LIST OF MATERIAL PROPERTIES

No	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)
20	PN 56988 Lot 14560 and PN 56989 Lot 14561, in the Mukim of Telok Mas, District of Melaka Tengah, State of Melaka	Land held for development	11.12.2020	18.80	Leasehold of 99 years (expiring on 11.06.2094)	18,074
21	Geran 4632 Lot 1673 and Geran 4633 Lot 1674, in the Mukim of Machap, District of Alor Gajah, State of Melaka	Land held for development	11.03.2021	22.03	Freehold	5,301
22	HS(D) 23428 PT 19588 (Now known as PN 72003, Lot 34107), HS(D) 23429 PT 19589 (Now known as PN 72004, Lot 34108), HS(D) 23430 PT 19590 (Now known as PN 72005, Lot 34109), HS(D) 23425 PT 19591 (Now known as PN 72007, Lot 34104), HS(D) 23426 PT 19592 (Now known as PN 72001, Lot 34105) and HS(D) 23427 PT 19593 (Now known as PN 72002, Lot 34106), in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land held for development	14.04.2021	498.44	Leasehold of 99 years (expiring 28.01.2091 & 20.02.2077)	110,647
23	PN71259 Lot 14716, PN56855 Lot 14717, PN56854 Lot 14718, PN30156 Lot 4674 and PN71013 Lot 14719, in the Mukim of Ayer Panas, District of Jasin, State of Melaka	Land held for development	06.09.2021	337.94	Leasehold of 99 years (expiring 15.08.2094)	136,334
24	Geran 3540 Lot 2544 and Geran 3541 Lot 2545, in the Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka	Land held for development	11.11.2020	10.24	Freehold	11,347
25	Geran 179151, Lot 14121, in the Mukim of Seremban, District of Seremban, State of Negeri Sembilan	Land held for development	07.03.2023	17.30	Freehold	26,888



LIST OF MATERIAL PROPERTIES

No	Location	Description	Date of Acquisition	Land Area (Acres)	Tenure	Net Book Value (RM'000)
26	GRN 272701, Lot 20317, in the Mukim of Pilin, District of Rembau, State of Negeri Sembilan	Land held for development	27.03.2023 & 24.05.2023	86.02	Freehold	23,921
27	Taman Seri Tuah Permai in the Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka	Completed development units	19.02.2016	0.62	Freehold	3,580
28	Taman Desa Bertam in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Completed development units	31.10.2023	0.80	Freehold	3,623
29	Atlantis Residences in the Mukim of Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka	Completed development units	02.04.2018	Not applicable	Leaehold of 99 years (expiring on 18 May 2105)	16,443
30	Bali Residences in the Mukim of Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka	Completed development units	22.08.2023	Not applicable	Leaehold of 99 years (expiring on 18 May 2105)	3,738
31	Taman Bertam Putra in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Completed development units	20.12.2018	0.86	Freehold	5,435

NOTICE OF FIFTH (“5TH”) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 5th 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://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, 28 June 2024 at 10:00 a.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 2023 together with the Reports of the Directors and Auditors thereon. | <i>(Refer to Note 2)</i> |
| 2. | To approve the payment of Directors’ fees payable to the Non-Executive Directors of the Group of up to RM516,000/- for the financial year ending 31 December 2025. | <i>Ordinary Resolution 1</i> |
| 3. | To approve the payment of additional Directors’ fees payable to the Non-Executive Directors for the financial year ending 31 December 2024 amounted to RM50,000/-. | <i>Ordinary Resolution 2</i> |
| 4. | To re-elect Mr. Teo Lay Ban, a Director who retires in accordance with Clause 21.7 of the Company’s Constitution, and being eligible, has offered himself for re-election. | <i>Ordinary Resolution 3</i> |
| 5. | To re-elect 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. | <i>Ordinary Resolution 4</i> |
| 6. | To re-elect Ms. Foo Yit Lan, a Director who retires in accordance with Clause 21.7 of the Company’s Constitution, and being eligible, has offered herself for re-election. | <i>Ordinary Resolution 5</i> |
| 7. | To re-appoint Messrs. RSM Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to determine their remuneration. | <i>Ordinary Resolution 6</i> |

Special Business

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

- | | | |
|----|--|-------------------------------------|
| 8. | <u>PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)(b) OF THE COMPANIES ACT 2016</u> | <i>Ordinary Resolution 7</i> |
|----|--|-------------------------------------|

“THAT the benefits payable to the Directors of the Company up to an amount of RM72,000/- for the period from 29 June 2024 until the next Annual General Meeting of the Company to be held in year 2025 pursuant to Section 230(1)(b) of the Companies Act, 2016 (“the Act”), be and is hereby approved for payment.”



NOTICE OF FIFTH (“5TH”) ANNUAL GENERAL MEETING

Special Business (cont'd)

9. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

**Ordinary
Resolution 8**

“THAT pursuant to Sections 75 and 76 of the Act, Main 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**”);

THAT pursuant to Section 85 of the Act to be read together with Clause 16.6 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

10. **PROPOSED SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

**Ordinary
Resolution 9**

“THAT subject to the provisions of the Companies Act 2016 (“**Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and any other applicable laws, guidelines, rules and regulations for the time being in force, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (“**Teladan Shares**”) as may be determined by the Directors from time to time through Bursa Malaysia Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of Teladan Shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the Company’s total number of issued shares as at the point of purchase(s);

THAT the maximum amount of funds to be allocated for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited/ unaudited financial statements of the Company (where applicable) available at the time of the purchase(s);

THAT authority be and is hereby given to the Directors to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any of the Teladan Shares so purchased by the Company in the following manners:

- (i) the Teladan Shares so purchased could be cancelled or transferred; or
- (ii) the Teladan Shares so purchased could be retained as treasury shares for distribution as dividends or bonus shares to the shareholders of the Company and/or be resold through Bursa Malaysia Securities in accordance with the relevant rules of Bursa Malaysia Securities and/or transferred in accordance with the Act and/or be cancelled subsequently; or
- (iii) combination of items (i) and (ii) above;

NOTICE OF FIFTH (“5TH”) ANNUAL GENERAL MEETING

Special Business (cont’d)

10. **PROPOSED SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (CONT’D)**

THAT the authority conferred by this resolution will be effective immediately from the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time the said authority would lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

whichever occurs first;

AND THAT the Directors be and are hereby authorised to take such steps as are necessary or expedient to implement or to effect the purchase(s) of the Teladan Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

11. To transact any other business that may be transacted at an AGM, due notice of which shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

(duly signed)

CHUA SIEW CHUAN (SSM PC No. 201908002648 & MAICSA 0777689)

CHENG CHIA PING (SSM PC No. 202008000730 & MAICSA 1032514)

Company Secretaries

Kuala Lumpur

30 April 2024

Notes:

(1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend this 5th 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 21 June 2024. Only a depositor whose name appears on the Record of Depositors as at 21 June 2024 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.



NOTICE OF FIFTH (“5TH”) ANNUAL GENERAL MEETING

Notes (cont’d):

(1) Information for Shareholders/Proxies (cont’d)

- 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, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MAIN 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 Group Berhad at <https://teladan.my/investor-relations/investor-centre-reports/>.

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 5th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form.

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company’s Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Facsimile or designated Email address, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. **on or before Wednesday, 26 June 2024 at 10:00 a.m.**):-

Mode of Submission	Designated Address
(i) Hard copy form	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: 03-2094 9940 and/or 03-2095 0292 Email: info@sshshb.com.my
(ii) Electronic form	(A) Vide Facsimile (Fax Number: 03 - 2094 9940 / 03 - 2095 0292); or (B) Vide designated electronic mail (Email) Address of Share Registrar: info@sshshb.com.my

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company’s Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd. A member may call dedicated support line of Securities Services (Holdings) Sdn. Bhd. at 03-2084 9169 for assistance/clarification on item 1(h)(ii) above.

NOTICE OF FIFTH (“5TH”) ANNUAL GENERAL MEETING

Explanatory Notes:-

(2) Audited Financial Statements for the financial year ended 31 December 2023

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(3) Payment of Directors’ Fees – Ordinary Resolution 1

The proposed Directors’ Fees payable to the Directors of the Company for the financial year ending 31 December 2025 shall be up to a total of RM516,000/- only, comprised the following rates based on responsibilities assumed: -

Office	Amount (RM) per annum
Board Chairman	90,000/-
Non-Executive Directors	282,000/-
Subsidiary Board	144,000/-
	516,000/-

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

(4) Payment of additional Directors’ Fees – Ordinary Resolution 2

The proposed additional Directors’ Fees payable to the Non-Executive Directors of the Company for the financial year ending 31 December 2024 amounted to RM50,000/- is in recognition of the successful transfer listing of the Company from ACE Market to Main Market on 2 January 2024, where there is a proposed adjustment to the Directors fees of the Company in order to commensurate with the enhanced scope of duties and responsibilities, as expected of directors of a Main Market listed issuer.

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

In determining the eligibility of the Directors to stand for re-election at the forthcoming 5th AGM, the Nominating Committee (“NC”), guided by the Directors’ Assessment Policy and Directors’ Fit and Proper Policy has considered the criteria as stated in the said Policies as well as the requirements of Main LR of Bursa Securities and recommended the re-election of the following Directors pursuant to Clause 21.7 of the Constitution of the Company: -

- (i) Mr. Teo Lay Ban;
 - (ii) Ms. Teo Siew May; and
 - (iii) Ms. Foo Yit Lan.
- (collectively, the “Retiring Directors”)

The Board, vide the NC, has conducted a separate assessment and being satisfied with the performance/contribution/fit and properness of the Retiring Directors, the Board would like to recommend the same be tabled to the shareholders for approval at the forthcoming 5th AGM of the Company under Ordinary Resolutions 3, 4 and 5 respectively. The fit and proper as well as evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2023 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.



NOTICE OF FIFTH (“5TH”) ANNUAL GENERAL MEETING

Explanatory Notes (cont’d):-

(6) 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 as External Auditors of the Company for the financial year ending 31 December 2024. 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 5th 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 2023 of the Company.

(7) 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 RM72,000/-, based on the number of scheduled Board/ Board Committee Meetings as well as the number of NEDs involved/ covered.

(8) 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 5th AGM of the Company (hereinafter referred to as the “General Mandate”).

The Company had obtained the mandate from its members at the last AGM held on 9 June 2023 (“Previous Mandate”). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and accordingly, no proceeds were raised.

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.

(9) Proposed share buy-back of up to ten per centum (10%) of the total number of issued shares of the Company - Ordinary Resolution 9

The proposed adoption of Ordinary Resolution No. 9, if passed, will enable the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 30 April 2024 for further 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 -

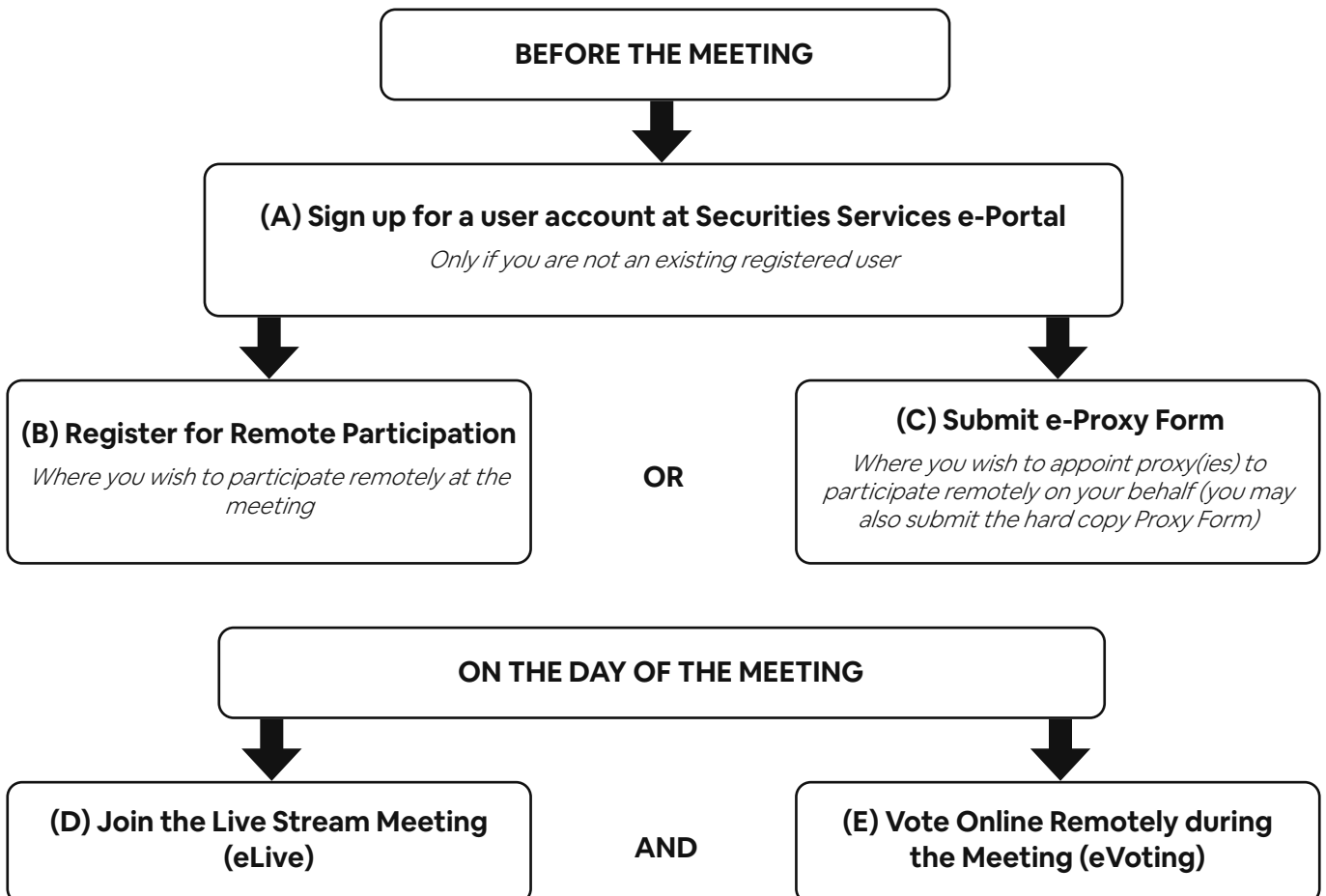
- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings (referred to as “e-Services”)

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Teladan 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. Rachel Ou (DID: +603 2084 9169) or Ms. Jasmine Lim (DID: +603 2084 9006) 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@sshbsb.com.my.





ADMINISTRATIVE GUIDE

BEFORE THE MEETING

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

- | | |
|---|--|
| <p>Step 1 Visit https://sshsb.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"> • This is a ONE-TIME registration. If you already have a user account, you need not register again. • Your email address is your User ID. • Please proceed to either (B) or (C) below once you are a registered user. |
|---|--|

ALL SHAREHOLDERS MUST REGISTER AS A USER BY 24 JUNE 2024

(B) Register for Remote Participation

Meeting Date and Time	Registration for Remote Participation Closing Date and Time
Friday, 28 June 2024 at 10:00 a.m.	Wednesday, 26 June 2024 at 10:00 a.m.

- Log in to <https://sshsb.net.my/> with your registered email and password.
- Look for **Teladan Group Berhad** under Company Name and **5th AGM on 28 June 2024 at 10:00 a.m. – Registration for Remote Participation** under 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 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 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, 28 June 2024 at 10:00 a.m.	Wednesday, 26 June 2024 at 10:00 a.m.

- Log in to <https://sshsb.net.my/> with your registered email and password.
- Look for **Teladan Group Berhad** under Company Name and **5th AGM on 28 June 2024 at 10:00 a.m. – Submission of Proxy Form** under Event and click “>” to submit your proxy forms online for the meeting by the submission closing date and time above.

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 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 may 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 24 JUNE 2024. 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 virtual basis.

ON THE DAY OF THE MEETING

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

(D) Join the Live Stream Meeting (eLive)

Meeting Date and Time	eLive Access Date and Time
Friday, 28 June 2024 at 10:00 a.m.	Friday, 28 June 2024 at 09:30 a.m.

- Look for **Teladan Group Berhad** under Company Name and **5th AGM on 28 June 2024 at 10:00 a.m. - Live Stream Meeting** under 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.



ADMINISTRATIVE GUIDE

ON THE DAY OF THE MEETING (CONT'D)

(E) Vote Online Remotely during the Meeting (eVoting)

Meeting Date and Time	eVoting Access Date and Time
Friday, 28 June 2024 at 10:00 a.m.	Friday, 28 June 2024 at 10:00 a.m.

- If you are already accessing the Live Stream Meeting, click **Proceed to Vote** under the live stream player.
OR
- If you are not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for **Teladan Group Berhad** under Company Name and **5th AGM on 28 June 2024 at 10:00 a.m. - Remote Voting** under 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 e-Voting can be accessed via **My Records** (refer to the left navigation panel).

TELADAN

TELADAN 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 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 5th Annual General Meeting ("**AGM**") of the Company which will be conducted on a fully virtual basis via 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, 28 June 2024** at 10.00 a.m. and at any adjournment thereof on the following resolutions referred to in the Notice of 5th AGM.

*My/Our proxy(ies) *is/are to vote as indicated below:-

Ordinary Business		For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees up to RM516,000/- for the financial year ending 31 December 2025		
Ordinary Resolution 2	To approve the payment of additional Directors' fees payable to the Non-Executive Directors for the financial year ending 31 December 2024 amounted to RM50,000/-		
Ordinary Resolution 3	To re-elect Mr. Teo Lay Ban, as a Director of the Company		
Ordinary Resolution 4	To re-elect Ms. Teo Siew May, as a Director of the Company		
Ordinary Resolution 5	To re-elect Ms. Foo Yit Lan, 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 RM72,000/- for the period from 29 June 2024 until the next AGM to be held in year 2025.		
Ordinary Resolution 8	Authority to issue shares pursuant to the Companies Act 2016		
Ordinary Resolution 9	Proposed Share Buy-Back of up to Ten Per Centum (10%) of the Total Number of Issued Shares of the Company		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your vote to be cast. If no specific direction as to how the proxy shall vote, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.)

Signed this day of, 2024

*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 5th 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 21 June 2024. Only a depositor whose name appears on the Record of Depositors as at 21 June 2024 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, Main 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 5th AGM, together with the proxy form are available at the corporate website of Teladan Group Berhad at <https://teladan.my/investor-relations/investor-centre-reports/>.

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 5th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form:-

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Facsimile or designated Email address, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. **on or before Wednesday, 26 June 2024 at 10:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy form	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: 03-2094 9940 and/or 03-2095 0292 Email: info@sshshb.com.my
Electronic form	(A) Vide Facsimile (Fax Number: 03 - 2094 9940 / 03 - 2095 0292); or (B) Vide designated electronic mail (Email) Address of Share Registrar: info@sshshb.com.my

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd. A member may call dedicated support line of Securities Services (Holdings) Sdn. Bhd. at 03-2084 9169 for assistance/clarification on item (h) above.

Please
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Affix
Stamp

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 GROUP BERHAD

(Formerly known as Teladan Setia Group Berhad)

201901004975 (1314302-V)

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