TALAM TRANSFORM BERHAD

(Incorporated in Malaysia)
192001000012 (1120-H)

ANNUAL REPORT 2023

EMBRACING **CHANGE**
ELEVATING **GROWTH**

CONTENTS

98th ANNUAL GENERAL MEETING

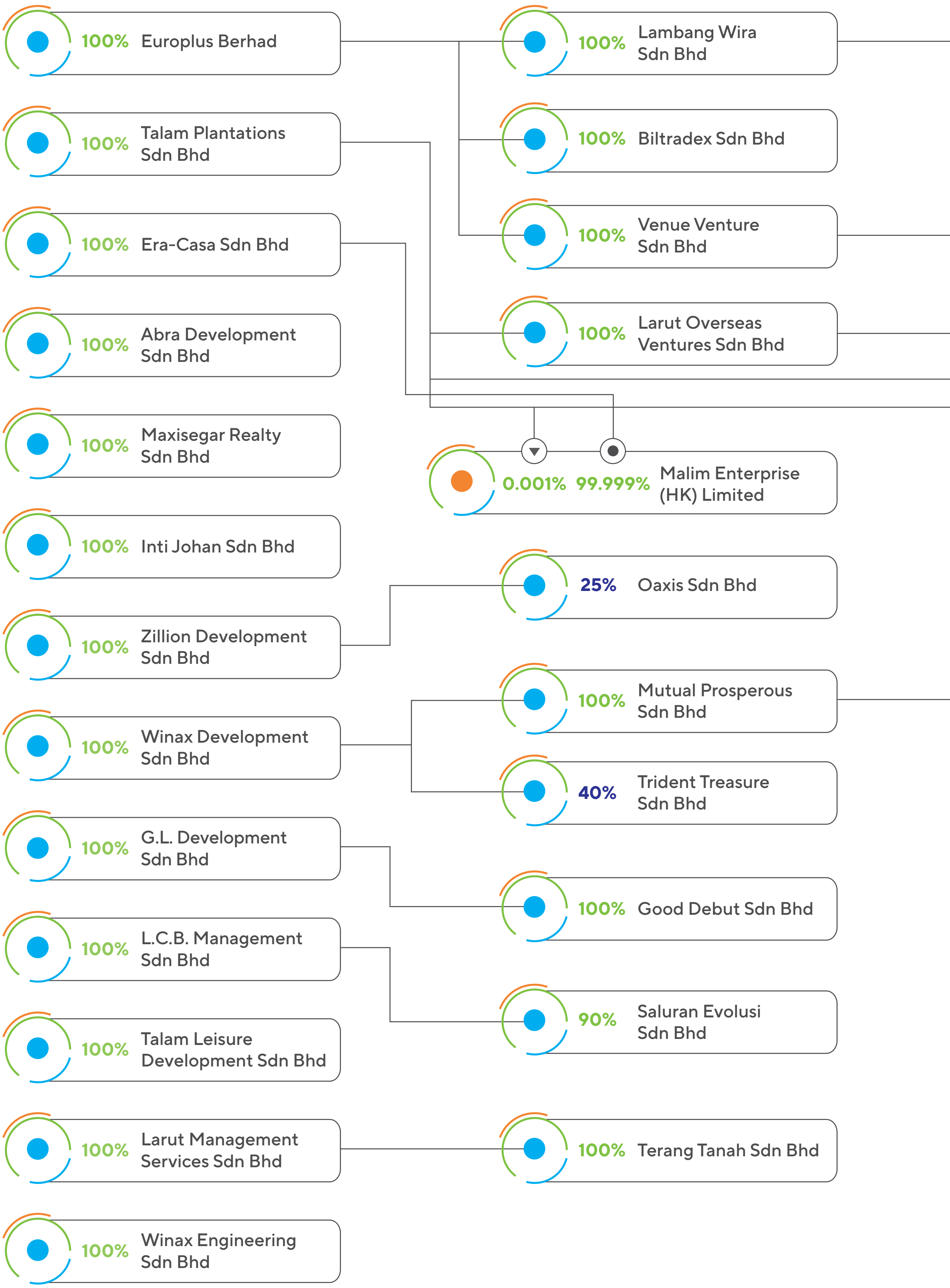
Date
Tuesday, 26 September 2023

Time
11.30 a.m.

Venue
Pusat Konvensyen,
Triumph Convention Centre,
Lot 1.01, Level 1, Menara Maxisegar,
Jalan Pandan Indah 4/2, Pandan Indah,
55100 Kuala Lumpur

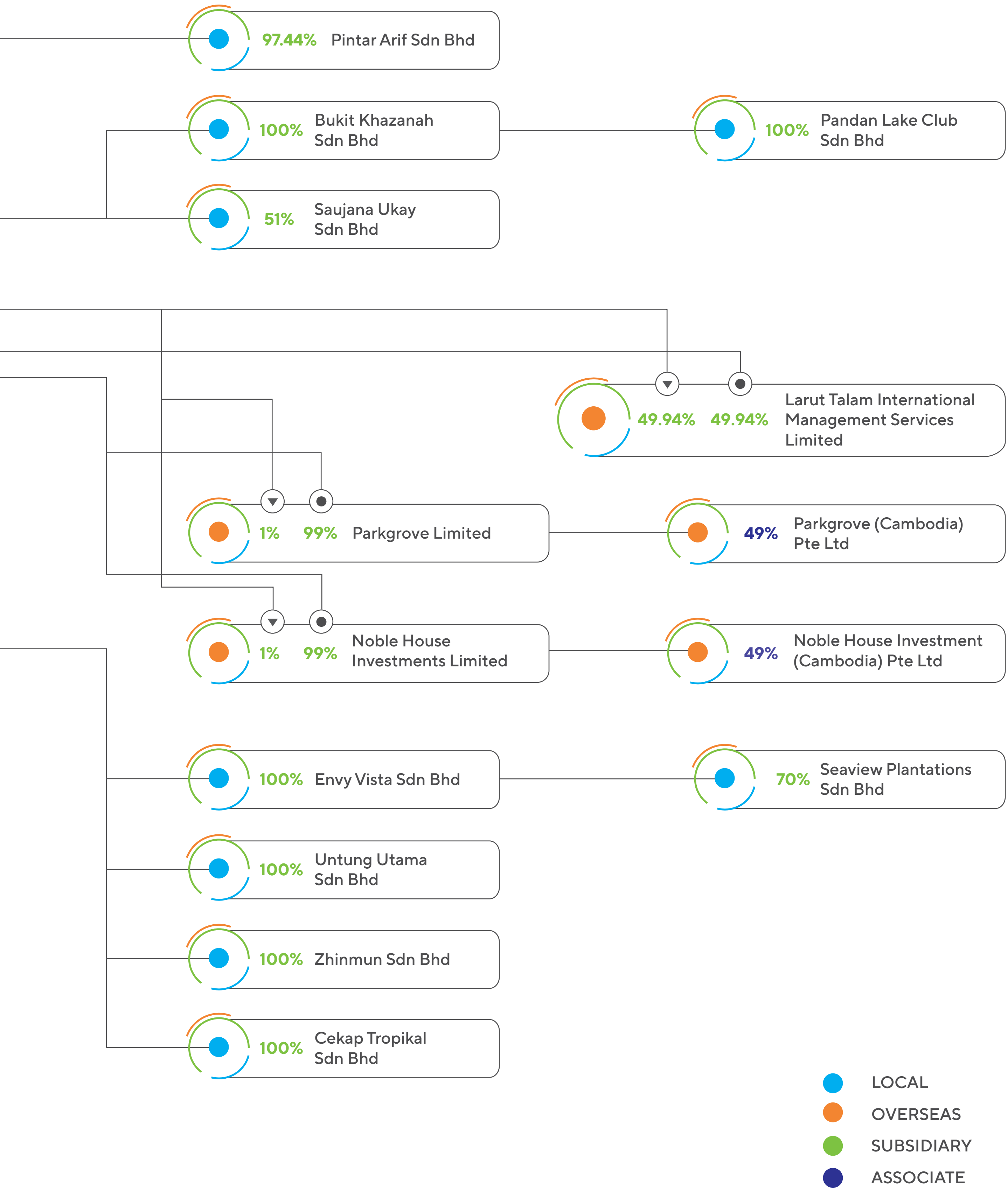
Scan for
Annual Report 2023

CORPORATE STRUCTURE
(3 JULY 2023)



TALAM
TRANSFORM BERHAD
192001000012 (1120-H)

CORPORATE
STRUCTURE (CONT'D)
(3 JULY 2023)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Abdul Hamid Bin Mustapha
Chairman
Independent Non-Executive Director

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon
Non-Independent Non-Executive Director

Chua Kim Lan
Executive Director

Yaw Chun Soon
Executive Director

Chan Tet Eu
Executive Director

Tai Keat Chai
Independent Non-Executive Director

Ling Chee Min
Independent Non-Executive Director

AUDIT COMMITTEE

Tai Keat Chai
Chairman
Member of the Malaysian Institute of Accountants

Dato' Abdul Hamid Bin Mustapha
Member

Ling Chee Min
Member

NOMINATION COMMITTEE

Ling Chee Min
Chairman

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon
Member

Dato' Abdul Hamid Bin Mustapha
Member

Tai Keat Chai
Member

REMUNERATION COMMITTEE

Ling Chee Min
Chairman

Dato' Abdul Hamid Bin Mustapha
Member

Tai Keat Chai
Member

COMPANY SECRETARY

Soo Kah Pik (MIA 8102)
SSM Practicing Certificate No. 201908004099

PRINCIPAL BANKER

Malayan Banking Berhad

REGISTERED OFFICE

Unit 17.02, Level 17,
Menara Maxisegar
Jalan Pandan Indah 4/2
Pandan Indah
55100 Kuala Lumpur
Tel No. : +603-42962000
Fax No. : +603-42977220
Email : ttbgroup@ttransform.com.my
Website : www.ttransform.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel No. : +603-20849000
Fax No. : +603-20949940 / +603-20950292
Email : info@sshsb.com.my

AUDITORS

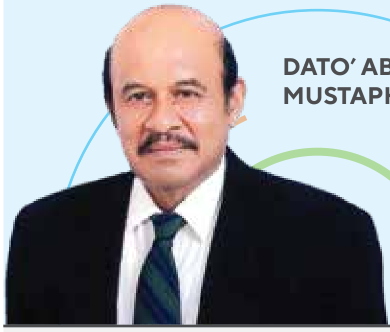
Baker Tilly Monteiro Heng PLT (AF 0117)
201906000600 (LLP0019411-LCA)
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel No. : +603-22971000
Fax No. : +603-22829980

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Code : 2259
Stock Name : TALAMT

PROFILE OF DIRECTORS



DATO' ABDUL HAMID BIN MUSTAPHA

Chairman/Independent Non-Executive Director

Age	Nationality	Gender
77		

Dato' Abdul Hamid Bin Mustapha, aged 77, male, Malaysian, Chairman/Independent Non-Executive Director, joined the Board of Talam Transform Berhad ("the Company") on 30 May 2023. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Dato' Abdul Hamid graduated with a Bachelor of Arts degree from the University of Malaya in 1971. He has served in the Royal Malaysian Police Force in various capacities since 1971 until his retirement as the Commissioner of Police, Director of Public & Internal Security in 2002. He was appointed as a member of the Police Force Commission in Malaysia from May 2003 to May 2005.

He was the former Chairman of WCE Holdings Berhad and has also sat on the Board of Edaran Berhad as an Independent Non-Executive Director until his retirement on 31 May 2023.

TAN SRI DATO' (DR) IR CHAN AH CHYE @ CHAN CHONG YOON

Non-Independent Non-Executive Director

Age	Nationality	Gender
77		

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon, aged 77, male, Malaysian, Non-Independent Non-Executive Director, joined the Board of the Company on 6 November 1990. He was formerly the Executive Chairman of the Company prior to his re-designation as Non-Independent Non-Executive Director on 22 January 2009. He is a member of the Nomination Committee of the Company.

He graduated with a Bachelor Degree in Civil Engineering from the University of Malaya in 1970 and is a member of the Institution of Engineers, Malaysia since 1974 and was subsequently made a Fellow in 1984. He has over 52 years of experience in the property and construction industry since he started his career with Messrs Binnie & Partners (M) Sdn Bhd and later joined Perbadanan Kemajuan Negeri Selangor in 1971 as a Project Manager handling project designs, management and property development. He was formerly the Executive Director (President/Chief Executive) and former Major Shareholder of Kumpulan Europlus Berhad (now known as WCE Holdings Berhad).

Tan Sri Chan was awarded the prestigious "Property Man of the Year 1998" by the Federation Internationale Des Professions Immobilieres (FIABCI) in recognition of his achievements in property development. Tan Sri Chan was conferred the Honorary Doctorate of Science (Engineering) by the University Malaya on 11 August 2003.

His son, Mr Chan Tet Eu is an Executive Director and Major Shareholder of the Company. His spouse, Puan Sri Datin Thong Nyok Choo and daughter, Ms Chan Siu Wei are Major Shareholders of the Company.

PROFILE OF DIRECTORS (CONT'D)

CHUA KIM LAN

Executive Director

Age	Nationality	Gender
59		

Chua Kim Lan, aged 59, female, Malaysian, Executive Director, joined the Board of the Company on 1 October 2007.

Ms Chua Kim Lan graduated from Tunku Abdul Rahman University of Management and Technology in Building Technology in 1984 and holds a Master of Business Administration from Honolulu University, Hawaii in 2000. She was previously attached to Brisdale (M) Sdn Bhd for 5 years from 1984 to 1989 and the Company for 1 year prior to joining Europlus Berhad as a Quantity Surveyor in 1991. She was transferred back to the Company subsequent to the merger exercise in 2003 and was formerly the Deputy President of the Company before her appointment to the Board.

YAW CHUN SOON

Executive Director

Age	Nationality	Gender
61		

Yaw Chun Soon, aged 61, male, Malaysian, Executive Director, joined the Board of the Company on 24 July 2014.

Mr Yaw Chun Soon was admitted as a Solicitor and Barrister of the High Court of New Zealand in 1986 and he was called to the Malaysian Bar in 1987. He practiced law as an Advocate & Solicitor of the High Court of Malaya. He attended the Management Development Program at the Asian Institute of Management, Philippines in 1995.

Mr Yaw has over 37 years of experience in the legal, financial services, broadcasting and property development industry. He joined TA Securities Berhad in November 1993. In May 1996, he was the General Manager-Operations of Botly Securities Sdn Bhd ("Botly"), a wholly-owned subsidiary of TA Enterprise Berhad and subsequently as the Executive Director of Botly. From May 1998 till October 1998, he was the Corporate Finance Director of TA Bank of the Philippines Inc. and the Director of TA Securities Philippines and TA Properties Development, Philippines Inc. On 19 November 1999, he was appointed to the Board of TA Securities Berhad and subsequently the Executive Director-Operations of TA Securities Holdings Berhad from 14 August 2004 until 30 November 2011. He was also appointed as Executive Director of TA Enterprise Berhad, a public listed company listed on Bursa Malaysia Securities Berhad from 7 October 2009 to 30 November 2011. He was appointed as Independent Non-Executive Director of TA Global Berhad from 30 September 2020 to 18 February 2021. He is also a director of Asian Outreach (Malaysia) Bhd.

PROFILE OF DIRECTORS (CONT'D)

CHAN TET EU

Executive Director

Age	Nationality	Gender
38		

Chan Tet Eu, aged 38, male, Malaysian, Executive Director, joined the Board of the Company on 24 July 2014. He was formerly a Non-Independent Non-Executive Director prior to his re-designation as Executive Director (Business Development) on 1 May 2019.

Mr Chan Tet Eu holds a Bachelor of Arts and Media (with Hons) from Lim Kok Wing University and a Certificate of Excellence in mechanical engineering and a Diploma in accounting.

Mr Chan worked in a media outlet and production house, prior to joining a property development company.

His father, Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon is also a Director and Major Shareholder of the Company. His mother, Puan Sri Datin Thong Nyok Choo and sister, Ms Chan Siu Wei are Major Shareholders of the Company.

TAI KEAT CHAI

Independent Non-Executive Director

Age	Nationality	Gender
68		

Tai Keat Chai, aged 68, male, Malaysian, is an Independent Non-Executive Director of the Company. He was appointed to the Board of Directors of the Company on 30 May 2023. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company.

He passed the examinations of The Institute of Chartered Accountants in England and Wales in 1976 and is a member of the Malaysian Institute of Accountants.

Mr Tai Keat Chai began his career with KPMG in London for a year and later in 1978, he joined PricewaterhouseCoopers (PwC Malaysia) in Kuala Lumpur for 3 years, auditing the accounts of a wide range of companies, both big and small/medium. In 1981, he joined Alliance Investment Bank Berhad and worked all his way up for 7 years to become a Senior Manager in Corporate Finance department by providing advisory services to companies ranging from capital market exercises (IPOs), fund raising exercises (rights issues) and merger and acquisition activities.

Thereafter, he spent a year in PwC Consulting Sdn Bhd as a Manager by providing management consultancy services to companies before joining Berjaya Group Berhad as a General Manager of Investment to evaluate potential investment proposals. He was subsequently seconded to SJ Securities Sdn Bhd as a Manager where he was involved in its revival from suspension of stockbroking operations.

In 1991, he was an Executive Director of A.A. Anthony Securities Sdn Bhd for 6 years prior to him selling off his equity interest to a listed company. Subsequent thereto, he worked as a dealers representative in Kenanga Investment Bank Berhad. Currently, he is a Director of Fiscal Corporate Services Sdn Bhd. He also sits on the Board of Marine & General Berhad, Microlink Solutions Berhad, Rex Industry Berhad, MIDF Amanah Asset Management Berhad and HSS Engineers Berhad.

PROFILE OF DIRECTORS (CONT'D)

LING CHEE MIN

Independent Non-Executive Director

Age	Nationality	Gender
65		

Ling Chee Min, aged 65, male, Malaysian, is an Independent Non-Executive Director of the Company. He was appointed to the Board of Directors of the Company on 30 May 2023. He is the Chairman of the Nomination Committee and Remuneration Committee, and a member of the Audit Committee of the Company.

Mr Ling is an accountant by profession and graduated with the Association of Chartered Certified Accountants (ACCA) from the United Kingdom. He is a fellow member of the ACCA, a member of the Malaysian Institute of Accountants (MIA) and a member of the Chartered Tax Institute of Malaysia (CTIM).

Mr Ling Chee Min started his career in 1978 as Audit Semi-Senior with a firm of Chartered Accountants in London. In 1983, he joined an audit firm in Kuala Lumpur as Audit Senior and moved on to Aetna Universal Insurance Berhad as Accounts Supervisor in 1985. Thereafter, he joined Fraser & Neave (M) Sdn Bhd as Internal Auditor for 2 years. He was with TA Enterprise Berhad as Financial Controller from 1991 to 1996. He then joined 2 stockbroking companies in Malaysia as Remisier for 4 years. He sat in the Board of Kumpulan Jetson Bhd from 2017 to 2019 as Independent Non-Executive Director. He is currently in public practice as an audit partner in TC & Associates PLT, Chartered Accountants and also since the year 2000, in his own firm, CM Ling & Co.. He is also an Independent Non-Executive Director of Eduspec Holdings Berhad and Grand Central Enterprises Bhd.

Notes

1. Save as disclosed, none of the Directors have:-

   - Any directorships in public companies and listed issuers;
   - Any family relationship with any directors and/or major shareholders of the Company;
   - Any conflict of interest with the Company;
   - Any conviction for offences within the past 5 years other than traffic offences; and
   - Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2023.

2. The details of the Directors' attendances at Board of Directors' Meetings held during the financial year ended 31 March 2023 are set out in the Corporate Governance Overview Statement on page 39 of this Annual Report.

3. The Directors' and Group Chief Executive Officer's shareholdings in the Company are disclosed in the Statement on Directors' and Group Chief Executive Officer's Interests of this Annual Report.

PROFILE OF GROUP CHIEF EXECUTIVE OFFICER

DATO' MOHAMAD RAZALI BIN MOHAMAD RAHIM

Group Chief Executive Officer

Age	Nationality	Gender
63		

Dato' Mohamad Razali Bin Mohamad Rahim, aged 63, male, Malaysian, joined Talam Transform Berhad on 22 March 2019 as Group Chief Executive Officer.

Dato' Razali worked for a number of organisations both multi-national and local. On his return from the United States with a Masters in Business Administration in 1981, he started at Pernas-Sime Darby where he went through the Finance Department, Marketing and Operations in the Trading Company and Motor Division. He was also stationed in Japan for a year with Nichimen Corporation. In 1984, he joined Citibank NA where he rose to the position of Vice President and Area Director. He was also the Real Estate Specialist for Asia and Oceania. In 1997 he joined SP Setia as Executive Director and was responsible for the construction of the Prime Minister's Office and the Prime Minister's Residence in Putrajaya as well as all the housing units under the joint venture. After SP Setia, he went into Islamic Banking with Abrar Discounts Berhad. Dato' Razali was also with the MIDF group where he headed the Group's Business Development Division. He also had stints in Premier Nalfin Berhad, Wembley Industries Berhad and Khee San Berhad.

Notes

1. Save as disclosed, he has no directorships in other public companies and listed issuers.
2. He has no family relationship with any directors and/or major shareholders of the Company.
3. There is no conflict of interest with the Company. Within the past 5 years, he has no conviction for offences other than traffic offences.
4. During the financial year ended 31 March 2023, there was no public sanction or penalty imposed on him by the relevant regulatory bodies.

PROFILE OF KEY SENIOR MANAGEMENT

The Key Senior Management of Talam Transform Berhad ("the Company") is headed by the Executive Directors, Ms Chua Kim Lan, Mr Yaw Chun Soon and Mr Chan Tet Eu together with the Group Chief Executive Officer, Dato' Mohamad Razali Bin Mohamad Rahim whose profiles are disclosed in the Profile of Directors and Profile of Group Chief Executive Officer respectively.

Ms Chua oversees the Operations of the Group which covers Finance, Project, Contract, Sales & Marketing, Planning, Authority & Land Matters and Complex while Mr Yaw oversees the Corporate Affairs Department which covers Corporate Finance, Human Resource, Administration & Purchasing, Legal and Secretarial Services. Mr Chan oversees the Business Development portfolio of the Group.

Dato' Mohamad Razali Bin Mohamad Rahim works together with the Executive Directors to meet the objectives and goals of the Company.

TAN BAK HAI

Senior Vice President I of Sales & Marketing

Age	Nationality	Gender
63		

Tan Bak Hai, aged 63, male, Malaysian, was appointed as Senior Vice President I of the Company on 1 January 2004. He oversees the day-to-day operation of the Sales & Marketing Department.

Mr Tan graduated from University of Malaya in 1983.

Mr Tan started his career with Rahim & Co. Chartered Surveyors Sdn Bhd for 5 years prior to joining Europlus Berhad as a Sales and Administration Executive. He was promoted as Marketing Manager and followed by the position as General Manager. He was transferred back to the Company subsequent to the merger exercise in 2003.

SOO KAH PIK

Chief Financial Officer

Age	Nationality	Gender
61		

Soo Kah Pik, aged 61, male, Malaysian, joined the Company on 1 August 2014 as Vice President of Group Finance.

Mr Soo is a qualified accountant by profession and a member of the Malaysian Institute of Accountants.

He has a total of 38 years of broad experience in the fields of audit, accounting, secretarial and tax with 7 years working in Chartered Accountancy firms in the United Kingdom. In Malaysia, he served 12 years in the Hong Leong Group before departing as Group Financial Controller of Malaysian Pacific Industries Berhad. A further 11 years were spent in various other business sectors such as construction, information technology and broadcasting before he joined the Company. He also assumed the position of Company Secretary from 1 November 2014 and was subsequently appointed as the Chief Financial Officer on 1 March 2015.

PROFILE OF
KEY SENIOR MANAGEMENT (CONT'D)

NG GIAK LIAN

Deputy Vice President of Finance

Age	Nationality	Gender
62	Malaysian	Female

Ng Giak Lian, aged 62, female, Malaysian, joined the Company in 1989 and was appointed as Deputy Vice President of Finance in 2012 and is currently assisting the Chief Financial Officer on all day-to-day finance and accounting matters.

Ms Ng has more than 36 years of management experience in finance and accounting in construction and property development industry. Prior to joining the Company, she was attached to a construction company. She started her career in the Company as an Account Executive. Subsequently, she was promoted as Finance Manager followed by Senior Finance Manager and eventually to the current position as the Deputy Vice President of Finance.

She graduated from Tunku Abdul Rahman University College in Cost and Management Accounting in 1986.

Notes

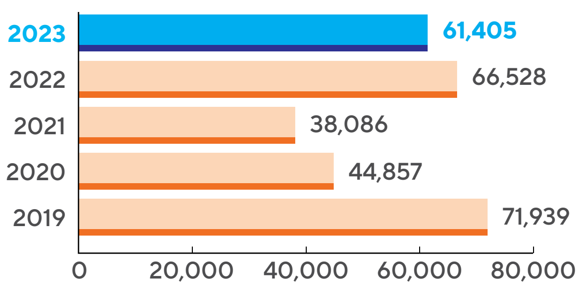
Save as disclosed, none of the Key Senior Management have:-

- Any directorships in public companies and listed issuers;
- Any family relationship with any directors and/or major shareholders of the Company;
- Any conflict of interest with the Company;
- Any conviction for offences within the past 5 years other than traffic offences; and
- Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2023.

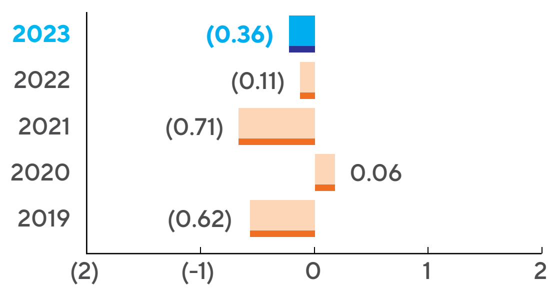
FINANCIAL HIGHLIGHTS

		2023	2022	2021	2020	2019
GROUP						
Total Assets	RM'000	651,673	701,485	708,172	780,143	824,002
Total Liabilities	RM'000	389,126	423,404	425,640	425,831	474,233
Equity attributable to owners of the Group	RM'000	260,717	276,124	280,967	361,735	356,392
Revenue	RM'000	61,405	66,528	38,086	44,857	71,939
Profit/(Loss) before tax	RM'000	(15,475)	(1,743)	(30,882)	1,758	(27,471)
Profit/(Loss) after tax attributable to owners of the Group	RM'000	(15,407)	(4,843)	(30,479)	2,582	(26,071)
Earnings/(Loss) per share	Sen	(0.36)	(0.11)	(0.71)	0.06	(0.62)
Return on Assets	%	-2.4%	-0.7%	-4.4%	0.2%	-3.3%
Return on Equity	%	-6.0%	-1.8%	-11.0%	0.5%	-7.7%
Gearing Ratios		0.09	0.25	0.25	0.20	0.17
COMPANY						
Total Assets	RM'000	624,810	668,422	638,854	668,015	729,475
Total Liabilities	RM'000	333,020	353,916	368,887	349,930	421,305
Equity attributable to owners of the Company	RM'000	291,790	314,506	269,967	318,085	308,170
Revenue	RM'000	3,590	2,169	6,939	33,638	29,829
Profit/(Loss) before tax	RM'000	(22,693)	44,562	(48,118)	6,915	(18,794)
Profit/(Loss) after tax attributable to owners of the Company	RM'000	(22,716)	44,539	(48,118)	6,915	(18,794)
Return on Assets	%	-3.6%	6.7%	-7.5%	1.0%	-2.6%
Return on Equity	%	-7.7%	14.2%	-17.8%	2.2%	-6.1%
Gearing Ratios		0.01	0.13	0.16	0.13	0.16

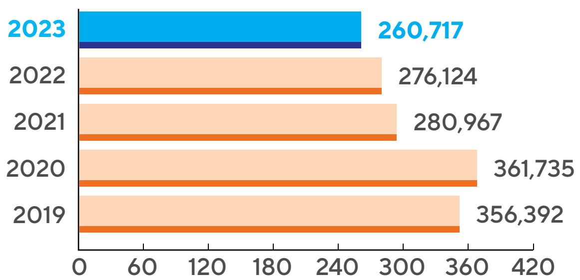
REVENUE (RM'000)



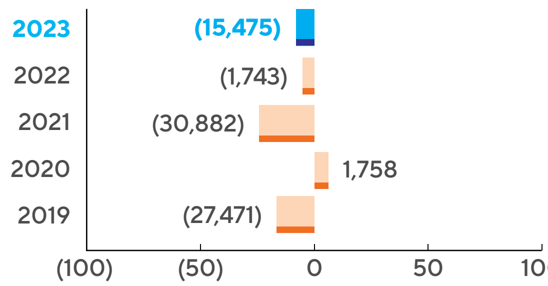
EARNINGS/(LOSS) PER SHARE (SEN)



EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP (RM'000)



PROFIT/(LOSS) BEFORE TAX (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS

GROUP'S BUSINESS

Talam Transform Berhad ("TTB") and its subsidiaries ("the Group") main core business segments are property development, property investment, construction and property management.

In this Management Discussion and Analysis we will provide a brief review of the property market, business, financial and operational performance of the Group for the financial year ended 31 March 2023 ("FY 2023").

PROPERTY MARKET OVERVIEW

The global post-COVID economic recovery was cut short during the year under review by the military conflict in Ukraine in February 2022. The imposition of economic sanctions by Western economies on Russia disrupted global logistics and supply chain obstructions saw the closure of shipping routes and ports and Brent crude oil prices surging to over US$130/barrel. The global economy continues to be weighed down by elevated cost pressures, higher interest rates and COVID-related disruptions in China.

The Malaysian economy performed well in 2022 with a commendable gross domestic product ("GDP") growth of 8.7% driven by strong domestic demand. Malaysia's inflation in 2022 peaked at 4.5% in the third quarter of the year. Inflation rose as the economy resumed and consumer demand increased with the rise in prices of goods and services driven by a combination of robust consumer demand and a shortage of supply. The rise in inflation has diminished individuals' purchasing power.

To curb inflationary pressures and provide stability to a depreciating Ringgit Malaysia, Bank Negara Malaysia has from May 2022 increased the Overnight Policy Rate ("OPR") by 100-basis points and as at 31 December 2022, the OPR stood at 2.75%. This has led to higher borrowing costs for both property developers as well as buyers. The hike in loan repayments for both property developers and buyers may have impacted the overall appetite for properties as well as the present supply demand dynamic.

OVERVIEW OF GROUP'S BUSINESS

Our business and operations were adversely impacted by the disruptions in the global logistics and supply chain with shortages of raw materials which resulted in higher material costs as well as labour shortages particularly in the construction sector and resulting in costs escalation.

Despite these challenges, TTB remained tenacious and resilient to meet the changing market conditions. We adapt by becoming more cost-conscious and minimise our operating expenses through plugging the leakages.

We evolve to a new reality and embrace the changes of the new environment. New launch activity was not exceptionally high in 2022. According to the National Property Information Centre (NAPIC) there was 54,118 residential units launched in 2022 which was lower than the average pre-pandemic annual launches. With sales performance of 36%, the effective new launch take-up was only 19,482 units or 8% of the total residential transactions for the year. The surge in activity was mainly in the secondary or sub-sale market and of ongoing projects launched in the last couple of years over the COVID-19 period.

The Housing and Local Government Ministry disclosed that about 20% of planned projects were abandoned in 2022 compared to 10.3% before the pandemic. While conditions improved, property overhang remained significant.

During the year under review, TTB did not launch any new development projects. We focused on our ongoing projects to ensure timely completion. We also put in concerted efforts to sell the 192 units of our "First Build Then Sell" Seroja Apartments project with a Gross Development Value of RM44 million.

With sales performance of 36%, the effective new launch take-up was only 19,482 units or 8% of the total residential transactions for the year

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

On the agriculture sector, we have suspended any further development for the time being and are re-assessing the situation before embarking further in light of the tight labour market and difficulties in getting workers to work on the agriculture lands.

GROUP FINANCIAL REVIEW

For the financial year ended 31 March 2023 ("FY 2023"), the Group achieved a revenue of RM61.41 million, which is 7.7% lower than the RM66.53 million recorded for the previous financial year. Group gross profit is RM13.41 million, a year-on-year decline of 38.88% from the RM21.94 million recorded last year.

There were no significant one-off exceptional or extraordinary items that affected the financial results of the Group. Consequently, the Group posted a loss after tax of RM15.53 million for the financial year under review, an increase of RM10.58 million over the loss of RM4.95 million for the preceding financial year. The Group's single largest cost component is finance cost, accounting for RM20.60 million during FY 2023. The Group is pleased to report that this cost had reduced by RM3.11 million year-on-year in view of the full settlement of the remaining RM40.01 million Settlement BaIDS balance during the financial year.

Because of the loss, total equity fell to RM262.55 million as at 31 March 2023 from RM278.08 million a year ago.

In spite of volatility in the local and global market, management remains committed in managing the financial position of the Group prudently to ensure the Group is prepared to meet any challenges or opportunities in the years to come.

At the end of FY 2023, the Group's total assets amount to RM651.67 million against total liabilities of RM389.13 million, resulting in a net assets position of RM262.55 million.

The Group will strive to continue on improving its financial stability by strengthening its balance sheet through proactively monitoring its liquidity position and to achieve an optimum gearing ratio, which is currently at 0.09, an improvement from last year's 0.25, to position for future development growth. The Group's total borrowings fell a huge 56.51% to RM31.65 million from RM72.77 million as a result of the full settlement of its RM134.2 Million Al-Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") on 28 June 2022.

The Group has embarked on a number of efforts to improve its operating cashflow position including taking on a cost rationalisation exercise, continuing to dispose the Group's inventory and monetize its non-strategic underperforming land banks. Sales of the Group's first fully completed "Build Then Sell" Seroja Apartments project is progressing albeit at a slower than expected pace due to high failure rate of the targeted lower income group in obtaining high-margin end-financing. As at 31 March 2023, the Group had already recognised RM17.3 million sales out of an estimated total of RM44 million.

The Group's total assets amount to RM651.67 million against total liabilities of RM389.13 million

The Group had acquired 225,000 units of ordinary shares in Saluran Evolusi Sdn Bhd

During the FY 2022, the Group had successfully negotiated with IJM Properties Sdn Bhd to extend the repayment of RM207.83 million owing to them by two years to 21 May 2024 with terms to incorporate an amicable arrangement to set off a property to IJM Properties Sdn Bhd to partially settle the amount and to charge certain properties to IJM Properties Sdn Bhd as collateral for the balance.

During the financial year, a term loan facility of RM29.5 million that would be due on 31 May 2023 has been extended to 31 May 2024.

Also during FY 2023, the Group had acquired 225,000 units of ordinary shares in Saluran Evolusi Sdn Bhd, where the Group now holds 90% interest via its wholly-owned subsidiary L.C.B. Management Sdn Bhd.

MANAGEMENT DISCUSSION
AND ANALYSIS (CONT'D)

REVIEW OF BUSINESS OPERATIONS

PROPERTY INVESTMENT AND DEVELOPMENT

As at 31 March 2023, the Group has an existing strategic land bank with gross land area of approximately 855 acres of development lands in choice locations in the State of Selangor. The Group has several new housing projects that have been approved by the authorities. The strategic choice landbank of the Group positions it to propel the future growth of its property development for the next 10 years.

(1) Existing Projects

(a) **Taman Puncak Jalil**

Taman Puncak Jalil, is located next to Technology Park along Sungai Besi-Puchong road. Adjacent developments are Lestari Perdana on the southeast, Taman Equine on the south, Bandar Kinrara on the northwest and Bukit Jalil Sports Complex on the north. The project has remaining land bank of approximately 26 acres, with estimated Gross Development Value of RM610 million with an expected development period of six years.

(b) **Putra Perdana**

Putra Perdana is located on the southern side of Puchong-Kajang trunk road, 5 km from Batu 14 Puchong, within Cyberjaya and adjacent to the Multimedia Super Corridor, 5 km west of Putrajaya and 13 km north of the Kuala Lumpur International Airport. The project has remaining land bank of approximately 66.78 acres, with an estimated Gross Development Value of RM3.22 billion.

(c) **Bukit Sentosa III**

Bukit Sentosa III forms an integrated township covering originally approximately 994 acres of freehold land in the Mukim of Serendah, approximately 47 km north of Kuala Lumpur. It is accessible through the North-South Expressway via the exit at Bukit Beruntung Interchange. The comprehensive new township comprises a mixed development of residential, commercial and industrial properties.

Bukit Sentosa III, with a balance gross land area of approximately 75.65 acres is undertaken by TTB and Europlus Berhad, a wholly-owned subsidiary of TTB with an estimated Gross Development Value of about RM421 million.

(d) **Bandar Bukit Beruntung**

Bandar Bukit Beruntung, with converted 5,500 acres of freehold land, is located north-west of Rawang, approximately 40 km from Kuala Lumpur and will be developed by Europlus Berhad.

Bandar Bukit Beruntung has a balance gross land area of approximately 158.65 acres with an estimated Gross Development Value of RM81.25 million.

(e) **Bukit Beruntung III**

Bukit Beruntung III is a mixed development project undertaken by Europlus Berhad. The project is located adjacent to the east of Bandar Bukit Beruntung within Bukit Beruntung Township off the East Side of the North-South Expressway, some 50 km due north of Kuala Lumpur City Centre. The development has a balance gross land area of 246.03 acres (excluding 76.90 acres of Janajaya Murni Sdn Bhd joint venture land pending fulfillment of conditions precedent) with an estimated Gross Development Value of RM1.09 billion.

(f) **Berjuntai Bistari Land ("Shah Alam 2")**

The proposed Shah Alam 2, currently known as Berjuntai Bistari land, originally consisted of 3,000 acres of leasehold land. The land is located adjacent to the Universiti Industri Selangor campus, about 44 km from the towns of Batang Kali and Kuala Selangor, approximately 30 km from Rawang and 20 km from Bukit Beruntung. The development is accessible via the coastal road to Kuala Selangor.

As at 31 March 2023, we have a remaining land of 91.39 acres which will be developed as a water front development when the area matures for development.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

(2) Future Projects

(a) **Selayang Green II**

Selayang Green II is a residential development project undertaken by Zhinmun Sdn Bhd. The project measures gross land area of 50 acres and is located at Mukim of Batu, District of Gombak, State of Selangor. The Gross Development Value of Selayang Green II is estimated to be RM746 million and implementation is expected to be over a period of eight years. The development is currently in the process of submission of Master Planning Layout.

(b) **Selayang Green I**

Selayang Green I is a residential development project undertaken by Untung Utama Sdn Bhd. The project measures gross land area of 50 acres and is located at Mukim of Batu, District of Gombak, State of Selangor. The Gross Development Value of Selayang Green I is estimated to be RM696 million and implementation is expected to be over a period of seven years. The development is currently awaiting the endorsement of the detailed development planning approval.

(3) Joint Venture Projects

(a) **1,118 Units Two Storey Terrace House at Bukit Beruntung III**

This is a joint venture development project undertaken by Janajaya Murni Sdn Bhd, the developer with the registered land owner of the proposed development, Europlus Berhad. The development spans 76.90 acres (48.51 net titles area) of land and is located within the mature township of Bukit Beruntung III. The development project has an estimated Gross Development Value ("GDV") of RM388 million where Europlus Berhad will receive 16% sharing on GDV. The development is currently awaiting authority's approval on the development order amendment plan.

(b) **184 Units Three Storey Semi-Detached House and 178 Units High Cost Apartments at Taman Puncak Jalil**

This is a joint-venture development project undertaken by Trident Treasure Sdn Bhd, a 40%-associate of the Group. The development is part of Taman Puncak Jalil project and is located next to Technology Park along Jalan Sungai Besi, Puchong road. The Gross Development Value is estimated to be RM367 million. The development is currently awaiting authority's approval on the development order amendment plan.

(4) Other Businesses

(a) **Commercial Complexes**

(i) Menara Maxisegar – A 24-storey Commercial Complex comprising a 18-storey office tower, 3 levels of retail space and 3 levels of car park that fronts Jalan Pandan Indah 4/2 and is strategically located within the commercial centre of Pandan Indah. The complex contributed rental income of approximately RM1.91 million in the financial year ended 31 March 2023.

(ii) Pandan Kapital – A 2-storey Shopping Complex with one level of basement car park that fronts Jalan Pandan Utama and is strategically located within the commercial centre of Pandan Indah. The Group currently own 86% of the retail space of the complex. The complex contributed rental income of RM2.86 million in the financial year ended 31 March 2023.

(b) **Construction**

L.C.B. Management Sdn Bhd ("LCBM"), a wholly-owned subsidiary of TTB, has a balance construction order book of RM22.67 million from Projek Alam 2012 Sdn Bhd, Wonderful Insights Sdn Bhd and Xtra Touch Sdn Bhd, and barring any unforeseen circumstances, the Group expects to be able to recognise the amount as revenue in subsequent accounting periods.

On top of the construction contracts awarded, LCBM was also appointed by the abovementioned developers to provide sales and project management services for their projects namely, Alam Perdana Industrial Park, D'Seven at Lagoon Perdana, Laman Putra and Ukay Perdana with an estimated total gross sales value of RM991 million.

MANAGEMENT DISCUSSION
AND ANALYSIS (CONT'D)

OUTLOOK AND PROSPECTS

With the new Malaysian Government's renewed focus on economic growth and reducing income disparity through a revised expansionary Budget 2023 of RM388.1 billion which is the largest budget in the nation's history, the Malaysian economy is expected to grow moderately by 4% to 5% in 2023.

As the Government is focused on boosting the Malaysian economy, the path of economic recovery will continue. However with the current external environment of high inflation and interest rates, the current market landscape of ongoing supply chain disruptions, labour shortages in certain industries and sectors and tighter monetary policies will create challenges fraught with uncertainties.

Amidst these challenges, we remain optimistic on TTB's potential to ride through the uncertainties. We will continue to strengthen our fundamentals and streamline our core capabilities. Our focus for 2023 will be on speeding up execution of existing development. We will also pursue operational excellence and best practices across the organisation.

The nation's growth will continue to be driven by the demand from the domestic market and supported by the continued recovery in the labour market, the realisation of several investment projects and the growth of the services and manufacturing sectors. The property market performance is also expected to grow even with the lower economic growth projected for 2023.

Despite the challenges, we remain focused on strengthening our competitive advantages and capitalising on opportunities in the various market segments we have presence in.

Bank Negara Malaysia at its monetary policy committee ("MPC") meeting on 3 May 2023 increased the OPR by 25 basis points to 3.00%. Accordingly, the ceiling and floor rates of the corridor of the OPR were increased to 3.25% and 2.75%, respectively. With this decision, the MPC has withdrawn the monetary stimulus intended to address COVID-19 crisis in promoting economic recovery.

While inflation has been moderating, the greater expansion in Malaysia's economy and firm domestic demand, continue to contribute to price pressures, keeping inflation elevated.

Riding on the momentum of high activity in 2022, the property market recovery is backed by positive sentiments on the political front with a new Unity Government and general stability in terms of the recovery from the pandemic. However, this will be at a more moderate pace, as we continue to face headwinds. The market has shown signs of softening following the OPR hikes and remains weighed down by a large overhang.

The Malaysian economy registered a growth of 8.7% in 2022 (2021: 3.1%) due to the expansion of growth across all economic sectors of services, manufacturing, construction and commodities-related partly due to the low base effect of 2021 arising from the impact of the pandemic. Private sector activity remained the key driver of growth, supported by private consumption and investment. The continued growth in private consumption was mainly driven by improving labour market conditions.

The exports slowdown amidst weaker global demand will partially be cushioned by higher tourism activity. The downside risks remain with weaker global growth, tighter financial conditions, re-escalation of geopolitical conflicts and worsening supply chain disruptions.

MANAGEMENT DISCUSSION
AND ANALYSIS (CONT'D)

With the unpredictable external environment, a moderate economic growth of 4% to 5% is projected by the government for 2023 supported by accommodative policies, continuous government support, implementation of planned measures outlined in the revised Budget 2023 and the proper execution of strategies and initiatives under the 12th Malaysia Plan 2021-2025, are all expected to remain supportive of the property sector.

With the economy in recovery mode, we will step up on our turnaround strategy. We have and will continue to enhance the value creation of the Group's existing strategic land bank with net title area of approximately 855 acres of development lands in choice locations in the State of Selangor by reviewing and upgrading our future development plans to align the customers' demands with innovative products and features to create long-term value for purchasers and a sustainable long term housing development business.

855 acres of development lands in choice locations in the State of Selangor by reviewing and upgrading our future development plans

We will also continue to build on our strengths and improve on our weaknesses to strive towards our vision in thriving to be an affordable housing developer given our proven expertise and experience in developing affordable properties. With real demand from an expanding middle-income mass market of Malaysian buyers, and the strong, stable demand for affordable homes which is typically inelastic to economic conditions, we will capitalise on a rebound in demand to launch more affordable property projects priced at RM500,000 and below. To navigate the challenges ahead we remain committed to create value for sustainable communities for the future. To achieve that we will strive to sustain home prices at an affordable range while maintaining margins against rising operational costs attributed to increasing material and labour costs through cost mitigation strategies to control rising operational costs.

The construction sector was affected by the lingering effects of the pandemic and more recent global economic upheavals in 2022. Recent geopolitical events and logistical issues reduced the supply of almost all major construction materials, which caused costs to increase significantly. Steel price increased by 3.4% at the end of 2022, while cement saw an increase of almost 10% during the same period. This was coupled with the labour shortage as reported by the Construction Industry Development Board ("CIDB") of around 400,000 workers in the construction industry.

The Group has an order book of RM22.67 million in the construction sector, and will explore new avenues to increase its order book.

We remain flexible in our strategies to meet the challenges ahead and will swiftly adapt to the fast changing business environment. We are cautious in our plans to diversify into the agriculture sector in light of the tight labour market and will take a pause to re-evaluate the market situation before embarking further into agriculture and horticultural commercial farming.

To realise our aspiration to build a resilient future, our core business will still be property development with the focus on unlocking value from our strategic assets.

With sustainability as our long-term goal, the Group will leverage on our operational efficiencies and strive for financial stability through continued growth and value creation.

Talent development is critical for the Group and succession planning will remain pivotal for the development of a talent pool of high calibre and skilled professionals to take the lead in our property development and construction sectors.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OUTLOOK AND PROSPECTS (CONT'D)

As we move forward into FY 2024, new synergistic and collaborative partnerships or joint ventures are pivotal to unlock and realize the value of our assets and the Group will continue to explore opportunities for new business ventures or new investments.

ACKNOWLEDGEMENTS

Our sincere gratitude and thanks to the many stakeholders who were instrumental in TTB's success during the challenges of the past years. It is through their continued support that we have been able to stay the course and bounce back stronger in 2023 and we will continue to thrive and grow with the backing of our stakeholders.

To our Board, many thanks for your unwavering support and commitment to TTB. Our deepest gratitude to Mr Tsen Keng Yam the immediate past Chairman and Senior Independent Non-Executive Director and our 2 immediate past Independent Non-Executive Directors, Dato' Kamaruddin Bin Mat Desa and Datuk Dr Ng Bee Ken whose tenures all exceeded 12 years and ended on 30 May 2023 for their exemplary tenure, commitment and their invaluable leadership and guidance in our business strategy and contributing with their keen insights to make TTB Group a cohesive and sustaining company. We wish all three of them the best in their future endeavours.

We extend a warm welcome to our three new Independent Non-Executive Directors. We are pleased to welcome Dato' Abdul Hamid Bin Mustapha who is also the new Chairman of the Board , Mr Tai Keat Chai and Mr Ling Chee Min who all joined us on 30 May 2023. All of them are veterans with vast corporate experience and well qualified in their fields of expertise. We look forward to their meaningful and positive contribution on the Board.

To the Management team, your unwavering commitment and dedication to drive the Company forward, even during these challenging times is highly applauded.

To our employees, for your hard work and dedication, your efforts are greatly appreciated which have been crucial to help us in our recovery this year.

To our customers, we are grateful for your trust and confidence in TTB. We remain committed to delivering innovative and sustainable developments that cater to your evolving needs.

Lastly, to all our other stakeholders, including our partners, shareholders, suppliers, financiers and our esteemed regulators, thank you for your continued support and collaboration.

SUSTAINABILITY STATEMENT

The Board of Directors ("Board") of Talam Transform Berhad ("TTB" or "the Company") recognises the importance of governing its businesses in a sustainable and responsible manner and has endeavoured to maintain a balance between economic performance and good corporate governance to create values for its shareholders and its responsibility towards environmental and social obligations. TTB and its subsidiaries ("the Group") are committed to ensure that the concept of business sustainability becomes an integral part of its organisation culture that inspires its employees to embrace sustainable changes through the work they do.

This Sustainability Statement ("Statement") formally sets out our approach to sustainability and includes the various sustainability initiatives and activities that we have undertaken for the financial year which have an impact on the economic, environmental, social and governance ("EESG") aspects. This Statement covers our core businesses comprising of property development, property investment construction and property management which are all located in Malaysia.

The current reporting year will cover 12 months from 1 April 2022 to 31 March 2023.

REPORTING STANDARDS

Our sustainability reporting is in line with the Global Reporting Initiative ("GRI") standards, prioritising our focus on reviewing our material issues and mapping out our route forward to embed sustainability throughout our business operations without compromising the environment for generations to come. In addition, we will also demonstrate our commitment to integrate sustainability practices and preparing this Statement according to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and Sustainability Reporting Guide and Toolkits issued by Bursa Malaysia Berhad ("Bursa Malaysia").

TALAM TRANSFORM BERHAD'S VISION, MISSION AND CORE VALUES

Our Vision, Mission and Core Values are as follows:-

Vision
To be a reliable property developer and contractor of choice by delivering affordable housing and quality construction works.

Mission
To achieve growth through the development and construction of properties as well as to adopt sustainable modern living lifestyle that meets the needs of the market and embrace the fostering of sustainable communities.

Core Values
To deliver value, fostering teamwork, maintaining integrity and building relationships.

SUSTAINABILITY
STATEMENT (CONT'D)

REVIEW OF OPERATION

The detailed review of the Group's operations is elaborated in the "Management Discussion and Analysis" section of this Annual Report.

The following are the key financial highlights of the Group for the financial year ended 31 March 2023:-

1	Revenue (RM'000)	61,405
2	Loss Before Tax (RM'000)	(15,475)
3	Loss After Tax attributable to owners of the Group (RM'000)	(15,407)
4	Basic Loss Per Share (Sen)	(0.36)
5	Net Tangible Assets Per Share (RM)	0.06

Our property development division continues to be the mainstay of the Group followed by the construction division. TTB endeavours to deliver improved results to its shareholders through proactive implementation of various strategies including enhancing its existing land bank's values to reposition itself for growth, driven by TTB's experienced and committed management team.

In view of the stringent local council's requirements in approving agricultural activities on converted development lands, difficulties and challenges in securing foreign workers coupled with higher labour cost, the Company has decided to suspend the Group's venture into agriculture until such time as and when we get a clearer picture of the foreign workers supply availability and costs escalations.

SUSTAINABILITY STRATEGY

As a public listed company, TTB is committed and guided by its corporate policies, operational strategies and corporate governance with the objective of improving its shareholders' value in the long term. Despite the present challenging operating environment, TTB continues to practise prudence and stay focused on delivering growth, while being mindful of emerging risks. Therefore, the Group is committed to uphold proactive and prudent financial and risk management to sustain its business.

Our approach to driving sustainability is based on our core values. Accordingly, relevant policies and procedures were established throughout the Group to support such move towards sustainability. Whenever practical and required, we will incorporate further relevant sustainability factors in our businesses.

SUSTAINABILITY GOVERNANCE STRUCTURE/ FRAMEWORK

The Board has the ultimate responsibility to ensure that sustainability efforts are embedded in the strategic direction of the Company. We have therefore established a Sustainability Committee which oversees the formulation, implementation and effective management of our sustainability matters and also ensure that they are in line with our business strategies. The Sustainability Committee is also supported by various working groups responsible for implementing the initiatives within the organisation. The Executive Directors and the Group Chief Executive Officer ("CEO") will update the Board of key EESG risks and opportunities.

The governance of our sustainability agenda is important to the Group as it enables our businesses to effectively embed sustainability. Good governance structures also ensure that TTB is aligned to its core principles and standards. Demonstrating its commitment from the top, the Group's sustainability agenda is governed by the Sustainability Committee which comprises of TTB's Executive Directors, Group CEO and key senior management.

SUSTAINABILITY
STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS

TTB defines material sustainability matters as those that impact its businesses as well as its stakeholders and influence how the stakeholders make decisions, which in turn affect its ability to achieve its long term goals and thrive as a sustainable business.

TTB periodically reviews its identified material sustainability matters to determine if they continue to be relevant to its business. The process is conducted by the Sustainability Committee and supported by the various working groups, which take into account the updated feedback from both internal and external stakeholders.

During the financial year, we have determined that the following material sustainability matters as identified shall continue to remain relevant to our businesses for the forthcoming financial year:-

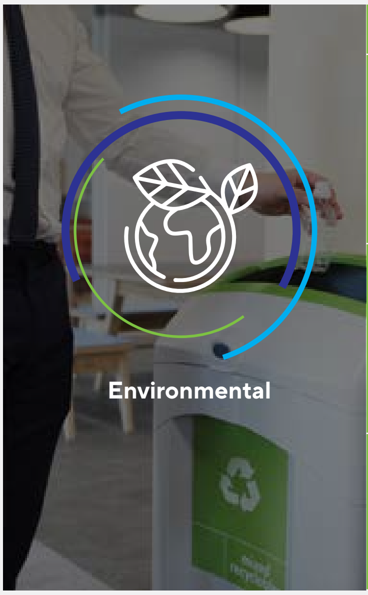
Material Matters

Material Matters	Why Material
Corporate Governance and Compliance	To be a transparent, accountable and ethical business entity
Customer Data Privacy and Security Protection	To build up customers' trust and safeguard confidential information of the Company

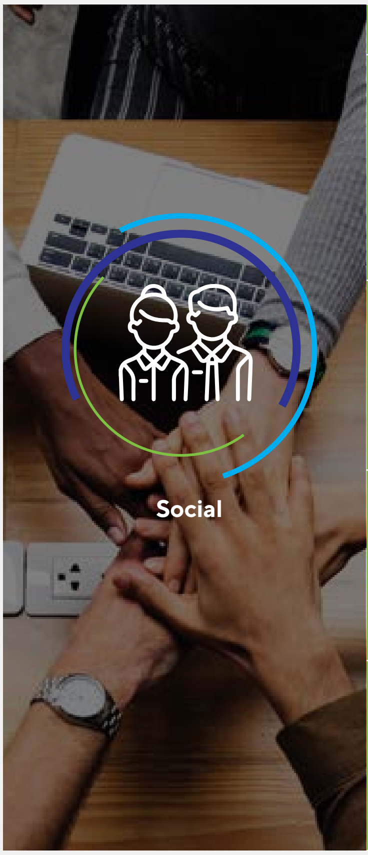
Material Matters	Why Material
Innovative and Business Growth	To develop competitive advantage in business and create value for customers, investors and shareholders
Customer Satisfaction and Product Quality	To create customer loyalty and satisfaction
Procurement Practice and Supply Chain Management	To stay competitive and enhance local economic development
Branding and Reputation	To impart confidence to customers and stakeholders for recurring business

SUSTAINABILITY
STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)



Material Matters	Why Material
Environmental Pollution Management and Compliance	To preserve a sustainable environment for the future generation
Water & Energy Management and Green House Gas ("GHG") Emission	To minimise resources depletion and increase cost saving
Waste Management and Recycling	To reduce wastage of resources, thereby reduce cost and help to preserve the environment by minimising pollution



Material Matters	Why Material
Employee Benefit, Welfare, Well-Being, Career Advancement & Development and Recreation	To create a sustainable working environment for retention of staff and to attract new talent
Occupational Health and Workplace Safety	Reducing the impact on financial and casualty arising from workplace injuries and consequently increase productivity
Neighbourhood and Sustainable Community	To create a conducive environment for community interaction and connectivity through well planned property development in terms of its layout designs and services
Welfare and Corporate Social Responsibility ("CSR")	Engage in charitable act of giving and volunteering effort within our community especially for the needy segment

SUSTAINABILITY
STATEMENT (CONT'D)

STAKEHOLDER FEEDBACK CHANNELS

Stakeholder	Stakeholder Feedback Channels
Customer	• Customer Satisfaction Survey • Company Website • Sales & Promotion Activities • Social Media
Supplier/Contractor	• Client and Consultant Meeting • Site Meeting
Investor/Shareholder	• Annual General Meeting • Investor & Analyst Briefing • Company Website
Regulator/Authorities	• Dialogue • Seminar
Community	• CSR Engagement • Company Website • Social Media
Media	• Press Interaction • Social Media
Employee	• Training Seminar • Town Hall Meeting • Departmental Meeting • Performance Appraisal
Non-Governmental Organisation	• Dialogue Engagement

GOVERNANCE

The Group's activities are based on responsible development with the aim of improving the lives of local communities and focusing on winning customers' confidence through trust and reliability.

(1) Corporate Governance and Compliance

Establishing good corporate governance in a company is the key to ensuring the success of its business and provides a framework for structured decision making process to occur. Through this, the Board of Directors and employees can better understand the most practical and proactive steps to take towards achieving good economic, environmental and societal outcomes for our business.

Hence, the establishment of the Sustainability Committee is to oversee the formulation, implementation and effective management of our sustainability matters. It also sets out the strategic direction of the Group's agenda and to approve sustainability strategy and framework. Routine reports on management targets and performance of processes and controls as well as strong governance enables effective oversight of business compliance. With sound policies, systems, processes and internal controls in place, we will be able to adhere to all applicable laws and regulatory requirements.

The Sustainability Committee champions and governs all environmental and social initiatives across the organisation and is responsible for revising and formulating our sustainability strategy as well as to communicate with the Heads of Department on implementing the initiatives. With the implementation of corporate governance and adherence to best business practices, there have been no reports of non-compliance issues during the reporting year.

(2) Customer Data Privacy and Security Protection

The emphasis on Information and Communication Technology and adequate data security management is necessary in this digital environment. Compliance with the Personal Data Protection Act 2010 is important to safeguard confidential details of our customers and business partners against any personal data leakages.

SUSTAINABILITY
STATEMENT (CONT'D)

GOVERNANCE (CONT'D)

(2) Customer Data Privacy and Security Protection (Cont'd)

Investment in the firewall systems to safeguard against any cyber security risks is necessary. Aside from digital security measures, installation of closed circuit television systems to monitor people movements within the office premises will safeguard against any form of unwarranted risks and dangers.

Cyber Security Framework involves the following parameters:-

Identify

Understanding the cyber security risks in relation to systems, assets, data and capabilities

Protect

Measures to protect and maintain critical infrastructure services

Detect

Processes to identify the occurrence of a cybersecurity threat

Respond

Arrangements to act swiftly upon detection of any possible cyber security threat

Recover

Plans and restoration procedures to reinstate capabilities or services impaired due to cyber security events

ECONOMICS

(1) Innovative and Business Growth

New creative ideas and proper planning throughout the development stages were initiated to create added value which includes new design, technology, services and processes. The emphasis on constructing buildings to a higher standard required significant investments in innovative building technologies. The landscapes of building products, materials, components and systems have increased substantially in recent years. This advancement has paved the way for new design and construction methods that make buildings stronger, safer, more durable and more efficient.

During the initial stage of development, we have identified four different phases of project management structure namely, conceptual, scoping, design and implementation.

Conceptual phase
- identify funding source and scope based on market demand
- identify any requirements tied to funding

Scoping phase
- identify "must have/want to have" items and perform prioritisation based on market demand
- plan size of project based on available budget

Design phase
- review cost/benefit analysis, methodology options and perform analysis
- perform cost optimisation

Implementation phase
- to monitor budget effectiveness and sustainable construction methodology
- plan for effective system maintenance

However, it is important to highlight that economic feasibility and performance considerations are critical throughout the life cycle of a project.

(2) Customer Satisfaction and Product Quality

Customer satisfaction is critical for our business to be a success and for further improvement. Therefore, we will keep striving to deliver quality workmanship and values to meet customers' rising expectations.

Stringent quality control checks and procedures are necessary and require standards like Qlassic to be implemented in our projects. It will set out the standard on quality of workmanship for various elements of building construction work such as structural, architectural, mechanical, electrical and external works. Hence, having a well-executed Product Quality Management Plan is crucial to uphold the Group's reputation as a committed and responsible developer. As part of the quality management system, surveys are taken from customers for quality monitoring of projects delivered. Post mortem studies on completed stages of the projects will be implemented to understand ways to improve further on our project and service quality.

SUSTAINABILITY
STATEMENT (CONT'D)

(2) Customer Satisfaction and Product Quality (Cont'd)

Customer engagement is equally important whereby understanding and knowing their expectations will strengthen our insights into their "wants and needs". Periodical customer satisfaction surveys will be carried out to enable us to constantly develop and deliver better products and services to the market.

Customer engagement is equally important whereby understanding and knowing their expectations will strengthen our insights into their "wants and needs"

(3) Procurement Practice and Supply Chain Management

Our commitment is to procure more resources locally and to support capable local vendors which in turn will generate local job creation. This will encourage consistent delivery of quality products and timely services. With effective management, it helps to create value, efficiencies, competitiveness which reduce the risk of business disruptions, conserve resources and ensures compliance to regulations. We select contractors, suppliers and other supply chain partners who share our values and work innovatively.

Different requirements and guidelines are set for new suppliers at the pre-qualification stage depending on the goods or services offered. Sustainability clauses are also included in contracts to raise the standards of our suppliers' base and also to ensure that our supply chain is robust and exceeds our high standards.

Our sustainable supply chain core principles are:-

(i) Compliance with applicable laws including all environmental, health and safety and labour legislation. On labour issues, we have stated in all our letters of award to contractors that the engagement of illegal workers are strictly prohibited at our project sites. As a result, there were no reported cases of illegal workers caught in our project sites during the financial year.

(ii) Harmful environmental impacts to be reduced and to promote environmental friendly policies in the areas of waste and disposal, improved resources efficiency, biodiversity protection, controls to minimise the release of harmful emissions into the environmental. Hence, we work with our contractors to minimise the negative impact on society and the environment such as noise, dust and other pollution in our project sites.

(4) Branding and Reputation

In order to restore the Group's reputation as a reliable property developer, we strive to maintain good controls throughout the construction phases until the end of the project in order to ensure consistent quality products. Hence, our staff has attended relevant seminar related to property development to further improve their skills and knowledge in order to perform better at their job. In doing so, the quality of our properties will be further improved as there is better monitoring during the construction process.

On the Group's branding, we have re-focused our property portfolio into building more quality and affordable homes based on market demands in line with the soft property market, tight credit and financing conditions. Therefore, the Group has embarked into "build and then sell" ("B&S") concept development on smaller scale land banks and has implemented its first project of 192 apartment units in Putra Perdana, Sepang known as Seroja Apartments to suit the current market demand for affordable homes. The project has been completed with Certificate of Completion and Compliance ("CCC") for two types of layout ranging from 738 square feet and 769 square feet with total Gross Development Value ("GDV") of about RM44.36 million. Customer satisfaction is delivered through our good quality products. Focusing on affordable housing will help us gain customer loyalty, reaching out to new audiences and expand our market. The Group has therefore submitted more of such quality and affordable homes for local council's approval.

Seroja Apartments Gross Development Value RM44.36 million

No reported cases of illegal workers caught in our project sites during the financial year

SUSTAINABILITY
STATEMENT (CONT'D)

ENVIRONMENTAL

We are mindful of the environmental impact of our activities and maintain full compliance with the environmental regulations. We take responsibility for the management of our environmental impact seriously and will continue to develop effective environmental initiatives to protect the environment. The industry we are in have extensive direct and indirect impact on the environment and by aligning ourselves with the sustainable development goals, we will be able to design and construct buildings sustainably. Our emphasis is to grow the business without compromising the quality of the environment that we live in.

The Group integrates environmental concerns within its operations and practices at different levels of the organisation. It also ensures that there are sufficient measures at all its construction sites and workplaces to prevent any adverse impact on the environment. For the financial year, there were no cases of compound penalty or non-monetary sanction imposed on our business entities by the government authorities for non-compliance in environmental issues.

Under the Property Division, designs of energy-efficient equipment and rainwater harvesting features were introduced into our projects or projects we managed namely, D'Seven, a 21-storey condominium at Lagoon Perdana and 3-storey Superlink houses at Ukay Perdana and will be incorporated in all future developments, to save on energy and water consumption. We are committed to provide adequate landscaping and tree planting for our projects to help create a serene and green environment for the residents. As for the site clearing and earthwork for the development, we have encouraged minimum cutting of earthworks to protect the environment.

(1) Pollution Management

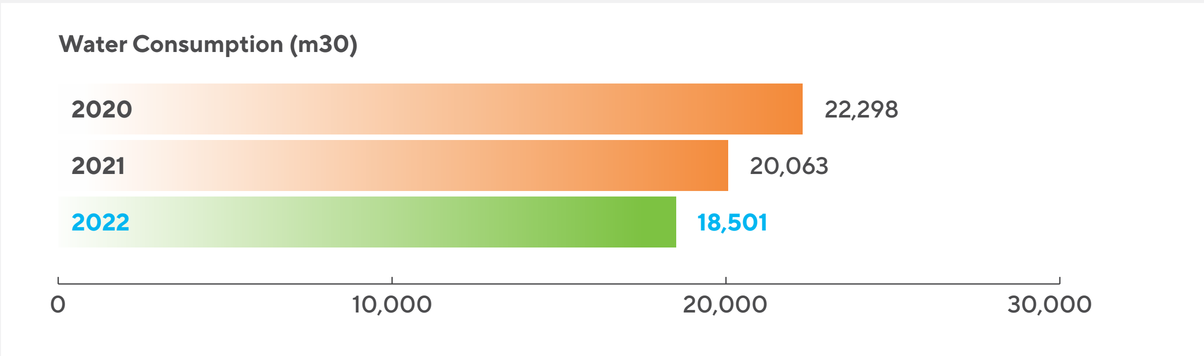
The Group is concerned about the impact of pollution to the environment. We discourage all types of open burning in our construction site as it will further increase the pollution to the surrounding air. We also wash all our vehicles' tyres before leaving our construction site to ensure that the access roads are not dirtied with mud. Silt traps are also installed at the washing point near the exit to contain the mud from flowing into the nearby drain. For the construction sites which are nearby existing buildings, we are also mindful of the noise pollution created and therefore, we ensure that minimum noise pollution activities are to be carried out after working hours.

(2) Water & Energy Management and GHG Emission

The data presented below shows the water and electricity management and GHG emission statistics in our head office in Kuala Lumpur for the past 3 calendar years:-

Water Management

Water Consumption for Building – Menara Maxisegar



As water is a critical resource, we have implemented water conservation management by installing self-closing tap in most of our toilets in the building and also conduct daily inspection with prompt corrective action in repairing leaked pipes or water taps.

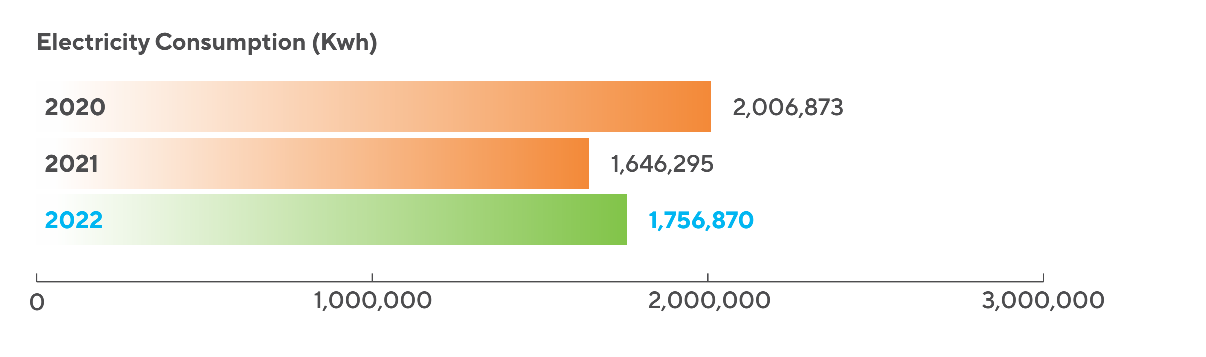
SUSTAINABILITY
STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

(2) Water & Energy Management and GHG Emission (Cont'd)

Energy Management

Electricity Consumption for Building – Menara Maxisegar



Electricity is an essential cost component and it account for 45% of our building operating cost.

In our effort to minimise electricity consumption, we have equipped all common areas with timers and sensors besides changing all the lighting to energy saving and LED type. All escalators and lifts are switched off at night and on non-working days. Air-conditioners are being maintained at comfortable temperature to obtain the optimal electricity consumption. There was an increase in electricity consumption in 2022 partly due to the work force going back to their physical office after the end of enhanced Movement Control Order ("MCO") in 2021.

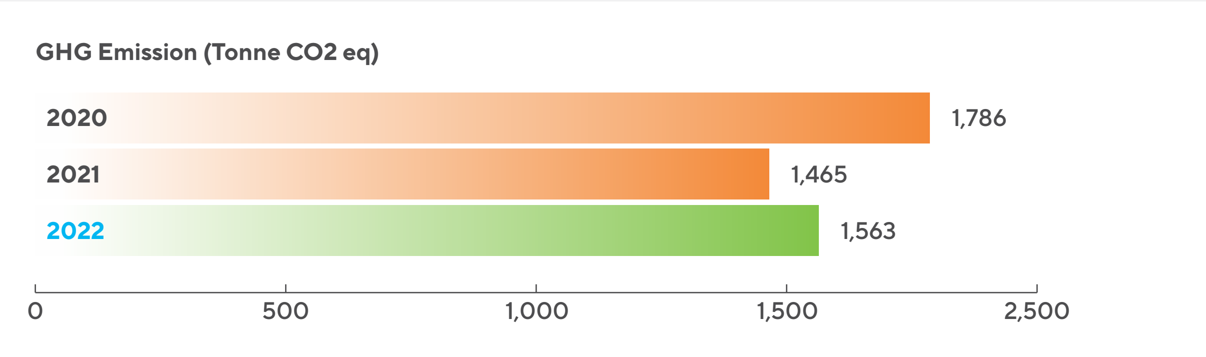
GHG Emission

GHG Emissions can be divided into 2 types namely Direct GHG Emissions and Indirect GHG Emissions.

For Direct GHG Emissions, it covered vehicle and site machinery emission. The Group in its effort to reduce Direct GHG Emissions had ensured that all their vehicles and site machineries are tested and undergo maintenance according to planned schedules.

For Indirect GHG Emissions which covered emissions through electricity usage, we have established a database on the electricity usage for our office as below:-

GHG Emission through Electricity Usage for Building – Menara Maxisegar



The Group is mindful of climate changes due to GHG emission. We have taken the initiative to reduce the GHG emission through electricity usage by maintaining our yearly electricity usage at its minimum.

SUSTAINABILITY
STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

(3) Waste Management and Recycling

The Group acknowledge that waste disposal is one of the major impacts to the environment. We have always ensured that our waste disposals are managed by licensed accredited contractors who dispose off the waste in accordance with regulations and local authorities' requirements. We also emphasise on reducing paper waste through paperless and electronic email implementation.

For our construction site, we practice separation of non-hazardous and hazardous material for recycling and disposal according to the authority requirement. Extending the life-cycle of scaffolding and aluminium frameworks by reusing them in other projects are also being practised. Our designs are also equipped with Industrial Building System technology which helped to reduce usage of timber frameworks and labours.

SOCIAL

(1) Value Our Employees

The employees are the most important assets of an organisation as a business cannot be successful without effectively managing its human resources and sustainability of the Company. The Group had constantly engaged, inspired and motivated employees in accomplishing its short term and long term objectives.

We have Annual Performance Appraisal to evaluate each and every employee and target their relevant skill development needs to improve their efficiency and productivity. We provide appropriate in-house training and external training to assist our employees to perform their jobs and excel in their abilities as well as equipped them with the right skills to assume higher roles of responsibilities as part of their career development. During the financial year, the Company has conducted 1 in-house training for our Directors and Management team while some employees have attended various external trainings/seminars/conference in areas such as corporate governance, sustainability, accounting and tax as appended below:-

No.	Training/Seminar/Conference
1.	Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework
2.	Environmental Aspect and Impact Assessment
3.	SSM National Conference 2022 on Corporate Governance and Sustainability
4.	Mastering The Cloud-How to Adopt Cloud Technology in your Practice
5.	Going Concern Indicators and Managing Impairment of Assets and Restructuring Provisions
6.	Transfer Pricing Documentation and CBCRs (Country-By-Country Report)
7.	Preparation and Presentation of Consolidated Financial Statements

Our efforts are guided by a robust governance framework and updates from the Malaysian Employers Federation and other applicable regulatory organisation.

SUSTAINABILITY
STATEMENT (CONT'D)

SOCIAL (CONT'D)

(2) Health and Safety

In our efforts to create a safe and conducive working environment, we uphold safety and health precautions strictly and recognise our employees as valuable human assets. Hence, we have complied with all applicable statutory requirements and regulations related to health and safety set by the Department of Safety & Health ("DOSH"). There were no injuries or casualties recorded at all our construction sites during the financial year under review.

On the COVID-19 pandemic, the Group continues to adhere strictly to the relaxed health measures and precautionary actions imposed by the Government. We have also advised all our employees to constantly follow the standard operating procedures ("SOP") implemented by the Government in order to stay safe and prevent any untoward infection or ill health to them.

(3) The Work Place

We promote a friendly culture in our organisation and have frequent fellowship lunch gatherings to foster closer working relationships and strengthen the bonding among employees by organising get-togethers and festive celebrations. However, due to the outbreak of the COVID-19 pandemic and implementation of the various MCO by the Government since 2020 and subsequently in 2021, we discourage gatherings during the financial year in order to avoid any infections among the employees and have continued adhering strictly to the SOP implemented by the Government to help curb the infection rate.

We also emphasise teamwork and professionalism amongst our employees and strive to promote a culture of integrity and mutual trust in the work place. Our work force for FY2023 consists of 84 employees out of which 74% are under permanent employment. Employees' turnover for FY2023 was lower at 3.4% compared to 4.5% in FY2022.

Employees' Turnover

3.4% (FY2023)

4.5% (FY2022)

SUSTAINABILITY
STATEMENT (CONT'D)

SOCIAL (CONT'D)

(3) The Work Place (Cont'd)

We are proud of the loyalty of our remaining employees as 80% of them have worked for more than 10 years of service in the Group.

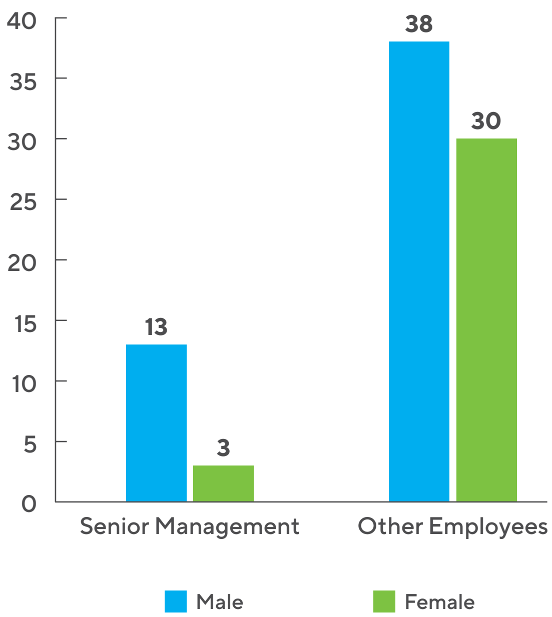
Total number of employees

84

80%

have worked for more than 10 years

Employment Diversity in terms of Gender in the Group



Employment Diversity in terms of Age in the Group

SUSTAINABILITY
STATEMENT (CONT'D)

SOCIAL (CONT'D)

(4) Neighbourhood and Sustainable Community Welfare and CSR

As a responsible corporation, the Group strives to continuously give back to the community as well as contribute to charitable organisations on a yearly basis. During the financial year, several events were organised as follows:-

Health and Dental Programme at Concourse Area, Pusat Beli Belah Pandan Kapital

In collaboration with Universiti Sains Islam Malaysia ("USIM"), a health and dental programme was organised on 13 and 14 December 2022 at the Concourse Area (First Floor), Pusat Beli Belah Pandan Kapital.

The programme was aimed at promoting dental services to the public and creating awareness on the importance of health and dental care by USIM's dental clinic at the 16th and 17th Floor, Menara B, Bangunan MPAJ.

Community Welfare

The Company had contributed cash donation to the Old Folks Home Gopeng and the Little Sisters of the Poor which takes care of the welfare of the elderly poor.

SUSTAINABILITY
STATEMENT (CONT'D)

SOCIAL (CONT'D)

(4) Neighbourhood and Sustainable Community Welfare and CSR (Cont'd)

Legal Aid Services and CSR

In collaboration with Messrs Ricky Tan & Co. in providing legal aid services to the community in need, the Company had continued its participation by offering one of its premises in Menara Maxisegar rental free for this CSR initiative. The biggest achievement in this collaboration is the legal team has help more than 100 children with no identity to successfully apply for their citizenship and identity cards which had helped them to be able to attend schools.

In addition, welfare activities such as donation of food, financial assistance, medicine and medical equipment were also provided to assist the community in need.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("Board") of Talam Transform Berhad ("TTB" or "the Company") recognises the importance of good corporate governance and fully supports the principles and corporate governance practices as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"). The Board is therefore, committed towards instilling a high standard of corporate governance throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to enhance shareholders' value and the financial performance of the Group. The Board will apply the principles and corporate governance practices as set out in the MCCG and evaluate the Group's practices and procedures from time to time in response to the evolving practices and changing requirements.

This Corporate Governance Overview Statement ("Statement") provides an overview of the Group's application of the principles of the MCCG pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") during the financial year ended 31 March 2023 and to be read together with the Corporate Governance Report published on the Company's website under the Corporate Governance section at www.ttransform.com.my and Bursa Securities' website at www.bursamalaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(1) Board Responsibilities

The Board is fully responsible for the overall governance of the Group by promoting good corporate governance culture, providing strategic plans on business performance and sustainability, overseeing the proper conduct of business, risk management, internal control, succession planning, shareholders' communication, adequacy and integrity of financial and non-financial reporting, while the Management is accountable for the execution of the expressed policies and attainment of the Group's expressed corporate objectives and goals. This demarcation complements and reinforces the supervisory role of the Board to oversee the performance of the Management to ensure that the business is properly managed. The Board gets updates from the Management at the quarterly Board meetings when reviewing the quarterly results. During these meetings, the Board participates actively in the discussion on the performance of the Company and the Group and also assesses the performance of the Management.

The Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties as follows:-

Duties and Responsibilities of the Board

(i) promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
(ii) review and adopt the overall strategic plans and programmes for the Group and ensure that the strategic plan supports long term value creation and includes strategies on economic, environmental, social and governance consideration underpinning sustainability;
(iii) oversee and evaluate the conduct of business of the Group which includes supervision and assessment of the Management's performance to determine whether the business is being managed properly;
(iv) ensure there is a sound framework for internal controls and risk management;
(v) identify the principal risks of the Group, set the risk appetite within which the Management is expected to operate and ensure there is appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risks;
(vi) ensure the senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and senior management;
(vii) ensure the Company has in place procedures to enable effective communication with stakeholders; and
(viii) review the adequacy and the integrity of the financial and non-financial reporting of the Group.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(1) Board Responsibilities (Cont'd)

The matters reserved for the Board include the approval of corporate plans and programmes, annual budgets and major capital commitments, new major ventures, material acquisitions and disposals of undertakings and properties, changes to the Management and control structure within the Group including key policies and delegated authority limits.

As part of its efforts to ensure the effective discharge of its duties and responsibilities for the Group, the Board has delegated certain functions to the following Board Committees with each operating within clearly defined terms of reference that provide independent oversights of the Management and to ensure that there are appropriate checks and balance:-

(i) Audit Committee
(ii) Nomination Committee
(iii) Remuneration Committee
(iv) Executive Committee

The Chairman of the respective Board Committees reports to the Board on the outcome of the Board Committee meetings and for action by the Board where appropriate.

The Board shall at all times exercise collective oversight of the Board Committees and Management to an extent that would not significantly hinder or reduce the Board's ability to discharge its functions. Regular reviews on the roles and responsibilities of the Board Committees would be conducted, when the need arises, to ensure that the Company is able to adapt to changing business circumstances.

(2) Board Charter

The Board Charter was established to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need to safeguard the interests of the shareholders, customers and other stakeholders and that a high standard of corporate governance is applied in all their dealings on behalf of the Company. The Board Charter also serves as a source of reference and guide for prospective Board members and senior management to understand their roles and responsibilities and the commitment of time and contribution expected of them. The Board Charter clearly sets out the division of responsibilities, powers and duties between the Board and Management, between the Chairman and Executive Directors/Group Chief Executive Officer and the different Board Committees established by the Board.

The Board Charter which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023. The Board will periodically review and update the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities, and all the relevant standards of corporate governance.

(3) Board Composition

As the date of this Statement, the Board consists of 7 members comprising 3 Executive Directors, 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director.

The current composition of the Board complies with Chapter 15.02(1) of the MMLR of Bursa Securities which requires that at least 2 Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. The 3 Independent Directors represent 43% of the Board composition. In line with the MCCG, the Board shall endeavor to have at least half of the Board members to be independent directors.

The Board consists of qualified individuals with diverse set of skills, experience, knowledge and independent elements that are necessary to govern the Company. The Directors are professionals in the fields of engineering, property and construction, finance, accounting, legal, tax and stockbroking. The profiles of the Directors are set out on pages 5 to 8 of this Annual Report and are also available on the Company's website at www.ttransform.com.my.

For the financial year, the Board was chaired by Mr Tsen Keng Yam who was also the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed. On 30 May 2023, Dato' Abdul Hamid Bin Mustapha replaced Mr Tsen as Chairman of the Board and he can be contacted via email at hamid@ttransform.com.my.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(3) Board Composition (Cont'd)

For the position of Senior Independent Non-Executive Director, the Nomination Committee and the Board collectively are still identifying the suitable candidate to fill up the position. The principal responsibilities of the Senior Independent Non-Executive Director includes amongst others the following:-

(i) works closely and acts as a sounding board for the Company;
(ii) acts as an intermediary for other Directors when necessary; and
(iii) becomes the point of contact for shareholders and stakeholders and also, to attend to any query or concern raised by shareholders.

There is a clear division of roles and responsibilities between the Independent Non-Executive Chairman and Executive Directors /Group Chief Executive Officer which are undertaken by separate persons to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision making. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Executive Directors / Group Chief Executive Officer have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Executive Directors together with the Group Chief Executive Officer are responsible to ensure due execution of the strategic goals, effective operations within the Group and to explain, clarify and inform the Board on matters pertaining to the Group.

The responsibilities of the Chairman, amongst others, are as follows:-

(i) lead the Board in establishing and monitoring good corporate governance practices in the Company;
(ii) lead the Board and ensure effectiveness in all aspects of its role;
(iii) ensure an efficient organisation and conduct of the Board's functions and meetings;
(iv) facilitate the effective contribution of all Directors at Board meetings;
(v) chair Board meetings and encourage active participation and allowing dissenting views to be freely expressed and discussed;
(vi) chair general meetings of the Company and provide clarification on issues that may be raised by the shareholders;
(vii) promote constructive and respectful relations between Directors, and between the Board and Management; and
(viii) ensure effective communication with shareholders and relevant stakeholders.

The responsibilities of the Executive Directors/Group Chief Executive Officer, amongst others, are as follows:-

(i) develop and implement corporate strategies for the Group;
(ii) supervise heads of divisions/departments who are responsible for all functions contributing to the success of the Group;
(iii) ensure the efficiency and effectiveness of the operation for the Group;
(iv) assess business opportunities which are of potential benefit to the Group; and
(v) bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

The Non-Executive Directors provide the necessary balance of power and authority to the Board with a mix of industry-specific knowledge and broad business and commercial experience. They ensure that all proposals by the Management are fully deliberated and examined, after taking into account the interest of shareholders and stakeholders.

The Independent Non-Executive Directors are independent of the Management and free from any business relationship which could materially interfere with the exercise of their judgment. They play a crucial role in providing unbiased and independent views, advice and judgment to the Board to safeguard the interests of minority shareholders.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(4) Board Diversity

According to the Company's Board Diversity Policy, the Board recognises diversity as an important criteria to determine the optimum composition which can enhance decision making capability and quality of the Board's performance. Increasingly, diversity at the Board level is considered an essential element in supporting the attainment of the Company's strategic objectives and sustainable development as it leverages on the differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender between the Directors.

The Board would consider appropriate targets in the achievement of the Board Diversity Policy including gender balance on the Board when recruiting new Directors of the Company and would take the necessary measures to meet these targets from time to time as appropriate or in line with the Group's strategic objectives. The Board will consider more women representation in the composition of the Board for boardroom diversity when suitable women candidates become available. Presently, Ms Chua Kim Lan is the only woman Director on the Board, representing approximately 14% women participation on the Board. Hence, the Company has met the MMLR imposed by the Bursa Securities of having at least 1 woman director on its Board.

The Board and Nomination Committee, in reviewing and assessing suitable candidates for the Board and performing annual assessment on each Director, will be guided by the above policy on diversification.

(5) Tenure of Independent Director

Practice 5.3 of the MCCG states that the tenure of an independent director shall not exceed a cumulative term of 9 years. However, upon completion of the 9 years' tenure in office, the director may continue to serve on the Board subject to re-designation as a non-independent director or be retained as an independent director but subject to shareholders' approval on an annual basis. In line with the recommendation of the MCCG, the Company has adopted this best practice in its Board Charter. The Company will also apply the two-tier voting process when seeking shareholders' approval to retain the Independent Director who exceeds the 9 years' tenure in office.

As at the date of this Statement, none of the current Independent Directors have served more than 9 years on the Board.

The Company does not have a formal policy which limits the tenure of its Independent Director to 9 years without further extension yet but has intention to adopt it in the near future.

(6) Code of Ethics and Conduct and Whistle Blowing Policy

The Board has established the Code of Ethics and Conduct ("CEC") to create a corporate culture within the Group which aims to operate its businesses in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The CEC which sets out the principles and standards of business ethics and conduct of the Group is applicable to all Directors and employees of the Group. Members of the Board had conducted themselves in an ethical manner while executing their duties and functions in compliance with the CEC.

The main principles of the CEC include the following:-

(i) avoid conflict of interest;
(ii) exercise caution and due care to safeguard confidential information;
(iii) avoid insider trading;
(iv) ensure accuracy and reliability of records;
(v) avoid discrimination or prejudice in the workplace;
(vi) avoid acts of misconduct;
(vii) protect assets and funds of the Group;
(viiii) avoid money laundering and fraudulent activites; and
(ix) prohibit bribery and corruption

The CEC which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(6) Code of Ethics and Conduct and Whistle Blowing Policy (Cont'd)

In addition, the Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees can report their concerns freely without fear, reprisal or intimidation. Accordingly, the Company has adopted a Whistle Blowing Policy which has been disseminated to all Directors and employees of the Group. The Whistle Blowing Policy which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

(7) Anti-Bribery and Corruption Policy

In line with the MMLR of Bursa Securities in relation to anti-corruption measures, an Anti-Bribery and Corruption Policy has been adopted by the Group which sets out the parameters and guidelines to prevent the occurrence of bribery and corrupt practices and to maintain integrity and work ethics in the conduct of the Group's business and operations. The Anti-Bribery and Corruption Policy provides guidance to all Directors and employees of the Group relating to acts of bribery and corruption.

The Anti-Bribery and Corruption Policy which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

(8) Sustainability risks and opportunities

The Board is responsible for managing the sustainability matters of the Group and has established a Sustainability Committee ("SC") which oversees the formulation, implementation and effective management of its sustainability matters and also, ensure that they are in line with its business strategies. The SC is chaired by the Executive Director of Corporate Affairs, Mr Yaw Chun Soon and the members comprises of the Company's two other Executive Directors, Group Chief Executive Officer and key senior management staff. The Executive Directors and Group Chief Executive Officer will update the Board of the key economic, environmental, social and governance risks and opportunities.

In determining the Company's long term strategy and success, the Board ensures that the sustainability strategies, priorities and targets are communicated well to the internal and external stakeholders which are monitored and implemented by the SC to promote and embed a culture of sustainability in its business activities.

In order to communicate these sustainability agendas to the stakeholders, the description of the Company's sustainability path has been outlined in the annual Sustainability Statement which is part of the Company's Annual Report.

To ensure the Board is always kept abreast with sustainability issues and has sufficient understanding of the sustainability matters relevant to the Group and its businesses, the Directors are encouraged to attend sustainability related programmes including conferences, seminars and training. This is to enable the Board to have better understanding of the sustainability issues including climate-related risks and opportunities. Hence, a sustainability related seminar entitled "Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework" was conducted for the Directors during the financial year.

The Board recognises the importance of sustainability in all its business operations and has included a review of efforts taken to address sustainability matters as a vital criterion during the annual performance evaluation of its board members for the financial year ended 31 March 2023. The senior management's performances were evaluated by their superiors and the review of their performances included their contribution towards the Company's overall policies (including sustainability).

The Executive Director of Corporate Affairs who is also the Chairman of the SC has been mandated by the Board as the designated person to promote and embed sustainability in the Group. In order to ensure the Group's sustainability focus areas remain relevant, new ones that could add value to the businesses and new stakeholders to be identified, continuous engagement with relevant internal and external stakeholders are conducted.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(9) Board Meetings and Supply of Information to the Board

Board meetings for subsequent financial year are scheduled in advance before the end of current financial year so as to enable the Directors to plan accordingly and fit the year's Board meetings into their respective schedules. The Board conducts at least 5 regular scheduled meetings annually, with additional meetings convened as and when necessary, to consider all matters relating to the overall control, business performance and strategy of the Company.

In fostering the commitment of the Board, the Directors shall devote sufficient time to carry out their responsibilities. The Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. All the Directors hold not more than 5 directorships in public listed companies.

During the financial year ended 31 March 2023, there were 5 Board meetings held and the attendance record of the Directors were satisfactory as evidenced in the table set out below:-

No.	Directors	Number of meetings attended
1.	Tsen Keng Yam (Chairman) (Resigned on 30 May 2023)	5 out of 5
2.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	5 out of 5
3.	Dato' Kamaruddin Bin Mat Desa (Resigned on 30 May 2023)	5 out of 5
4.	Datuk Dr Ng Bee Ken (Resigned on 30 May 2023)	4 out of 5
5.	Chua Kim Lan	5 out of 5
6.	Yaw Chun Soon	5 out of 5
7.	Chan Tet Eu	5 out of 5
8.	Dato' Abdul Hamid Bin Mustapha (Chairman) (Appointed on 30 May 2023)	Not applicable
9.	Tai Keat Chai (Appointed on 30 May 2023)	Not applicable
10.	Ling Chee Min (Appointed on 30 May 2023)	Not applicable

All the Directors have complied with the minimum requirements on the attendance at Board meetings held during the financial year ended 31 March 2023 as stipulated in the MMLR of Bursa Securities. In the intervals between Board meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through written resolutions. The resolutions passed by way of such written resolutions are then noted at the next Board meeting.

A full agenda of the meeting and all Board papers are distributed in a timely manner of 5 clear days prior to Board Meetings to ensure that the Directors have sufficient time to review and consider the agenda items to be discussed at the meeting and where necessary, to obtain further explanations in order to be fully briefed before the meeting. The Board papers include reports relevant to the issues of the meeting, covering the areas of strategic, financial, operational and regulatory compliance matters.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(9) Board Meetings and Supply of Information to the Board (Cont'd)

In discharging their duties, the Directors have access to all information within the Company and to the advice and services of senior management staff and Company Secretary. If necessary, the Directors may seek independent professional advice and information in furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions. Any such request is presented to the Board for approval. Senior management staff, as well as external auditors, advisers and professionals appointed on corporate proposals, may also be invited to attend Board meetings to provide the Board with their views and explanations and to furnish clarification on issues that may be raised by the Directors.

The Directors are notified of any corporate announcements released to Bursa Securities. Minutes of each Board meeting are circulated to all Directors in a timely manner before the Board meeting for their perusal prior to confirmation of the minutes at the commencement of the Board meeting, and is subsequently signed by the Chairman as the correct record of proceedings of the meeting or signed by the Chairman of the meeting at which the proceedings were held.

(10) Company Secretary

The Company Secretary plays an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to corporate governance matters, compliance with laws, rules, procedures, regulations, board policies and procedures affecting the Company and Group. The Board is supported by a suitably qualified and competent Company Secretary who is a member of a professional body and registered with a Practicing Certificate from the Companies Commission of Malaysia, and also of a senior position in the Company. The Company Secretary has attended trainings and seminars to constantly keep abreast of relevant statutory and regulatory requirements.

Every Board member has ready and unrestricted access to the advice and services of the Company Secretary who is capable of carrying out the duties and responsibilities, to which the post entails. The roles and responsibilities of the Company Secretary include the following:-

(i) advise the Board and Management on their roles and responsibilities;
(ii) advise the Board and Management on governance issues and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation;
(iii) advise and continuously update the Board on corporate disclosures and compliance with listing requirements, company and securities legislations and related regulations;
(iv) attend all Board, Board Committees and general meetings, and ensure the proper recording of minutes of the meetings;
(v) ensure proper upkeep of statutory registers and records;
(vi) assist Chairman in the preparation for and conduct of meetings;
(vii) assist Chairman in determining the annual Board plan and the administration of other strategic issues;
(viii) assist in the induction of new directors, and assist in directors' training and development; and
(ix) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

(11) Nomination Committee

The Nomination Committee has been formed to assist the Board in ensuring that the Board comprises Directors with the appropriate mix of skills, experience and knowledge to optimise performance and strategy, as well as to ensure a proper balance between the Executive Directors and Independent Non-Executive Directors. The Nomination Committee also reviews the evaluation process and evaluation forms for all Board members in respect of the annual evaluation of the effectiveness of the Board, Board Committees and the contribution of each Director.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(11) Nomination Committee (Cont'd)

As at the date of this Statement, the Nomination Committee comprises the following 4 Non-Executive Directors, the majority of whom are Independent Directors:-

Members	Designation
Datuk Dr Ng Bee Ken (Chairman) (Resigned on 30 May 2023)	Independent Non-Executive Director
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	Non-Independent Non-Executive Director
Tsen Keng Yam (Resigned on 30 May 2023)	Independent Non-Executive Director
Dato' Kamaruddin Bin Mat Desa (Resigned on 30 May 2023)	Independent Non-Executive Director
Ling Chee Min (Chairman) (Appointed on 30 May 2023)	Independent Non-Executive Director
Dato' Abdul Hamid Bin Mustapha (Appointed on 30 May 2023)	Independent Non-Executive Director
Tai Keat Chai (Appointed on 30 May 2023)	Independent Non-Executive Director

During the financial year ended 31 March 2023, there were 2 meetings held and were attended by all the members except for Datuk Dr Ng Bee Ken who only attended one of the meetings.

The terms of reference of the Nomination Committee which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

The Nomination Committee had carried out the following activities during the financial year ended 31 March 2023:-

(i) assessed the Board size and composition to determine if the Board has the right size and sufficient diversity including the required mix of skills, experience and other qualities including core competencies which the Directors / Group Chief Executive Officer should bring to the Board and identified areas for improvement;

(ii) assessed the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director and the Group Chief Executive Officer and independence of the Independent Non-Executive Directors;

(iii) reviewed and recommended to the Board, the re-election of Directors of the Company who shall retire at the 98th Annual General Meeting of the Company;

(iv) reviewed and recommended to the Board, the proposed changes to the terms of reference of the Nomination Committee; and

(v) reviewed and recommended to the Board, the adoption of the proposed Directors' Fit and Proper Policy on appointment and re-election of Directors of the Company.

The Board evaluation conducted comprised of Directors' Evaluation Form, Board Skills Matrix Form, Board & Board Committee Evaluation Form and Independent Directors' Self-Assessment Checklist. The assessment criteria for the individual Directors included contributions during interaction, roles and duties, knowledge and integrity, governance and risk management whilst the criteria for assessing the independence of an Independent Director included the relationship between the Independent Director and the Group, tenure of appointment and his involvement in any significant transaction with the Group while the Board Committees are evaluated based on assessment criteria which included the right size and composition, effective recommendation and timely reporting to the Board, expertise, competence, experience and communication skill.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(11) Nomination Committee (Cont'd)

The Board studied the results of the evaluation and was satisfied with the overall performance and effectiveness of the Board and Board Committees as well as the individual directors and Group Chief Executive Officer, the Board size and composition as well as the mix of skill sets, core competencies and the independence of its Independent Non-Executive Directors. The areas identified for improvement were the Board mix and composition especially on the gender diversity and succession planning. The Board also agreed with the assessment of the Nomination Committee that the Independent Directors bring independent and objective judgment to the Board and this mitigates risks arising from conflict of interest or undue influence from interested parties. However, where there is a likely conflict of interest in any matter under deliberation, he is required to disclose his interest and abstain from participating or discussion on the matter. All assessments and evaluations carried out by the Nomination Committee in discharging its functions have been properly documented.

(12) Appointment to the Board

The Board is responsible for the appointment of new Directors (including the Group Chief Executive Officer) while the Nomination Committee is delegated with the role of screening and conducting initial selection before making recommendations to the Board of suitable candidates for appointment as Director/Group Chief Executive Officer, after which the Company Secretary ensures that all appointments are properly made and all legal and regulatory compliance are met.

In making these recommendations, the Nomination Committee considers, inter-alia, their skills, knowledge, expertise and experience, professionalism, integrity, commitment (including time commitment) and diversity including gender, ethnicity, age and race, where appropriate, which the Director/Group Chief Executive Officer should bring to the Board. In the case of candidates proposed for appointment as Independent Non-Executive Director, the Nomination Committee will evaluate their ability to discharge such responsibilities/functions as expected from an independent director. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias. In May 2022, TTB had established a Directors' Fit and Proper Policy in line with the new Paragraph 15.01A of the MMLR, to ensure that any individuals to be appointed as Directors and existing Board members of TTB to be re-elected are assessed in accordance with the fit and proper criteria set out therein such as possessing the quality and character as well as integrity, competency and commitment to be able to discharge their duties and responsibilities required of the position. The Directors' Fit and Proper Policy is available on the Company's website at www.ttransform.com.my.

Subsequent to the financial year and up to the date of this Statement, the Nomination Committee had considered and recommended the appointment of Dato' Abdul Hamid Bin Mustapha, Mr Tai Keat Chai and Mr Ling Chee Min as Independent Non-Executive Directors of the Company to replace our existing 3 independent directors who have served in that capacity for a cumulative term of more than 12 years, to be in compliance with Paragraph 1.01 of the MMLR.

The Nomination Committee had reviewed Dato' Abdul Hamid Bin Mustapha, Mr Tai Keat Chai and Mr Ling Chee Min's profile, curriculum vitae, qualification and disclosure of their other directorships and had considered their background, academic qualifications, skills, experience, time commitment and competences prior to their appointment as Independent Non-Executive Directors of the Company, guided by the Directors' Fit and Proper Policy adopted by the Group.

The Board through the Nomination Committee will consider using independent sources other than relying on the recommendation from the existing Board members, Management and/or Major Shareholders, in identifying suitable candidates for appointment of directors in the future such as directors' recruitment agencies when the need arises.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(13) Re-election of Directors

In accordance with the Constitution of the Company, all Directors who are newly appointed to the Board, are subject to re-election by shareholders subsequent to their appointment at the immediate following AGM. The Constitution also provides that at least 1/3 of the Directors shall retire from office and be eligible for re-election at every AGM. All Directors shall submit themselves for re-election at least once every 3 years.

The Nomination Committee carries out annual assessment of each Director's contribution to the Company and recommends the Directors who will be subject to re-election at the next AGM, to the Board and shareholders for approval. The Board and Nomination Committee were satisfied with their performance evaluation based on their meetings' attendance, active participation and positive contribution during deliberations or discussions at Board meetings, competency, capability and understanding of their roles and responsibilities. In determining the Directors to retire at the forthcoming 98th AGM, the Nomination Committee had recommended Mr Chan Tet Eu to retire by rotation under Clause 110 while Dato' Abdul Hamid Bin Mustapha, Mr Tai Keat Chai and Mr Ling Chee Min shall retire via casual vacancy under Clause 90.3 of the Constitution of the Company and being eligible, they have all offered themselves for re-election.

The re-election of each Director is voted on separately. To assist shareholders in their decision, sufficient information, such as personal profile, meetings' attendance and the shareholding of the Director standing for re-election, are furnished in this Annual Report.

(14) Directors' Training and Continuing Education Programme

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities including the newly appointed Directors. The Company is aware of the importance of continuous training for its Directors to enable them to effectively discharge their duties and sustain active participation in the Board deliberations and will continuously evaluate and determine the training needs of its Directors. Accordingly, the Company organises at least 1 in-house training every year for the Directors to ensure they are kept up-to-date on the relevant developments in the market place.

The Directors are also aware of their duty to continuously update their knowledge and enhance their skills through appropriate continuing education programmes. They are provided with the opportunity, and are encouraged, to attend training to keep themselves updated on relevant new legislation, financial reporting requirements, best practices and changing commercial and other risks.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(14) Directors' Training and Continuing Education Programme (Cont'd)

During the financial year, all the Directors have attended the following training/seminar/forum organised by external professionals:-

Directors	Training /Seminar/Forum
Tsen Keng Yam (Chairman)	• Conversation with Audit Committees organised by Securities Commission of Malaysia • Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	• Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia
Dato' Kamaruddin Bin Mat Desa	• Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia
Datuk Dr Ng Bee Ken	• Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia
Chua Kim Lan	• Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia
Yaw Chun Soon	• Corporate Governance & Remuneration Practices for the ESG World organised by Iclif Executive Education Centre • Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia
Chan Tet Eu	• Board's At-A-Glance-Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia

The Company Secretary has also circulated the relevant guidelines and/or changes to the statutory and regulatory requirements to update the Directors concerning their duties and responsibilities as well as general statutory compliances whenever changes arise. The external auditors have also briefed the Audit and Board members on the changes to the Malaysian Financial Reporting Standards that affect the Company's financial statements during the financial year in order to assist the Directors to keep abreast of such developments.

(15) Directors' Remuneration Policies and Procedures

The Company has in place a remuneration policy for Directors that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long term objectives and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain directors of high calibre to provide the necessary skills and experience to commensurate with the responsibilities of an effective Board. The Remuneration Committee is primarily responsible for recommending the remuneration policy and reward framework for the Executive Directors and Group Chief Executive Officer which are aligned with the business strategy and long term objectives of the Company and also fairly guided by market norms and industry practices, to the Board for approval. The Remuneration Committee also carries out annual review of the Executive Directors' and Group Chief Executive Officer's remuneration packages based on their individual performance and that of the Group, whereupon the recommendation will be submitted to the Board for approval. Such annual review shall ensure that the remuneration packages for the Executive Directors and Group Chief Executive Officer remain sufficiently attractive to attract and retain them.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(15) Directors' Remuneration Policies and Procedures (Cont'd)

The remuneration packages for the Executive Directors and Group Chief Executive Officer should involve a balance between fixed and performance-linked elements. The relative weightage of fixed and variable remuneration for target performance varies with level of responsibility, complexity of the role and typical market practice. The executive remuneration should be set at a competitive level for similar roles within comparable markets to recruit and retain high quality senior executives. Individual pay levels should reflect the performance, skills and experience of the Directors and Group Chief Executive Officer as well as responsibility undertaken and is structured so as to link the short and long-term rewards to both corporate and individual performance.

The determination of the remuneration package for the Non-Executive Directors is a matter for the Board as a whole following the relevant recommendation made by the Remuneration Committee, with the Director concerned abstaining from deliberation and voting on his own remuneration. The remuneration of the Non-Executive Directors comprises of director's fee, fixed monthly allowance and meeting allowance which are determined by the Board. The remuneration of the Non-Executive Directors reflects the contribution, time commitment, level of responsibilities undertaken by the particular Non-Executive Director and trends for similar positions in the market.

As at the date of this Statement, the Remuneration Committee comprises the following 3 Non-Executive Directors, all of whom are Independent Directors:-

Members	Designation
Dato' Kamaruddin Bin Mat Desa (Chairman) (Resigned on 30 May 2023)	Independent Non-Executive Director
Tsen Keng Yam (Resigned on 30 May 2023)	Independent Non-Executive Director
Datuk Dr Ng Bee Ken (Resigned on 30 May 2023)	Independent Non-Executive Director
Ling Chee Min (Chairman) (Appointed on 30 May 2023)	Independent Non-Executive Director
Dato' Abdul Hamid Bin Mustapha (Appointed on 30 May 2023)	Independent Non-Executive Director
Tai Keat Chai (Appointed on 30 May 2023)	Independent Non-Executive Director

During the financial year ended 31 March 2023, there were 2 meetings held and were attended by all the members except for Datuk Dr Ng Bee Ken who only attended one of the meetings.

The terms of reference of the Remuneration Committee which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(15) Directors' Remuneration Policies and Procedures (Cont'd)

Details of the remuneration received by each Director of the Company during the financial year ended 31 March 2023 are set out below:-

	Fees (RM)	Salaries (RM)	Allowance (RM)	Benefits in kind (RM)[1]	Defined Contribution (RM)[2]	Other emoluments (RM)[3]	Total (RM)
Executive							
Chua Kim Lan	25,000	370,500	-	17,402	44,460	1,041	458,403
Yaw Chun Soon	25,000	370,500	-	6,501	44,460	750	447,211
Chan Tet Eu	25,000	146,250	-	-	17,568	1,041	189,859
Non-Executive							
Tsen Keng Yam	25,000	-	106,000	-	-	-	131,000
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	25,000	-	59,500	-	-	-	84,500
Dato' Kamaruddin Bin Mat Desa	25,000	-	59,500	-	-	-	84,500
Datuk Dr Ng Bee Ken	25,000	-	59,500	-	-	-	84,500
Total	**175,000**	**887,250**	**284,500**	**23,903**	**106,488**	**2,832**	**1,479,973**

Notes:
(1) Benefits-in-kind comprises of car allowance.
(2) Defined contribution comprises of employees' provident fund.
(3) Other emoluments comprise of driver allowance, employee social security organisation (SOCSO) and employment insurance system (EIS).

The Remuneration Committee had carried out the following activities during the financial year:-

(i) reviewed and recommended to the Board, the Directors' fees for the financial year ended 31 March 2023;

(ii) reviewed and recommended to the Board, the payment of the Non-Executive Directors' remuneration (excluding Directors' fees) from 27 September 2023 until the next Annual General Meeting of the Company to be held in the year 2024;

(iii) reviewed and recommended the proposed changes to the terms of reference of the Remuneration Committee;

(iv) reviewed the remuneration framework for the Executive Directors and Group Chief Executive Officer; and

(v) reviewed and recommended to the Board, the Executive Directors' and Group Chief Executive Officer's remuneration package for the financial year 2024.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(16) Remuneration Policy For Employees

The Remuneration Policy for Employees shall enable the furtherance of the Group's vision and mission. Remuneration to the employees of the Group shall be used to align individual performance with the Group's short and long term goals. Employee remunerations shall be supported by a robust performance management system underpinned by the fundamentals of sound risk management, ethics and corporate responsibility. This policy will be reviewed periodically by the Remuneration Committee and shall apply to all levels and segments of employees within the Group including the senior management.

Details of the remuneration of the top 5 senior management staff of the Company (including salary, benefits in-kind and other emoluments) during the financial year ended 31 March 2023 are disclosed on an aggregate basis and in each successive band of RM50,000 as follows:-

Range of Remuneration	Number of Top 5 senior management staff
RM50,000 to RM100,000	2
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM550,001 to RM600,000	1
TOTAL	**5**

Note: Successive bands of RM50,000.00 are not shown entirely as they are not represented.

The Company chose not to disclose the remuneration of the individual senior management staff on named basis as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance, and may also pose security risks. The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the above disclosures.

(17) Executive Committee

The Executive Committee comprises the Group Chief Executive Officer, Executive Directors and key senior management staff of the Group. The Executive Committee supports the Board in the operations of the Group and assists in the implementation of operational matters of the Group. The Executive Committee meets every month to review the performance of the Group's operating divisions/departments. During the financial year ended 31 March 2023, there were 11 meetings held and details of the members and their attendance are as follows:-

Members	Designation	Number of meetings attended
Dato' Mohamad Razali Bin Mohamad Rahim (Chairman)	Group Chief Executive Officer	11 out of 11
Yaw Chun Soon	Executive Director	11 out of 11
Chua Kim Lan	Executive Director	11 out of 11
Chan Tet Eu	Executive Director	8 out of 11
Tan Bak Hai	Senior Vice President I (Sales & Marketing)	10 out of 11
Soo Kah Pik	Chief Financial Officer	11 out of 11
Ng Giak Lian	Deputy Vice President (Finance)	10 out of 11

The terms of reference of the Executive Committee which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(1) Financial Reporting

The Board is responsible to ensure that the annual audited financial statements and quarterly announcements of financial results of TTB Group present a fair, balanced and meaningful assessment of the Group's financial position, performance and prospects. The Board ensures that the Group's financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of the financial reporting by TTB Group. The Audit Committee reviews and scrutinises the information of the Group's annual and quarterly financial statements in terms of the overall accuracy, adequacy and completeness of disclosure in ensuring the Group's financial statements comply with applicable financial reporting standards.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements of TTB and its Group is set out on page 59 of this Annual Report.

(2) Audit Committee

The Audit Committee comprises 3 Non-Executive Directors, all of whom are Independent Directors, which complies with Paragraph 15.09(1)(c) of the MMLR of Bursa Securities whereby the Audit Committee shall only consist of Non-Executive Directors and majority of whom are Independent Non-Executive Directors. In line with Step-Up Practice 9.4 of the MCCG, the Audit Committee comprises solely of Independent Non-Executive Directors.

The Audit Committee supports the Board with matters relating to the Group's financial reporting, audit, risk management, internal controls and in assessing the suitability and independence of the Group's external auditors. All members of the Audit Committee are financially literate and are able to understand matters under the purview of the Audit Committee including financial reporting process to effectively discharge their duties. They have also been briefed by our external auditors of the latest accounting and audit standards applicable to the Group to keep themselves abreast of the relevant accounting developments.

For the financial year, the Audit Committee was chaired by Mr Tsen Keng Yam while the other members were Dato' Kamaruddin Bin Mat Desa and Datuk Dr Ng Bee Ken. Subsequent to the financial year and up to the date of this Statement, Mr Tai Keat Chai was appointed Chairman of the Audit Committee to replace Mr Tsen who has resigned together with Dato' Kamaruddin and Datuk Ng while the other new members appointed were Dato' Abdul Hamid Bin Mustapha and Mr Ling Chee Min. Mr Tai possesses the relevant experience and qualification such as being a member of the Malaysian Institute of Accountants and Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), to ensure an efficient conduct of the Audit Committee's functions and meetings.

The composition, attendance of meetings and summary of the activities carried out by the Audit Committee during the financial year are disclosed in the Audit Committee Report on pages 57 to 58 of this Annual Report. The activities of the Audit Committee are governed by the terms of reference that is approved by the Board.

The Audit Committee meets no fewer than 5 times a year. During the financial year ended 31 March 2023, a total of 5 Audit Committee meetings were held.

The Audit Committee meeting is always held before the Board's meeting. This is to ensure that all critical issues highlighted can be brought to the attention of the Board on a timely basis. The Chairman of the Audit Committee will report to the Board on the outcome of the Audit Committee meeting and for action by the Board where appropriate.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(2) Audit Committee (Cont'd)

The Audit Committee meets with the Group's external auditors to review the scope and adequacy of the audit processes, the annual financial statements and their audit findings. In line with good corporate governance practices, the Audit Committee also meets with the external auditors at least twice a year in the absence of Executive Board members and Management, to discuss audit plans, audit findings, financial statements of the Company and also provide them with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference. The Audit Committee also meets with the external auditors whenever it deems necessary.

The term of reference of the Audit Committee which is available on the Company's website at www.ttransform.com.my was last reviewed and updated on 15 March 2023.

(3) External Auditors

Through the Audit Committee, the Board has a direct relationship with the external auditors. The external auditors were invited and have attended all the Audit Committee meetings of the Company during the financial year.

On an annual basis, the Audit Committee will review the suitability and independence of the existing external auditors which had been with the Company for 15 years based on the External Auditors Performance and Independence Checklist's criteria such as their calibre, quality of services, sufficiency of resources, communication and interaction, independence, objectivity and audit fees. The Audit Committee will also review and approve the provision of non-audit services by the external auditors and noted that for the financial year ended 31 March 2023, the non-audit fees incurred by the Group and Company amounted to RM16,000.00 each respectively.

The Audit Committee had obtained written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee and the Board were satisfied with the performance, competence and independence of the external auditors and the Board had recommended the re-appointment of the external auditors to the shareholders at the 98th AGM. The external auditors are invited to attend all annual general meetings of the Company so that they are available to answer shareholders' questions on matters with regard to the audit, its preparation and content of the audit report.

(4) Risk Management and Internal Control

The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor, manage and mitigate the risks that may affect the achievement of the Group's business and corporate objectives.

The Board has the overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. There is an ongoing process for the Board to identify, evaluate and manage significant risks faced by the Group on a regular basis for the financial year under review. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control incorporates, inter alia, risk management, financial, operational and compliance controls as well as the governance process.

The Company has established the Risk Management Committee ("RMC") which is tasked to develop and maintain an effective risk management system for the Group. It reviews matters such as responses to significant risks identified, changes to internal control system and output from monitoring processes. The RMC reports to the Audit Committee, which dedicates separate time for discussion on this subject. Significant issues related to risk management and internal controls are highlighted to the Board.

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

(4) Risk Management and Internal Control (Cont'd)

As at the date of this Statement, the RMC comprises the following members:-

Members	Designation
Yaw Chun Soon (Chairman)	Executive Director
Chua Kim Lan	Executive Director
Tan Bak Hai	Senior Vice President I (Sales & Marketing)
Soo Kah Pik	Chief Financial Officer
Ng Giak Lian	Deputy Vice President (Finance)

The Statement on Risk Management and Internal Control which provides an overview of the state of risk management, framework, internal controls and processes within the Group is set out on pages 54 to 56 of this Annual Report.

(5) Internal Audit Function

The Board has an overall responsibility for maintaining a sound system of internal control to safeguard the Group's assets and shareholders' investment. As the system of internal control is designed to mitigate rather than eliminate the likelihood of errors or fraud, the system can only provide reasonable assurance against material misstatement or loss.

The Group has established an in-house Internal Audit Department which performs regular reviews of business processes, appraisal on the effectiveness of governance, risk management internal controls and processes and reports regularly to the Audit Committee. The internal audit engagement is focused on areas of priority according to their risk assessment and in accordance with the annual audit plans approved by the Audit Committee. The Internal Audit Department also reviews the nature of related party transactions within the Group to ascertain any conflict of interest situations that would raise question of management integrity. The result of this review is tabled at the Audit Committee meeting and thereafter, is reported to the Board. Details of these related party transactions are disclosed in the Notes to the Financial Statements on page 134 of this Annual Report.

The Head of Internal Audit reports independently to the Audit Committee. The Audit Committee reviews and approves the internal audit plan on an annual basis. The Head of Internal Audit provides reports on key findings and progress on areas audited to the Audit Committee.

During the financial year, the Internal Audit Department has issued internal audit reports to the Audit Committee and the Management with regards to audit findings on the weaknesses in the system and controls of the operations. Areas of improvement were highlighted and implemented by the Management.

The activities of the internal auditors during the financial year are set out in the Audit Committee Report on pages 57 to 58 of this Annual Report.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(1) Effective Communications with Stakeholders

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company, to the regulators, shareholders and stakeholders. The Company has identified the personnel authorised and responsible to approve and disclose material information to shareholders and stakeholders to ensure compliance with the MMLR of Bursa Securities based on the resolutions passed by the Board. The Board has delegated the authority to the Executive Directors to approve all announcements for release to Bursa Securities. The Executive Directors work closely with the Board, Group Chief Executive Officer, senior management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

The Board recognises the importance of transparency and accountability to its shareholders which are the key elements of good corporate governance and hence, the need to establish a direct line of communication with shareholders and investors through timely release of information on the Group and Company's financial performance and major developments via appropriate channels of communications. Dissemination of information includes the distribution of Annual Report, Circulars, material information by way of announcements, issuance of quarterly financial results of the Group to Bursa Securities and the public as well as through press releases. Efforts have also been taken to enhance the contents of the Annual Report in line with the MCCG and MMLR. In addition, stakeholders who wish to reach the Group or Company can do so through the "Contact Us" page in our website. The Group believes that by consistently maintaining a high level of disclosure and extensive communication with its shareholders, the shareholders and investors will be able to make informed investment decision.

Apart from the mandatory announcements through Bursa Securities, the Company also maintains a website at www.ttransform.com.my which shareholders and investors can have access to information on the operations and business activities of the Group.

The Annual General Meeting ("AGM") is another principal forum for communication and dialogue with shareholders whereby they are given the opportunity to speak and seek clarification pertaining to the business activities of the Group and Company from the Board and Management. Besides the usual agenda for the AGM, the Board presents the progress and performance of the business and finances as well as provides some input on what the business and property market outlook would be like including the responses to questions raised by the Minority Shareholder Watch Group ("MSWG") in relation to the strategy and financial performance of the Group and corporate governance issues which were submitted by MSWG prior to the AGM.

Members of the Board, who include the Chairmen of the Audit Committee, Nomination Committee, Remuneration Committee, Executive Committee and Risk Management Committee as well as the external auditors of the Company are present to provide responses to questions from the shareholders during these meetings. Shareholders' suggestions received during the AGMs are reviewed and considered for implementation wherever relevant. A press release is normally held after each AGM and/or general meetings of the Company to provide the media with an opportunity to receive an update from the Board on the proceedings of the meetings, the Group's business progress and development, and to address any queries or areas of interest.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

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

(2) Shareholders' Conduct and Participation at General Meetings

General meetings are an important avenue through which the shareholders can exercise their rights. The Board would ensure suitability of venue and timing of meeting to encourage shareholders' participation in the meetings where they can engage directly with them to account for their stewardship of the Company.

The Company provides information to the shareholders with regards to, amongst others, details of the AGM, their entitlements to attend the AGM, the right to appoint proxy and also, the qualifications of a proxy via its Annual Report which contains the Notice of AGM. The Notice of AGM which sets out the business to be transacted at the AGM is also published in a major local newspaper. Items of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolutions. The notices of meetings and the annual reports are sent out to shareholders at least 21 days before the date of the meetings in accordance with the Constitution of the Company. However, in line with the recommendation of the MCCG, the notice period for the Company's 98th AGM is more than 28 days to allow shareholders sufficient time to make the necessary arrangements to attend and participate in person or by proxy.

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in the notice of any general meetings shall be voted by poll. An independent scrutineer shall be appointed to undertake the polling process. Therefore, the Company shall be conducting poll voting for all resolutions set out in the Notice of the 98th AGM.

During the 97th AGM held on 22 September 2022, the shareholders were briefed on the voting procedures and the results of the poll were verified by the independent scrutineer, Commercial Quest Sdn Bhd. The poll voting was conducted via electronic means and the results of the voting were displayed on the screen. The results of all resolutions proposed at the 97th AGM were subsequently announced to Bursa Securities on the same day.

In line with the MCCG, the Minutes of the 97th AGM with the notation on the proceedings, issues and concerns raised by the shareholders, and the responses made by the Company were made available on the Company's website at www.ttransform.com.my within 30 business days after the conclusion of the 97th AGM, so as to provide useful information to shareholders and investors especially for the shareholders who were absent from the AGM.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board strives to ensure that good corporate governance and practices are implemented and maintained throughout the Group.

Moving forward, the Board will continue to improve the Company's corporate governance practices by taking steps to address the current departures from the practices stipulated in the MCCG and instill a risk and governance awareness culture and mindset throughout the organisation in the best interests of all stakeholders.

This Statement is made in accordance with a resolution of the Board of Directors dated 18 July 2023.

ADDITIONAL COMPLIANCE INFORMATION
AS AT 31 MARCH 2023

1. UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposal during the financial year ended 31 March 2023.

2. AUDIT AND NON-AUDIT FEES OF TALAM TRANSFORM BERHAD GROUP

During the financial year, the amount of audit and non-audit fees paid to the external auditors of the Group and of the Company are as tabulated below:-

	Group (RM'000)	Company (RM'000)
Audit fees	368	170
Non-audit fees	16	16

3. MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors, Group Chief Executive Officer or Major Shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

4. MATERIAL CONTRACTS RELATING TO LOANS

During the financial year, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving the interests of its Directors, Group Chief Executive Officer or Major Shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of the recurrent related party transactions made during the financial year ended 31 March 2023 pursuant to the shareholders' mandate obtained by the Company at the Annual General Meeting held on 22 September 2022 are as follows:-

Nature of transactions undertaken by Talam Transform Berhad ["TTB"] and/or its subsidiaries	Transacting Company	Amount Transacted (RM'000)	Interested Related Party
(A) Procurement of construction contract from Wonderful Insights Sdn Bhd ("WISB")			
L.C.B. Management Sdn Bhd	WISB	27,867	Yaw Chun Soon ("YCS") & Chua Kim Lan ("CKL") (Note 1)
(B) Interest receivable from WISB			
L.C.B. Management Sdn Bhd	WISB	1,146	YCS & CKL (Note 1)

NOTES:-

1. YCS is a Director and Shareholder of TTB. YCS is also a Director and Substantial Shareholder of WISB.

   CKL is a Director and Shareholder of TTB. Her spouse, Chin Chee Meng is a Substantial Shareholder of WISB.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board"), guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies, is pleased to provide the following statement pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Bursa Securities MMLR") which outlines the key elements of risk management and internal control system within the Group for the financial year ended 31 March 2023.

RESPONSIBILITY

The Board recognises its responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. There is an on-going process for the Board to identify, evaluate and manage significant risks faced by the Group on a regular basis for the financial year under review. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control incorporates, inter alia, risk management, financial, operational and compliance controls as well as the governance process.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit Committee to include the work of reviewing the adequacy and the integrity of the system of internal control, with the assistance of the internal audit function.

The Group has put in place a Risk Management Committee ("RMC"), which is chaired by the Group's Executive Director, and includes participation from representatives from all the departments including the Internal Audit Department. Each department's risk management function is led by the respective head of department. The RMC is tasked to develop and maintain an effective risk management system for the Group. It reviews matters such as responses to significant risks identified, changes to internal control system and output from monitoring processes. It reports to the Audit Committee, which dedicates separate time for discussion on this subject.

The risk management framework encompasses the Group's subsidiaries, jointly controlled entities and associated companies.

RISK MANAGEMENT PROCESS

The Group maintains a database of key risks specific to the Group together with their corresponding controls which are categorised, amongst others, as follows:-

Strategic Risk
- risks which affect the overall direction of the business

Internal Business Risk
- risks that have an impact on the delivery of the Group's products and services which includes development activities

External Risk
- risks associated with market conditions

Financial Risk
- risks associated with loans exposure and interest rates

The respective departments identify emerging risks on an ongoing basis. The risks are then consolidated into the database. The database which contains identified emerging risks and existing risks represents the Group risk profile.

Annually, all departments of the Group undertake to input their identified emerging risks and update their existing risks into the database. Such updates will also require the respective department heads to review existing controls and if needed, to propose additional controls to mitigate the identified risks.

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

RISK MANAGEMENT PROCESS (CONT'D)

The updated Group risk profile is then presented to the Executive Committee ("EXCO") for further assessment. The EXCO will review and re-assess the identified risks including the corresponding controls identified by the respective department heads. The EXCO may vary the risks assessment by the respective departments and may propose further controls to be put in place to further mitigate the identified risks. These processes are facilitated by the RMC.

Upon completion of the review by the EXCO, the RMC then prepares the risk management report summarising the Group's identified high risks and moderate risks together with existing controls and proposed controls which are then presented to the Audit Committee for review and deliberation for recommendation and endorsement by the Board.

INTERNAL CONTROL PROCESS

Key elements of the Group's system of internal control are as follows:-

- Regular review of business processes to assess the effectiveness of internal controls and reports are made regularly to the Audit Committee.
- Review of operational organisation structure with defined lines of responsibilities and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability.
- Regular Management Committee and EXCO meetings are convened to discuss the Group's operations and performance. The meetings enable the regular monitoring of results against budget, with significant variance explained and appropriate action taken.
- Defined limits of authority for various transactions, including purchasing and payments.
- Standing Instructions and Standard Operating Procedures of all departments are regularly reviewed and updated to ensure effective management of the Group's operations.
- Monitoring of financial results by the Audit Committee and the Board every quarter through quarterly management reports presented that provide financial information as well as information of significant changes in accounting standards and reporting.
- Review of the risk database and its corresponding controls.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Department reports independently to the Audit Committee. The Audit Committee reviews and approves the internal audit plan, which is developed based on the finalised key risk profile of the Group, on an annual basis. The Internal Audit Department provides reports on key findings and progress of areas audited to the Audit Committee on a regular basis.

All recommendations to improve internal controls were acted upon by the Management. Proposed corrective and preventive measures have been implemented by the Management to rectify the identified shortcomings.

REVIEW BY THE EXTERNAL AUDITORS

As required by paragraph 15.23 of Bursa Securities MMLR, the external auditors have conducted a limited assurance review on this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their limited assurance engagement was performed in accordance with ISAE3000 (Revised 2015), Assurance Engagement other than Audits or Review of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 and Guidance for Auditors on the Review of Directors' Statement on Internal Control.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with the disclosure required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate. AAPG3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

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

CONCLUSION

The risk management processes and internal control system of the Group have been reviewed and found to be operating adequately and the Board has received such assurances from the Executive Directors and Group Chief Executive Officer together with the Chief Financial Officer.

The processes as outlined on this statement have been in place for the year under review and up to the date of approval of this statement.

The Board is of the opinion that there are no significant weaknesses in the system of internal control during the financial year. The Board and the Management will continue to take measures to strengthen the internal control environment to safeguard shareholders' investment and the Group's assets.

This Statement was approved by the Board of Directors of the Company on 18 July 2023.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee as at 31 March 2023 comprises the following members:-

Members of the Audit Committee	Designation
1. Tsen Keng Yam (Chairman)	Senior Independent Non-Executive Director (resigned on 30 May 2023)
2. Dato' Kamaruddin Bin Mat Desa	Independent Non-Executive Director (resigned on 30 May 2023)
3. Datuk Dr Ng Bee Ken	Independent Non-Executive Director (resigned on 30 May 2023)

The Audit Committee as at 30 May 2023 comprises the following members:-

New Members of the Audit Committee	Designation
1. Tai Keat Chai (Chairman)	Independent Non-Executive Director (appointed on 30 May 2023)
2. Dato' Abdul Hamid Bin Mustapha	Independent Non-Executive Director (appointed on 30 May 2023)
3. Ling Chee Min	Independent Non-Executive Director (appointed on 30 May 2023)

The terms of reference of the Audit Committee are available on the Company's website at www.ttransform.com.my.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

During the financial year ended 31 March 2023, there were 5 Audit Committee meetings held and the number of meetings attended by each Audit Committee member are as follows:-

Audit Committee Member	Number of meetings attended
1. Tsen Keng Yam	5 out of 5
2. Dato' Kamaruddin Bin Mat Desa	5 out of 5
3. Datuk Dr Ng Bee Ken	4 out of 5

The Chief Financial Officer and the Head of Internal Audit would normally attend all Audit Committee meetings at the invitation of the Audit Committee.

AUDIT COMMITTEE
REPORT (CONT'D)

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

During the financial year ended 31 March 2023, the Audit Committee carried out its duties, amongst others, in accordance with its terms of reference, as follows:-

(i) Reviewed the quarterly financial results prior to recommending them for consideration and approval by the Board of Directors;
(ii) Reviewed and discussed with the external auditors the audit planning memorandum before commencement of the annual audit;
(iii) Reviewed and discussed with the external auditors on their findings during the course of their audit and the Management's response;
(iv) Evaluated the performance of the external auditors and made recommendations to the Board on their reappointment and audit fee;
(v) Reviewed the annual financial statements and recommended them for approval by the Board of Directors;
(vi) Reviewed and deliberated the recurrent related party transactions;
(vii) Reviewed and approved the internal audit plan;
(viii) Reviewed and deliberated the internal audit reports; and
(ix) Reviewed the Risk Management Committee's reports and assessment.

The reviews and deliberations were conducted during the 5 meetings of the Audit Committee held during the financial year ended 31 March 2023.

TRAINING

During the financial year, all the Audit Committee members attended the relevant training to assist them in discharging their duties effectively. They were also briefed by the external auditors of the latest accounting and audit standards applicable to the Group.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported in its duties by an in-house internal audit function. The Committee is aware of the fact that the internal audit function is essential to assist in obtaining the assurance and consulting services it requires, regarding the effectiveness of the system of internal control in the Group. Total staff cost incurred in respect of the internal audit function during the financial year ended 31 March 2023 was RM104,222.74.

A summary of the internal audit cost distribution is as follows:-

Cost category	% of total cost
Manpower	99.44
Training (in-house)	–
Overheads	0.56

During the financial year, the following main internal audit activities were carried out:-

(i) Conducted internal audit in accordance with the risk based/driven internal audit plan. 4 routine audits were carried out during the financial year. The areas reviewed by the Internal Audit Department were on the procurement transactions processed by the Administration Department and Complex Management Department, Group's physical assets verification exercise, Finance Department's disbursement of transactions, the land titles and deposit receipts held by the Planning, Authorities' Approvals and Land Matters Department, the verifications of sales transactions and sales collections in the Sales and Marketing Department as well as a follow-up audit on the trade receivables taken care of by the Credit Control Department;

(ii) Reviewed the internal control procedures as stipulated in the Group's Standing Instructions and Standard Operating Procedures. During the same period, Standing Instructions and Standard Operating Procedures of the departments were jointly reviewed and updated, and practical internal control procedures were incorporated;

(iii) Reviewed the recurrent related party transactions of the Company and its Group; and

(iv) Attended the Management Committee and Risk Management Committee meetings.

All internal audit reports, which were deliberated by the Audit Committee and recommended to the Board of Directors and/or the Management, were acted upon.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year in accordance with the provisions of the Act and applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the financial year then ended. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements accordingly.

In preparing the financial statements for the financial year ended 31 March 2023, the Directors have:-

(1) adopted appropriate accounting policies which were consistently applied;
(2) made judgments and estimates that are reasonable and prudent;
(3) ensure that all applicable approved accounting standards have been followed; and
(4) prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records, which discloses with reasonable accuracy the financial position of the Group and the Company and comply with the provisions of the Act. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and Company and to prevent and detect material fraud and other irregularities.

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of Talam Transform Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year are that of the provision of management services, investment holding and property development.

The principal activities of the subsidiaries of the Company are stated in Note 29 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Loss for the financial year	(15,534)	(22,716)
Attributable to:		
Owners of the Company	(15,407)	(22,716)
Non-controlling interests	(127)	-
	(15,534)	(22,716)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2023.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors had taken reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors had taken reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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 affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

AUDITOR'S REMUNERATION

The auditors' remuneration are as follows:

	GROUP RM'000	COMPANY RM'000
Auditors' remuneration	368	170

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that were repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 March 2023, the Company held as treasury shares a total of 2,635,800 of its 4,295,279,562 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM492,848 as disclosed in Note 16 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The directors in office during the financial year and during the year from the end of the financial year to the date of this report are:

Chua Kim Lan*	
Yaw Chun Soon*	
Chan Tet Eu*	
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	
Dato' Abdul Hamid Bin Mustapha	(Appointed on 30 May 2023)
Ling Chee Min	(Appointed on 30 May 2023)
Tai Keat Chai	(Appointed on 30 May 2023)
Tsen Keng Yam	(Resigned on 30 May 2023)
Dato' Kamaruddin Bin Mat Desa*	(Resigned on 30 May 2023)
Datuk Dr Ng Bee Ken	(Resigned on 30 May 2023)

* Directors of the Company and certain subsidiaries.

DIRECTORS'
REPORT (CONT'D)

DIRECTORS (CONT'D)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the year from the end of the financial year to the date of the report are:

Rudzas Binti Saim	
Cheng Keng Boo	
Tan Bak Hai	
Li Wenshuo	
Dato' Mohamad Razali Bin Mohamad Rahim	
Anizam Bin Wan Hassan	
Fatin Natasha Ellyna Binti Norhizam	
Cheong Wai Loong	
Chan Siu Ching Candice	(Appointed on 10 August 2022)
Hairul Nizar Bin Tamaddun	(Appointed on 10 August 2022)
Mohd Helmizam Bin Mohd Amin	(Appointed on 31 January 2023)
Ong Jit Kiat	(Resigned on 24 May 2022)
S Visvanathan A/L P Selvaraju	(Resigned on 31 January 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares				
	At 01.04.2022	Bought	Sold	At 31.03.2023	
Direct interests					
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	1,007,710,694	-	-	1,007,710,694	
Chua Kim Lan	90,039	-	-	90,039	
Yaw Chun Soon	445,000	-	-	445,000	
Indirect interests					
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	258,760,772	-	-	258,760,772	#
Chua Kim Lan	28,125	-	-	28,125	^
Chan Tet Eu	1,266,471,466	-	-	1,266,471,466	*

Indirect interest held through his spouse, Puan Sri Datin Thong Nyok Choo, his daughter, Chan Siu Wei and deemed interested by virtue of his interest in Pengurusan Projek Bersistem Sdn. Bhd., Sze Choon Holdings Sdn. Bhd., Jejak Progresif Sdn. Bhd. pursuant to Section 59(11)(c) and Section 8 of the Companies Act 2016 in Malaysia respectively.

^ Indirect interest held through her spouse, Chin Chee Meng pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

* Deemed interested through his father Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon, his mother Puan Sri Datin Thong Nyok Choo, his sister Chan Siu Wei and by virtue of his interest in Pengurusan Projek Bersistem Sdn. Bhd., Sze Choon Holdings Sdn. Bhd. and Jejak Progresif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 in Malaysia.

DIRECTORS'
REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows: (Cont'd)

Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon and Chan Tet Eu, by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

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

The Directors' benefits of the Group and of the Company are as follows:

	GROUP RM'000	COMPANY RM'000
Directors of the Company:		
Fees	175	175
Salaries	887	887
Defined contribution	106	106
Other emoluments	288	288
Benefits-in-kind	24	24
	1,480	1,480
Director of subsidiaries:		
Salaries	75	-
Defined contribution	9	-
Other emoluments	23	-
	107	-
Total	1,587	1,480

Neither during, nor at the end of the financial year, was the Company a party to any arrangement where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity was given to or insurance effected for, any director or officer of the Company.

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 29 to the financial statements.

Other than those subsidiaries with modified opinions in the auditors' reports as disclosed in Note 29 to the financial statements, the available auditors' reports on the accounts of the remaining subsidiaries do not contain any qualification.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

CHUA KIM LAN
Director

YAW CHUN SOON
Director

Date: 28 July 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		GROUP		COMPANY	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	416	641	210	377
Inventories	6	382,928	403,864	42,919	42,919
Investment properties	7	72,365	72,494	-	-
Investment in subsidiaries	8	-	-	548,620	553,492
Investment in associates	9	17,085	18,361	-	-
Amount owing by associates	9(b)	25,196	23,359	22,963	21,364
Trade receivables	11(a)	22,268	23,772	-	-
Total non-current assets		520,258	542,491	614,712	618,152
Current assets					
Inventories	6	88,618	68,531	4,736	6,474
Contract assets	12	94	17	-	-
Amount owing by subsidiaries	8(a)	-	-	2,537	2,301
Amount owing by associates	9(b)	138	-	-	-
Trade receivables	11(a)	20,647	34,292	479	405
Other receivables and deposits	11(b)	14,349	51,336	2,058	40,220
Prepaid expenses		175	174	-	-
Tax recoverable		208	194	-	-
Sinking funds held by trustees	13	-	398	-	398
Other investment	10	70	69	26	26
Cash and bank balances	14	7,116	3,983	262	446
Total current assets		131,415	158,994	10,098	50,270
TOTAL ASSETS		651,673	701,485	624,810	668,422

CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2023

	Note	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	859,086	859,086	859,086	859,086
Treasury shares	16	(493)	(493)	(493)	(493)
Reserves	17	(597,876)	(582,469)	(566,803)	(544,087)
		260,717	276,124	291,790	314,506
Non-controlling interests		1,830	1,957	-	-
Total equity		262,547	278,081	291,790	314,506
Non-current liabilities					
Borrowings	18(a)	29,523	653	38	153
Other payables	21	229,980	212,028	222,900	207,830
Amount owing to subsidiaries	8(a)	-	-	5,692	7,299
Total non-current liabilities		259,503	212,681	228,630	215,282
Current liabilities					
Trade payables	19	46,927	52,897	26,030	26,030
Other payables and accruals	21	79,939	84,913	10,849	13,972
Contract liabilites	12	7	22	-	-
Provision for liabilities	20	611	731	-	-
Borrowings	18(b)	2,126	72,119	2,126	42,634
Amount owing to subsidiaries	8(a)	-	-	65,385	55,998
Current tax liabilities		13	41	-	-
Total current liabilities		129,623	210,723	104,390	138,634
Total liabilities		389,126	423,404	333,020	353,916
TOTAL EQUITY AND LIABILITIES		651,673	701,485	624,810	668,422

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

STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		GROUP		COMPANY	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	22	61,405	66,528	3,590	2,169
Cost of sales	23	(47,997)	(44,591)	(1,869)	(508)
Gross profit		13,408	21,937	1,721	1,661
Other income		5,298	44,734	1,731	73,677
Administrative expenses		(15,573)	(39,815)	(4,215)	(4,694)
Other expenses		(500)	(20,219)	(2,412)	(19,224)
Net reversal/(impairment losses) on financial instruments and contract assets		774	1,969	(6,640)	552
Finance income	24	2,998	13,421	1,836	11,430
Finance costs	24	(20,604)	(23,718)	(14,714)	(18,840)
Share of results of associates		(1,276)	(52)	-	-
(Loss)/profit before tax		(15,475)	(1,743)	(22,693)	44,562
Income tax expense	25	(59)	(3,203)	(23)	(23)
(Loss)/profit for the financial year	26	(15,534)	(4,946)	(22,716)	44,539
Other comprehensive income for the financial year		-	-	-	-
Total comprehensive (loss)/income for the financial year		(15,534)	(4,946)	(22,716)	44,539
(Loss)/profit for the financial year attributable to:					
Owners of the Company		(15,407)	(4,843)	(22,716)	44,539
Non-controlling interests		(127)	(103)	-	-
		(15,534)	(4,946)	(22,716)	44,539
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the Company		(15,407)	(4,843)	(22,716)	44,539
Non-controlling interests		(127)	(103)	-	-
		(15,534)	(4,946)	(22,716)	44,539
Loss per share attributable to owners of the Company (sen):					
- Basic (sen)	27	(0.36)	(0.11)		

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

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

	← Attributable to owners of the Company				→		
GROUP	Share Capital RM'000	Capital Reserves RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Sub Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 April 2021	859,086	800	(493)	(578,426)	280,967	1,565	282,532
Total comprehensive loss for the financial year	-	-	-	(4,843)	(4,843)	(103)	(4,946)
Non-controlling interest arising from acquisition of a new subsidiary	-	-	-	-	-	495	495
At 31 March 2022	859,086	800	(493)	(583,269)	276,124	1,957	278,081
Total comprehensive loss for the financial year	-	-	-	(15,407)	(15,407)	(127)	(15,534)
At 31 March 2023	859,086	800	(493)	(598,676)	260,717	1,830	262,547

STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

COMPANY	Share Capital RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 April 2021	859,086	(493)	(588,626)	269,967
Total comprehensive income for the financial year	-	-	44,539	44,539
At 31 March 2022	859,086	(493)	(544,087)	314,506
Total comprehensive loss for the financial year	-	-	(22,716)	(22,716)
At 31 March 2023	859,086	(493)	(566,803)	291,790

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

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

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax	(15,475)	(1,743)	(22,693)	44,562
Adjustments for:				
Interest expenses	19,099	23,089	14,580	18,361
Interest income	(1,890)	(1,401)	(1,836)	(1,365)
Bad debts written off	697	22,209	-	9
Depreciation:				
- property, plant and equipment	242	249	167	168
- investment properties	983	984	-	-
Impairment loss on:				
- investment in subsidiaries	-	-	2,120	19,224
- amount owing by subsidiaries	-	-	6,829	1,772
- amount owing by associates	-	59	-	-
- receivables - trade	-	245	-	-
- receivables - non trade	12	62	4	-*
Inventories written down	82	2,032	-	1,552
(Gain)/loss on disposal of investment in a joint venture	-	-*	-	-
Loss/(gain) on financial assets at amortised cost	397	(11,076)	-	(10,065)
(Gain)/loss on financial liabilities at amortised cost	-	(315)	134	479
Reversal of impairment losses on:				
- investment in subsidiaries	-	-	(118)	(41,859)
- receivables - trade	(694)	(9)	-	-
- receivables - non trade	(92)	(2,326)	(90)	(2,324)
- amount owing by subsidiaries	-	-	(103)	-
Loss on acquisition of subsidiaries	-	1,895	-	-
Sub total carried forward	3,361	33,954	(1,006)	30,514

* *Represent amount less than RM1,000*

STATEMENTS OF
CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Sub total brought forward	3,361	33,954	(1,006)	30,514
Waiver of debt	(812)	(27,000)	(1,669)	(31,253)
Share of results of associates	1,276	52	-	-
Operating profit/(loss) before working capital changes	3,825	7,006	(2,675)	(739)
Changes in working capital				
Contract assets/ liabilities	(92)	1,438	-	-
Subsidiaries balances	-	-	5,223	2,931
Inventories	767	10,218	1,738	490
Receivables	49,840	(3,258)	36,575	1,462
Sinking fund held by trustee	398	(394)	398	(394)
Payables	7,700	10,152	11,947	14,544
Cash generated from operations	62,438	25,162	53,206	18,294
Interest received	1,890	1,401	1,836	1,365
Income taxes paid	(101)	(3,179)	(23)	(23)
Interest paid	(19,099)	(23,089)	(14,580)	(18,361)
Net Cash Generated From Operating Activities	45,128	295	40,439	1,275

STATEMENTS OF
CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		GROUP		COMPANY	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash flow from acquisition of subsidiaries		-	312	-	-
Proceeds from disposal of investments in a joint venture		-	-*	-	-
Proceeds from disposal/ (purchase) of other investments		(1)	(1)	-	-
Purchase of investment property		(854)	-	-	-
Purchase of property, plant and equipment		(17)	(16)	-	-
Net Cash (Used in)/Generated From Investing Activities		(872)	295	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings	**(a)**	(41,123)	(1,365)	(40,623)	(1,365)
Drawdown of					
- term loan	**(a)**	-	1,535	-	250
Net Cash (Used In)/Generated From Financing Activities		(41,123)	170	(40,623)	(1,115)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,133	760	(184)	160
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		3,983	3,223	446	286
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (Note 14)		**7,116**	**3,983**	**262**	**446**

* *Represent amount less than RM1,000*

STATEMENTS OF
CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(a) Reconciliation of liabilities arising from financing activities:

	1 April 2021 RM'000	Cash flows RM'000	31 March 2022 RM'000	Cash flows RM'000	31 March 2023 RM'000
GROUP					
Borrowings (Note 18)					
Term loans	32,200	285	32,485	(1,000)	31,485
Lease liabilities	394	(115)	279	(115)	164
Other borrowings	40,008	-	40,008	(40,008)	-
	72,602	170	72,772	(41,123)	31,649
COMPANY					
Borrowings (Note 18)					
Term loans	3,500	(1,000)	2,500	(500)	2,000
Lease liabilities	394	(115)	279	(115)	164
Other borrowings	40,008	-	40,008	(40,008)	-
	43,902	(1,115)	42,787	(40,623)	2,164

NOTES TO THE FINANCIAL STATEMENT

1. CORPORATE INFORMATION

Talam Transform Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 17.02, Level 17, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur. The principal place of business of the Company is located at Level 21, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur.

The principal activities of the Company during the financial year were those of the provision of management services, investment holding and property development. The principal activities of the subsidiaries of the Company are stated in Note 29 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 July 2023.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments/ improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below. (Cont'd)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency at the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates, and joint ventures used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtained control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:
- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have been previously recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement year. The measurement year for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement year not exceeding one year from the acquisition date.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

Upon the loss of control of subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investments in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures.*

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures and accounted for its interest in the joint ventures using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investments in subsidiaries, joint ventures and associates are measured at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

Contribution to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary item that is designated as a hedging instrument in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserve related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses
- Financial assets at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

The Group and the Company reclassify financial assets when and only when its business model for managing those assets changes.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classifies their debt instruments:

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

(i) Financial assets (Cont'd)

Debt instruments (Cont'd)

- **Fair value through other comprehensive income (FVOCI)**
  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (FVPL)**
  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

The Group and the Company subsequently measures all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

(ii) Financial liabilities (Cont'd)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:
(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:
(i) the contractual rights to receive the cash flows from the financial asset expire, or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extend, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition of measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets, other than bearer plants, includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment.

(b) Subsequent cost

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Renovation	10 years
Plant, machinery and equipment	5 - 10 years
Motor vehicles	5 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the year of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less).

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

<u>Right-of-use asset</u>

The right-of-use asset is initially recognised 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 right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b) to the financial statements.

<u>Lease liability</u>

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Lease liability (Cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the year in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant yearic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties on freehold land are stated at cost less accumulated impairment losses, if any, and are not depreciated as it has an indefinite life. Other investment properties are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b) to the financial statements.

Other investment properties are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful life at an annual rate of 1% to 2.5%.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value, cost being determined based on specific identification.

Property under development

Cost includes:
- freehold and leasehold rights for land
- amounts paid to contractors for construction
- planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and bank balances which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdraft.

3.11 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment of assets (Cont'd)

(a) Impairment of financial assets and contract assets (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum year considered when estimating expected credit losses is the maximum contractual year over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment of assets (Cont'd)

(a) Impairment of financial assets and contract assets (Cont'd)

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and contract assets) are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

(b) Redeemable convertible preference shares capital

Preference shares are classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend is discretionary. Dividends thereon are recognised as distributions within equity.

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Certain foreign subsidiaries make contributions to their respective countries' statutory pension scheme. Such contributions are recognised as an expense in the profit or loss in the year in which the employees render their services.

3.14 Provisions

Provisions are recognised when the Group and Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are determined by discounting the expected future cash flows at a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue and other income

Revenue is measured based on the consideration specified in contract with a customer in exchange for transferring goods or services to a customer, excluding amount collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the assets.

The Group transferred control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Property development

The Group develops and sells residential and commercial properties, including development lands. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. If the contract with customer contains more than one performance obligation, where the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus margin.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group has an enforceable right to payment for performances completed to date. Revenue is recognised over the year of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

(b) Sales of inventories and land

Revenue is recognised at a point in time when control of the inventories and land has been transferred.

(c) Management fee

Management fee is recognised on an accrual basis, net of service taxes.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue and other income (Cont'd)

(d) Interest income

Interest income other than interest income from late payment by house buyers and other trade receivables are recognised on an accrual basis unless collectability is in doubt in which recognition will be on a receipt basis.

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(f) Construction contracts

Under the terms of the contracts, control of the assets is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the year of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date that bears to the estimated total construction costs (an input method).

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then the Group and the Company will recognise a contract liability on the difference.

(g) Sale of goods

Revenue from sales of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 to 60 days, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other thanthe passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Borrowing costs (Cont'd)

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.17 Taxes

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intends to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax ("SST")

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.18 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). 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 year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the executive director of operations who is responsible for allocating resources and assessing performance of the operating segments and recommends strategic decisions to the Board.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. Active markets refer to a market in which the transactions for the assets take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. In market conditions where properties are actively purchased and sold and there is a stock of sufficient comparable (but not identical) properties, the fair value may be classified as Level 2. However, this is based on the fact and circumstances that no significant adjustments have been made to the observable data.

Level 3: Unobservable inputs for the asset or liability, especially in inactive or less transparent real property markets.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statement of financial position.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Related parties

A party is related to an entity if:

(i) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Funding requirements and ability to meet short term obligations

The Group applies judgement in determining the funding requirements and its ability to meet short term obligations. The Group considers the facts and circumstances and make assumptions about the future, including the cash flows to be generated from the operations of the Group and the available financing facilities.

The details of funding requirements and ability to meet short term obligations are disclosed in Note 32(b)(ii) to the financial statements.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(b) Impairment of financial assets (Note 9(b) and 11)

The impairment of financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation as forward-looking estimates at the end of each reporting year.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(c) Inventories (Note 6)

Property inventories are stated at the lower of cost and net realisable value.

Significant judgement is required in arriving at the net realisable value, particularly the estimated selling price of property inventories in the ordinary course of the business. The Group and the Company have considered all available information, including but not limited to expected sales prices, property market conditions, locations of property inventories and target buyers.

Inventories are reviewed on a regular basis and the Group has made allowances for excess or obsolete inventories based on the factor above.

(d) Construction revenue (Note 22)

The Group recognised construction revenue in profit or loss by measuring the progress towards complete satisfaction of its performance obligations. The progress towards complete satisfaction of performance obligations is determined by the proportion of construction costs incurred for work performed to-date that bears to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligations, the extent of the construction costs incurred and the estimated total construction revenue, expenses and profitability of the construction projects, as well as the recoverability of billings. In making the judgement, the Group evaluates based on past experiences and by relying on the work of specialists.

(e) Impairment of investments in subsidiaries (Note 8)

The Company assesses whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use involves exercise of judgement on the discount rate applied and the assumptions supporting the underlying cash flow projection which includes future sales, gross profit margin and operating expenses.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Renovation RM'000	Plant Machinery and Equipment RM'000	Motor Vehicles RM'000	Right-of-use Assets RM'000	Total RM'000
Cost					
At 1 April 2021	805	1,551	1,034	839	4,229
Additions	-	16	-	-	16
At 31 March 2022	805	1,567	1,034	839	4,245
Additions	-	17	-	-	17
At 31 March 2023	805	1,584	1,034	839	4,262
Accumulated Depreciation					
At 1 April 2021	782	1,316	963	294	3,355
Charge for the financial year	4	54	23	168	249
At 31 March 2022	786	1,370	986	462	3,604
Charge for the financial year	4	47	23	168	242
At 31 March 2023	790	1,417	1,009	630	3,846
Carrying Amount					
At 31 March 2022	19	197	48	377	641
At 31 March 2023	15	167	25	209	416

COMPANY	Renovation RM'000	Right-of-use Asset RM'000	Total RM'000
Cost			
At 31 March 2022/31 March 2023	665	839	1,504
Accumulated Depreciation			
At 1 April 2021	665	294	959
Depreciation charged during the year	-	168	168
At 31 March 2022	665	462	1,127
Depreciation charged during the year	-	167	167
At 31 March 2023	665	629	1,294
Carrying Amount			
At 31 March 2022	-	377	377
At 31 March 2023	-	210	210

Right-of-use assets

The Group and the Company lease motor vehicles with lease term of 5 years under lease arrangements as disclosed in Note 18 (iii) to the financial statements.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

6. INVENTORIES

	GROUP 2023 RM'000	GROUP 2022 RM'000
Non-current		
At lower of cost or net realisable value:		
Properties held for development		
- Freehold land	157,138	178,251
- Leasehold land	163,881	163,881
- Development costs	61,909	61,732
	382,928	403,864
Current		
At lower of cost or net realisable value:		
Completed properties	29,485	17,136
Properties under development		
- Freehold land	31,312	10,807
- leasehold land	-	1,061
- Development costs	27,821	39,527
	88,618	68,531
Total	471,546	472,395

	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Non-current		
At lower of cost or net realisable value:		
Properties held for development		
- Freehold land	17,005	17,005
- Leasehold land	25,346	25,346
- Development costs	568	568
	42,919	42,919
Current		
At lower of cost or net realisable value:		
Completed properties	4,736	6,474
	4,736	6,474
Total	47,655	49,393

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

6. INVENTORIES (CONT'D)

(a) Properties held for development

(i) Certain properties held for development of the Group and the Company are charged as security for credit facilities as disclosed in Note 18(ii) to the financial statements as follows:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Properties held for development	73,638	73,638	13,619	13,619

(ii) Certain properties held for development of the Group and the Company amounting to RM160.67 million (2022: RM149.13 million) and RM17.76 million (2022: RM17.76 million) respectively are pledged as security to IJM Group as disclosed in Note 21 (ii) to the financial statements.

(iii) The leasehold lands of the Group have remaining lease terms ranging from 71 to 93 years (2022: 72 to 94 years).

(iv) The properties held for development of the Group amounting to RM1.61 million (2022: RM8.97 million) respectively were sold during the financial year and are accordingly recognised as expenses in cost of sales.

(v) The legal titles for certain properties held for development have yet to be transferred to the Group.

(vi) Certain properties held for development of the Group amounting to RM1.22 million (2022: RM1.22 million) are pledged as security to Pengurusan Project Bersistem Sdn. Bhd. as disclosed in Note 18 (ii) to the financial statements.

Pengurusan Project Bersistem Sdn. Bhd. is a related party as disclosed in Note 30(a).

(b) Completed properties

(i) Certain completed properties of the Group amounting to RM0.13 million (2022: RM0.13 million) are pledged as security and earmarked as part of the settlement to IJM Group as disclosed in Note 21(ii) to the financial statements.

(ii) Completed properties of the Group and the Company amounting to RM12.52 million and RM1.74 million (2022: RM2.91 million and RM0.49 million) respectively, were sold during the financial year and are accordingly recognised as an expense in cost of sales.

(iii) The legal titles for certain completed properties have yet to be transferred to the Group.

(iv) In the previous financial year, certain completed properties of the Group and Company amounting to RM0.15 million are pledged as security to Pengurusan Project Bersistem Sdn. Bhd. as disclosed in Note 18 (ii) to the financial statements.

Pengurusan Project Bersistem Sdn. Bhd. is a related party as disclosed in Note 30(a).

(v) In the previous financial year, certain completed properties of the Group and Company amounting to RM1.08 million which are charged as securities for credit facilities as disclosed in Note 18(i) to the financial statements.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

7. INVESTMENT PROPERTIES

	GROUP RM'000
Cost	
At 1 April 2021/31 March 2022	110,207
Addition	854
At 31 March 2023	111,061
Accumulated Depreciation	
At 1 April 2021	17,627
Charge for the financial year	984
At 31 March 2022	18,611
Charge for the financial year	983
At 31 March 2023	19,594
Less: Impairment Loss	
At 31 March 2022/31 March 2023	19,102
Carrying Amount	
At 31 March 2022	72,494
At 31 March 2023	72,365

(a) Certain investment properties of the Group amounting to RM46.90 million (2022: RM47.57 million) are charged as security for credit facilities as disclosed in Note 18(ii) to the financial statements.

(b) The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2023 RM'000	2022 RM'000
Rental income	4,766	4,163
Direct operating expenses:		
- income generating investment properties	(4,226)	(3,891)

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

(c) Fair value information

Fair values of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
GROUP				
2023				
Land and buildings	-	-	138,792	138,792
GROUP				
2022				
Land and buildings	-	-	124,185	124,185

Valuation of investment properties

Level 3 fair value

The fair values of certain investment properties of the Group are derived from references to market indication of recently transacted similar properties or asking prices of those that are currently offered for sale in the vicinity or other comparable localities and were performed by a registered independent valuer with an appropriate recognised professional qualification.

The fair values for certain investment properties of the Group are determined based on sales comparison approach. Sales price of comparable properties in the same location or close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of comparable properties.

The following table shows the other valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in valuation models.

Description	Valuation technique	Significant observable input	Relationship of unobservable input to fair value
Lots in commercial complex	Sales comparison approach	Valuation price per square foot are ranging from RM183 to RM1,151 (2022: RM183 to RM1,151)	The higher the price per square foot, the higher the fair value
Lots in shopping mall	Sales comparison approach	Valuation price per square foot is RM671 (2022: RM498)	The higher the price per square foot, the higher the fair value

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES

	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Unquoted shares at cost	334,471	399,670
Deconsolidation of a subsidiary	-	(65,199)
	334,471	334,471
Loans that are part of net investments	449,127	451,997
Less: Accumulated impairment losses		
At 1 April	(232,976)	(320,810)
Additions	(2,120)	(19,224)
Reversals	118	41,859
Deconsolidation of a subsidiary	-	65,199
At 31 March	(234,978)	(232,976)
	548,620	553,492

Loans that are part of net investments represent amounts owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

(a) <u>Amount owing by/(to) subsidiaries</u>

	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Current		
Amount owing by subsidiaries	252,259	245,297
Less: Accumulated impairment losses		
At 1 April	(242,996)	(241,177)
Additions	(6,829)	(1,772)
Reversals	103	-
Transfer from other receivable	-	(47)
At 31 March	(249,722)	(242,996)
	2,537	2,301
Non-current		
Amount owing to subsidiaries	(5,692)	(7,299)
Current		
Amount owing to subsidiaries	(65,385)	(55,998)

The amount owing to subsidiaries classified as non-current are unsecured, interest free and requires a notice of demand for repayment of more than 12 months in order for the Company to settle the indebtedness amount.

The current amount owing by/(to) subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(b) Non-Controlling Interest ("NCI") in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Principal place of business/country of incorporation	Ownership interest 2023 %	2022 %
Pintar Arif Sdn. Bhd.	Malaysia	2.56	2.56
Saujana Ukay Sdn. Bhd.	Malaysia	49.00	49.00
Seaview Plantations Sdn. Bhd.	Malaysia	30.00	30.00
Larut Talam International Management Services Limited	Hong Kong	0.12	0.12
Saluran Evolusi Sdn. Bhd.	Malaysia	10.00	-

Carrying amount of material non-controlling interests:

Name of company	2023 RM'000	2022 RM'000
Pintar Arif Sdn. Bhd.	499	499
Seaview Plantation Sdn. Bhd.	1,414	1,516

Profit or loss allocated to material non-controlling interests:

Name of company	2023 RM'000	2022 RM'000
Pintar Arif Sdn. Bhd.	(2)	4
Seaview Plantation Sdn. Bhd.	(104)	(107)

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(b) Non-Controlling Interest ("NCI") in subsidiaries (Cont'd)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

	Pintar Arif Sdn. Bhd.	Seaview Plantations Sdn. Bhd.
Summarised statement of financial position		
As at 31 March 2023		
Assets and liabilities		
Non-current assets	13,536	5,840
Current assets	598	62
Total assets	14,134	5,902
Non-current liabilities	4,206	-
Current liabilities	494	1,187
Total liabilities	4,700	1,187
Revenue	-	-
Loss for the year	(63)	(343)
Total comprehensive loss	(63)	(343)
Other information		
Dividend paid to NCI	-	-
Summarised statement of financial position		
As at 31 March 2022		
Assets and liabilities		
Non-current assets	13,505	5,907
Current assets	605	5
Total assets	14,110	5,912
Non-current liabilities	4,198	-
Current liabilities	414	853
Total liabilities	4,612	853
Revenue	-	-*
Profit/(loss) for the year	172	(357)
Total comprehensive loss	172	(357)
Other information		
Dividend paid to NCI	-	-

* *Represent amount less than RM1,000*

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(c) Changes in the composition of the Group

For the financial year ended 31 March 2023

On 8 September 2022, the Group had subscribed for 225,000 ordinary shares in Saluran Evolusi Sdn. Bhd. ("SESB") at an issue price of RM1.00 each which shall be deemed as fully paid up by way of cash, thus resulting in SESB becoming a subsidiary where the Group has a 90% controlling interests in equity shares.

For the financial year ended 31 March 2022

On 31 March 2022, the Group had entered into share sale agreements with IJM Properties Sdn. Bhd. to acquire 50% of controlling interests in equity shares of Good Debut Sdn. Bhd. ("GDSB") and Cekap Tropikal Sdn. Bhd. ("CTSB") for a total consideration of RM1 respectively.

On 28 May 2021, a debt owing by Pintar Arif Sdn. Bhd. ("PASB") to the Group amounting to RM9,525,000 was capitalised into 9,525,000 ordinary shares, thus resulting in PASB becoming a subsidiary where the Group has a 97.44% controlling interests in equity shares.

(i) Fair value consideration transferred

	PASB RM'000	GDSB RM'000	CTSB RM'000	Total RM'000
Cash consideration	-	-*	-*	-*

* *Represent amount less than RM1,000*

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	PASB RM'000	GDSB RM'000	CTSB RM'000	Total RM'000
Assets				
Inventories	23,500	21,000	70,000	114,500
Trade and other receivables	647	6	90	743
Tax recoverable	-	2	-	2
Cash and bank balances	1	311	-	312
Total assets	24,148	21,319	70,090	115,557
Liabilities				
Trade and other payables	14,338	40,043	62,576	116,957
Total liabilities	14,338	40,043	62,576	116,957
Total identifiable net assets/ (liabilities) acquired	9,810	(18,724)	7,514	(1,400)
Goodwill arising from acquisition	-	18,724	-	18,724
Gain on acquisition of subsidiaries	(9,315)	-	(7,514)	(16,829)
Non-controlling interest at fair value	(495)	-	-	(495)
Fair value of consideration transferred	-	-*	-*	-*

* *Represent amount less than RM1,000*

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(c) Changes in the composition of the Group (Cont'd)

For the financial year ended 31 March 2022 (Cont'd)

(iii) Effects of acquisition cash flow:

	PASB RM'000	GDSB RM'000	CTSB RM'000	Total RM'000
Consideration paid in cash	-	-*	-*	-*
Less: Cash and cash equivalent of subsidiaries acquired	1	311	-	312
Net cash inflows on acquisition	1	311	-	312

* *Represent amount less than RM1,000*

(iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	PASB RM'000	GDSB RM'000	CTSB RM'000	Total RM'000
Profit/(Loss) for the financial year	135	-	-	135

If the acquisition had occurred on 1 April 2021, the consolidated results for the financial year ended 31 March 2022 would have been as follows:

	PASB RM'000	GDSB RM'000	CTSB RM'000	Total RM'000
Revenue	-	800	-	800
Profit/(Loss) for the financial year	98	(12,162)	-*	(12,064)

* *Represent amount less than RM1,000*

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES

	GROUP 2023 RM'000	2022 RM'000
Unquoted shares, at cost	25,975	25,975
Less : Accumulated impairment losses at 1 April/31 March	(5,739)	(5,739)
	20,236	20,236
Share of post-acquisition reserves	(3,151)	(1,875)
	17,085	18,361

(a) Details of the associates are as follows:

Name of Companies	Principal place of business/ country of incorporation	Financial Year End	Effective Equity Interest and Voting Interest 2023 %	2022 %	Nature of relationship
Trident Treasure Sdn. Bhd. ^	Malaysia	31 December	40	40	Property development. The activities contribute to the Group's property development segment.
Oaxis Sdn. Bhd. * ^	Malaysia	31 January	25	25	Property development. The activities contribute to the Group's property development segment.

* Audited by firms other than Messrs Baker Tilly Monteiro Heng PLT.

^ The financial year end of these associates are not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management financial statements of these associates for the financial year ended 31 March 2023 have been used.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(b) **Amount owing by associates**

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Amount owing by associates	25,196	23,359	22,963	21,364
Current				
Amount owing by associates	197	59	-	-
Less: Accumulated impairment losses				
At 1 April	(59)	-	-	-
Additions	-	(59)	-	-
At 31 March	(59)	(59)	-	-
	138	-	-	-
Total	25,334	23,359	22,963	21,364

(c) The amount owing by associates of the Group and the Company classified as non-current is unsecured and interest bearing at 8% per annum (2022: 8%).

(d) The amount owing by associates classified as current are unsecured, interest free and repayable on demand.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(e) The Group's share of results of the material associates and the summarised financial information are as follows:

GROUP 2023	Trident Treasure Sdn. Bhd. RM'000	Oaxis Sdn. Bhd. RM'000	Total RM'000
Summary of financial information			
Assets and liabilities			
Non-current assets	43,384	281	43,665
Current assets	318	52,410	52,728
Total assets	43,702	52,691	96,393
Non-current liabilities	21,000	59	21,059
Current liabilities	29,335	46,497	75,832
Total liabilities	50,335	46,556	96,891
Results			
Loss after taxation	(3,016)	(251)	(3,267)
Reconciliation of net assets to carrying amount			
Share of the net assets at the acquisition date	8,462	1,624	10,086
Goodwill on acquisition	338	15,551	15,889
Cost of investment	8,800	17,175	25,975
Impairment loss	-	(5,739)	(5,739)
Share of post-acquisition losses	(1,876)	(90)	(1,966)
Carrying amount in the statement of financial position	6,924	11,346	18,270
Group's share of loss			
Group's share of total comprehensive loss	(1,213)	(63)	(1,276)
Other information			
Dividend received	-	-	-

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(e) The Group's share of results of the material associates and the summarised financial information are as follows: (Cont'd)

GROUP 2022	Trident Treasure Sdn. Bhd. RM'000	Oaxis Sdn. Bhd. RM'000	Total RM'000
Summary of financial information			
Assets and liabilities			
Non-current assets	43,384	299	43,683
Current assets	266	52,354	52,620
Total assets	43,650	52,653	96,303
Non-current liabilities	21,000	88	21,088
Current liabilities	26,267	46,179	72,446
Total liabilities	47,267	46,267	93,534
Results			
Loss after taxation	(112)	(27)	(139)
Reconciliation of net assets to carrying amount			
Share of the net assets at the acquisition date	8,462	1,624	10,086
Goodwill on acquisition	338	15,551	15,889
Cost of investment	8,800	17,175	25,975
Impairment loss	-	(5,739)	(5,739)
Share of post-acquisition losses	(1,846)	(29)	(1,875)
Carrying amount in the statement of financial position	6,954	11,407	18,361
Group's share of loss			
Group's share of total comprehensive loss	(45)	(7)	(52)
Other information			
Dividend received	-	-	-

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

10. OTHER INVESTMENT

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Current				
Financial assets at fair value through profit or loss ("FVTPL")				
At fair value:				
- Cash management fund investment	70	69	26	26

The cash management fund investment carried at fair value through profit or loss represents an investment in short term variable income instrument issued and managed by an investment management company.

11. TRADE AND OTHER RECEIVABLES

(a) Trade receivables

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Non-current				
Trade receivables	22,268	23,772	-	-
Current				
Trade receivables	24,621	39,657	479	405
Less:				
Impairment loss				
At 1 April	(5,365)	(5,129)	-	-
Additions	-	(245)	-	-
Reversal	694	9	-	-
Written off	697	-	-	-
At 31 March	(3,974)	(5,365)	-	-
	20,647	34,292	479	405
Total trade receivables (Non-current and current)	42,915	58,064	479	405

(i) Trade receivables are non-interest bearing and the Group's normal trade credit terms ranges from 14 days to 60 days (2022: 14 days to 60 days), other than as disclosed in Note 11(a)(vi). Other credit terms are assessed and approved on a case-by-case basis.

(ii) Included in non-current trade receivables of the Group is an amount of RM22.27 million (2022: RM27.05 million) that is to be received on 28 July 2025 and 28 July 2027.

(iii) As at 31 March 2023, approximately 86.30% (2022: 92.78%) of the Group's total trade receivables are due from 2 (2022: 4) significant receivables.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

(iv) Based on the Group's assessment of the collectability of trade receivables, the directors believe that no further impairment is necessary in respect of trade receivables that are past due but not impaired.

(v) The information about the credit exposures are disclosed in Note 32(b)(i).

(vi) Included in current trade receivables of the Group is an amount of RM18.14 million (2022: RM14.17 million) that is receivable from a company in which certain directors have substantial financial interests as disclosed in Note 30(a), interest bearing at 10% and is to be received by 31 December 2023.

(b) Other receivables and deposits

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Other receivables	67,767	104,890	41,108	79,356
Less:				
Impairment loss				
At 1 April	(54,889)	(66,101)	(39,137)	(41,508)
Additions	(12)	(62)	(4)	-*
Reversals	92	2,326	90	2,324
Written off	-	10,903	-	-
Acquisition of a subsidiary	-	(2,002)	-	-
Transfer to amount owing by a subsidiary	-	47	-	47
At 31 March	(54,809)	(54,889)	(39,051)	(39,137)
	12,958	50,001	2,057	40,219
Refundable deposits	17,172	17,116	1,035	1,035
Less:				
Impairment losses at 1 April/31 March	(15,781)	(15,781)	(1,034)	(1,034)
	1,391	1,335	1	1
Total other receivables and deposits	14,349	51,336	2,058	40,220

* *Represent amount less than RM1,000*

(i) Included in current other receivables of the Group are miscellaneous charges receivable from house purchasers of RM0.11 million (2022: RM0.11 million).

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

12. CONTRACT ASSETS/(LIABILITIES)

	GROUP 2023 RM'000	2022 RM'000
Contract assets relating to construction service contracts	94	17
Total contract assets	94	17
Contract liabilities relating to construction services contracts	7	22
Total contract liabilities	7	22

The contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days thereafter.

The contract liabilities primarily related to the advance consideration received from a customer for construction contract, where revenue is recognised overtime during the construction of a building. The contract liabilities are expected to be recognised as revenue over a year of 90 days.

Significant changes to contract assets and contract liabilities balances during the year are as follows:

	GROUP 2023		2022	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	-	22	-	4
Increases due to consideration received but revenue not recognised	-	(7)	-	(22)
Transfer from contract assets recognised at the beginning of the year to receivables	(17)	-	(1,437)	-
Increase due to revenue recognised for unbilled goods or services transferred to customers	94	-	17	-

13. SINKING FUNDS HELD BY TRUSTEES

The sinking funds are held by trustees for the redemption and/ or servicing of credit facilities.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Housing development accounts ("HDA")	52	51	-	-
Deposits with licensed banks	1,012	1,460	-	-
Cash in hand and bank balances	6,052	2,472	262	446
Cash and cash equivalents	7,116	3,983	262	446

The housing development accounts of the Group are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the Group upon the completion of the development projects and after all development costs have been fully settled.

15. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of shares		Amounts	
	2023 '000 unit	2022 '000 unit	2023 RM'000	2022 RM'000
Issued and fully paid-up (no par value):				
At 1 April/31 March	4,295,280	4,295,280	859,086	859,086

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16. TREASURY SHARES

	GROUP AND COMPANY			
	2023 '000 unit	2022 '000 unit	2023 RM'000	2022 RM'000
Ordinary shares	2,636	2,636	(493)	(493)

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

17. RESERVES

		GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital reserves:					
Other capital reserve	(a)	792	792	-	-
Foreign exchange reserve	(b)	8	8	-	-
Total capital reserves		800	800	-	-
Accumulated losses		(598,676)	(583,269)	(566,803)	(544,087)
		(597,876)	(582,469)	(566,803)	(544,087)

(a) Other capital reserve

The capital reserve represents the capitalisation of retained earnings for bonus issue of ordinary shares by subsidiaries.

(b) Foreign exchange reserve

The foreign capital reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

18. BORROWINGS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Long term borrowings				
Secured:				
Term and bridging loans (Note 18(ii))	29,485	500	-	-
Lease liabilities (Note 18(iii))	38	153	38	153
	29,523	653	38	153
(b) Short term borrowings				
Secured:				
BaIDS (Note 18(i))	-	40,008	-	40,008
Term and bridging loans (Note 18(ii))	2,000	31,985	2,000	2,500
Lease liabilities (Note 18(iii))	126	126	126	126
	2,126	72,119	2,126	42,634
Total Borrowings	31,649	72,772	2,164	42,787

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

18. BORROWINGS (CONT'D)

The Group's and of the Company's borrowings are denominated in Ringgit Malaysia.

(i) Al-Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")

The 10-year BaIDS was issued at 100% of its nominal value on 29 June 2009 and bears the following profit rates:

Year	Profit rate (per annum)
Year 1 - 3	Not applicable
Year 4 - 5	2%
Year 6 - 8	6%
Year 9	8%
Year 10	9%

The BaIDS of the Company consist of non-interest bearing primary notes together with non-detachable secondary notes. The redemption of the primary notes shall be made on 100% of its nominal value at maturity date while the redemption of the secondary notes shall be made on a semi-annual basis throughout the tenure of the BaIDS.

The BaIDS is secured by assets of the Group as disclosed in Note 6(b)(v) to the financial statements.

The BaIDS was fully settled on 28 June 2022.

(ii) The term and bridging loans are secured on the assets of the Group as disclosed in Note 6(a)(i) and Note 7(a) to the financial statements. On 22 March 2023, TA First Credit Sdn. Bhd. had extended the facility of RM29.5 million by 12 months to 31 May 2024.

Included in the term and bridging loans is an amount of RM2 million (2022: RM3 million) which is secured on the assets of the Group as disclosed in Note 6(a)(vi) and Note 6(b)(iv) to the financial statements. Pengurusan Projek Bersistem Sdn. Bhd. is a related party and the nature of the relationship is disclosed in Note 30(a) to the financial statements.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

18. BORROWINGS (CONT'D)

(iii) Lease liabilities

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Future minimum finance lease payments				
- not later than one year	131	131	131	131
- later than one year and not later than two years	38	131	38	131
- later than two years but not later than five years	-	32	-	32
	169	294	169	294
Future interest charges	(5)	(15)	(5)	(15)
Present value of finance lease liability	164	279	164	279
Represented by:				
Current				
- not later than one year	126	126	126	126
Non-current				
- later than one year and not later than two years	38	136	21	136
- later than two years but not later than five years	-	17	17	17
	38	153	38	153
	164	279	164	279

The lease liability is effectively secured on the rights of the assets.

(iv) The range of effective interest and profit rates during the financial year for borrowings are as follows:

	GROUP 2023 %	GROUP 2022 %	COMPANY 2023 %	COMPANY 2022 %
Term and bridging loans	8.00 - 12.00	8.00 - 12.00	8.00	8.00
Lease liabilities	2.28 - 2.80	2.28 - 2.80	2.28 - 2.80	2.28 - 2.80
BaIDS	-	9.00	8.00	9.00

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

19. TRADE PAYABLES

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade payables	38,975	45,701	24,484	24,484
Retention sum	6,409	5,653	3	3
Accrual	1,543	1,543	1,543	1,543
	46,927	52,897	26,030	26,030

(a) Included in trade payables of the Group and the Company is an amount of RM23.69 million (2022: RM23.69 million) owing to Menteri Besar Selangor (Incorporated) ("MBSI"). There are on-going negotiations between the Group and MBSI in respect of some replacement lands that MBSI had previously promised to the Group. The amount due to MBSI will be settled only upon the finalisation of these negotiations.

(b) The normal trade credit terms granted to the Group ranges from 30 days to 90 days (2022: 30 days to 90 days).

(c) Included in trade payables of the Group is an amount of RM4.01 million (2022: 10.46 million) which is interest bearing at 8% per annum and is payable by 31 December 2023.

20. PROVISION FOR LIABILITIES

	Provision for Cost to Completion of Project	
GROUP	2023 RM'000	2022 RM'000
At 1 April	731	731
Reversal	(120)	-
At 31 March	611	731

Provision for cost to completion of project is recognised in respect of probable outflow of resources related to a development project undertaken by a subsidiary.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

21. OTHER PAYABLES AND ACCRUED EXPENSES

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Non-current				
Other payables	229,980	212,028	222,900	207,830
Current				
Other payables	32,531	46,204	8,627	10,932
Accrued expenses	47,408	38,709	2,222	3,040
	79,939	84,913	10,849	13,972
Total other payables	309,919	296,941	233,749	221,802

Included in other payables and accrued expenses of the Group and of the Company are the following:

		GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Accrued interest expenses	(i)	20	1,050	33	1,048
Amount payable to authorities in relation to development project		5,491	6,676	655	711
Amount payable to IJM Group	(ii)	221,339	207,830	221,339	207,830
Amount payable to director	(iii)	222	427	222	222
Refundable deposit received from purchasers of properties and tenants of complexes		1,798	1,756	15	29
Advance from Puan Sri Datin Thong Nyok Choo	(iv)	158	148	-	-
Advance from developer	(v)	1,181	3,516	-	-

(i) The accrued interest expenses are in respect of the secured BaIDS and term loans.

(ii) The amount payable to IJM Group is interest bearing at 6.50% per annum (2022: 6.50%) and is secured on the assets of the Group as disclosed in Note 6(a)(ii) and Note 6(b)(i) to the financial statements.

Under non-current other payables, there is an amount payable to IJM Group of RM221.34 million (2022: RM207.83 million). The Group had entered into a partial settlement arrangement with IJM Group to settle the owing to IJM Group by 21 May 2024 via contra of properties and/or in cash.

(iii) The amount payable to a director of the Company is unsecured, interest free and is payable on demand.

(iv) The amount payable to Puan Sri Datin Thong Nyok Choo, the spouse of director Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon is unsecured, interest free and payable on demand.

(v) The advance from developer is unsecured, interest bearing at 12% per annum (2022: 12%) and to be paid by 31 July 2024.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

22. REVENUE

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Revenue from contract customers:				
(i) Recognised at a point in time				
Sale of land	3,801	27,709	-	1,215
Sale of inventories	23,110	4,939	3,590	954
Management fees and charges to third parties	-	8	-	-
(ii) Recognised over time				
Construction revenue	29,714	29,707	-	-
	56,625	62,363	3,590	2,169
Revenue from other sources:				
Rental income from investment properties	4,766	4,163	-	-
Other revenue	14	2	-	-
	4,780	4,165	-	-
	61,405	66,528	3,590	2,169

For contracts that exceed one year, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of this financial year is RM22.67 million, which the Group expects to recognise as revenue in 2024 and subsequent years.

23. COST OF SALES

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Construction cost	28,594	28,681	-	-
Cost of rental	4,226	3,891	-	-
Cost of land	1,615	8,970	-	-
Cost of inventories sold	12,074	2,912	1,737	490
Others	1,488	137	132	18
	47,997	44,591	1,869	508

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

24. FINANCE INCOME AND COSTS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Finance income:				
Interest income	1,890	1,401	1,836	1,365
Amortisation of financial instrument	1,108	12,020	-	10,065
	2,998	13,421	1,836	11,430
Finance cost:				
Interest expenses on:				
- term and bridging loans	4,905	5,160	386	432
- other borrowings	13,508	14,322	13,509	14,322
- finance lease liability	11	16	10	16
	18,424	19,498	13,905	14,770
Amortisation of financial instrument	1,505	629	134	479
Profit on Islamic debt securities	675	3,591	675	3,591
	20,604	23,718	14,714	18,840

25. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax:				
- current financial year	56	3,177	23	-
- prior financial year	3	26	-	23
	59	3,203	23	23

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

25. INCOME TAX EXPENSE (CONT'D)

Income tax is calculated at the statutory rate of 24% of the estimated taxable profit for the financial year.

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
(Loss)/profit before tax:	(15,475)	(1,743)	(22,693)	44,562
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	(3,714)	(418)	(5,446)	10,695
Income not subject to tax	(12,566)	(10,805)	-	(20,521)
Expenses not deductible for tax purposes	17,449	17,221	5,750	9,785
Origination of deferred tax assets not recognised in the financial statements	(1,419)	(2,833)	(281)	41
Share of results of associates	306	12	-	-
Overprovision of income tax expense in prior financial year	3	26	-	23
Tax expense for the financial year	59	3,203	23	23

Deferred tax assets have not been recognised in respect of the following items:

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Deductible/(Taxable) temporary differences	5,144	6,680	15	(5)
Unused tax losses	155,002	159,377	41,422	42,614
	160,146	166,057	41,437	42,609
Potential deferred tax assets not recognised @ 24%	38,435	39,854	9,945	10,226

The unutilised tax losses of the Company and individual companies within the Group are available to be carried forward for a maximum year of 10 years from the year of assessment 2018 or year in which the losses arose, whichever is later, for offset against future profits of the respective companies. As such, they will expire in the following financial years.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

25. INCOME TAX EXPENSE (CONT'D)

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Year of assessments				
2028	95,164	102,320	8,025	8,025
2029	34,779	34,779	28,736	28,736
2030	8,812	8,812	929	929
2031	4,674	4,674	-	-
2032	8,759	8,792	3,732	4,924
2033	2,814	-	-	-
	155,002	159,377	41,422	42,614

26. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Auditors' remuneration:				
- current year	368	397	170	204
- (over)/under accrual in prior years	(20)	(35)	(34)	(50)
Bad debts written off	697	22,209	-	9
Depreciation of:				
- property, plant and equipment	242	249	167	168
- investment properties	983	984	-	-
Impairment loss on:				
- investment in subsidiaries	-	-	2,120	19,224
- amount owing by subsidiaries	-	-	6,829	1,772
- amount owing by associate	-	59	-	-
- receivables - trade	-	245	-	-
- receivables - non trade	12	62	4	-*
Inventories written down	82	2,032	-	1,552
Loss on acquisition of subsidiaries	-	1,895	-	-
Staff costs:				
- wages and salaries	3,379	2,977	-	-
- social security	51	53	-	-
- defined contribution	414	397	-	-
- other staff related expenses	248	256	-	-

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

26. (LOSS)/PROFIT BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax: (Cont'd)

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain on disposal of joint venture	-	-*	-	-
Loss/(gain) on financial assets at amortised cost	397	(11,076)	-	(10,065)
(Gain)/loss on financial liabilities at amortised cost	-	(315)	134	479
Reversal of impairment losses on:				
- investment in subsidiaries	-	-	(118)	(41,859)
- receivables - trade	(694)	(9)	-	-
- receivables - non trade	(92)	(2,326)	(90)	(2,324)
- amount owing by subsidiaries	-	-	(103)	-
Realised loss/(gain) on foreign exchange	406	(508)	406	(508)
Waiver of debt	(812)	(27,000)	(1,669)	(31,253)

* *Represent amount less than RM1,000*

27. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share is calculated by dividing the loss for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	GROUP	
	2023 RM'000	2022 RM'000
Loss for the financial year attributable to owners of the Company (RM'000)	(15,407)	(4,843)
Weighted average number of shares (Units'000)	4,292,644	4,292,644
Basic loss per share (sen)	(0.36)	(0.11)

(b) Diluted loss per ordinary share

The Group has no potential dilutive of ordinary shares. As such, there is no dilution effect on the loss per share of the Group.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

28. DIRECTORS' REMUNERATION

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Directors of the Company:				
Executive directors:				
- Fees	75	75	75	75
- Salaries	887	546	887	546
- Defined contribution	106	66	106	66
- Other emoluments	3	4	3	4
- Benefits-in-kind	24	22	24	22
	1,095	713	1,095	713
Non-executive directors:				
- Fees	100	100	100	100
- Other emoluments	285	231	285	231
	385	331	385	331
	1,480	1,044	1,480	1,044
Directors of subsidiaries:				
Salaries	75	124	-	-
Defined contribution	9	16	-	-
Other emoluments	23	2	-	-
	107	142	-	-
Total	1,587	1,186	1,480	1,044

The numbers of directors of the Group and the Company whose total remuneration during the financial year fall within the following bands are as follows:

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Executive directors:				
RM450,001 - RM500,000	-	-	-	-
RM400,001 - RM450,000	2	-	2	-
RM350,001 - RM400,000	-	-	-	-
RM300,001 - RM350,000	-	-	-	-
RM250,001 - RM300,000	-	2	-	2
RM200,001 - RM250,000	-	-	-	-
RM150,001 - RM200,000	1	-	1	-
RM100,001 - RM150,000	-	1	-	1
Below RM100,000	2	2	-	-
Non-Executive directors:				
RM150,001 - RM200,000	-	-	-	-
RM100,001 - RM150,000	1	-	1	-
Below RM100,000	4	4	3	4
	10	9	7	7

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

29. SUBSIDIARIES

Details of subsidiaries are as follows:

Name of Companies	Principal place of business/ country of incorporation	Effective Equity Interest and Voting Interest 2023 %	2022 %	Principal Activities
Abra Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Biltradex Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Bukit Khazanah Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Cekap Tropikal Sdn. Bhd.	Malaysia	100	100	Property development
Envy Vista Sdn. Bhd.	Malaysia	100	100	Dormant
Era-Casa Sdn. Bhd.	Malaysia	100	100	Investment holding
Europlus Berhad	Malaysia	100	100	Investment holding and property development
G.L. Development Sdn. Bhd.	Malaysia	100	100	Property investment and development
Good Debut Sdn. Bhd.	Malaysia	100	100	Property development
Inti Johan Sdn. Bhd.	Malaysia	100	100	Property investment and management
Lambang Wira Sdn. Bhd.	Malaysia	100	100	Investment holding
Larut Management Services Sdn. Bhd.	Malaysia	100	100	Investment holding
Larut Overseas Ventures Sdn. Bhd.	Malaysia	100	100	Investment holding
L.C.B. Management Sdn. Bhd.	Malaysia	100	100	Provision of management services and construction
Maxisegar Realty Sdn. Bhd.	Malaysia	100	100	Dormant
Mutual Prosperous Sdn. Bhd.	Malaysia	100	100	Investment holding and money lending
Pandan Lake Club Sdn. Bhd.	Malaysia	100	100	Dormant
Pintar Arif Sdn. Bhd.	Malaysia	97.44	97.44	Property development

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

29. SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows: (Cont'd)

Name of Companies	Principal place of business/ country of incorporation	Effective Equity Interest and Voting Interest 2023 %	2022 %	Principal Activities
Seaview Plantations Sdn. Bhd.	Malaysia	70	70	Property development, investment holding and agriculture
Saluran Evolusi Sdn. Bhd.	Malaysia	90	-	Property development and construction
Saujana Ukay Sdn. Bhd.	Malaysia	51	51	Dormant
Talam Leisure Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Talam Plantations Sdn. Bhd.	Malaysia	100	100	Investment holding
Terang Tanah Sdn. Bhd.	Malaysia	100	100	Investment holding
Untung Utama Sdn. Bhd.	Malaysia	100	100	Property development
Venue Venture Sdn. Bhd.	Malaysia	100	100	Investment holding, property investment and management
Winax Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Winax Engineering Sdn. Bhd.	Malaysia	100	100	Investment holding
Zhinmun Sdn. Bhd.	Malaysia	100	100	Property development
Zillion Development Sdn. Bhd.	Malaysia	100	100	Property investment and development
Larut Talam International Management Services Limited *	Hong Kong	99.88	99.88	Dormant
Malim Enterprise (HK) Limited *	Hong Kong	100	100	Investment holding
Noble House Investments Limited * [1]	Hong Kong	100	100	Dormant
Parkgrove Limited * [1]	Hong Kong	100	100	Dormant

* Audited by firms other than Messrs Baker Tilly Monteiro Heng PLT.

[1] The auditors' reports of these subsidiaries for the financial year ended 31 March 2023 contain a qualified opinion on these financial statements in view of the following:

- existence and ownership of associates
- no equity accounting for investment in associates

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year under review, the significant related party transactions were as follows:

(a) Transactions with related parties

	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Interest expense paid/payable:				
- Pengurusan Projek Bersistem Sdn. Bhd.	163	269	163	269
Interest income received/receivable:				
- Wonderful Insight Sdn. Bhd.	1,146	-	-	-
Progress billing received/receivable:				
- Wonderful Insight Sdn. Bhd.	27,867	16,199	-	-

The nature of the relationship with the related parties is as follows:

Related Parties	Nature of Relationship
Pengurusan Projek Bersistem Sdn. Bhd. ("PPBSB")	PPBSB is a corporate shareholder of the Company. Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon ("TSDCAC"), a director of the Company and his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), are both substantial shareholders of the Company, have substantial financial interest in PPBSB.
Wonderful Insights Sdn. Bhd. ("WISB")	Yaw Chun Soon ("YCS") is a director and shareholder of the Company. YCS is also a director and substantial shareholder of WISB. Chua Kim Lan ("CKL") is a director and shareholder of the Company. Her spouse, Chin Chee Ming is a substantial shareholder of WISB.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key management personnel compensation

The remuneration of key management personnel, which includes the directors' remuneration, is disclosed as follows:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company:				
Fees	175	175	175	175
Salaries	887	546	887	546
Defined contribution	106	66	106	66
Other emoluments	288	235	288	235
Benefits-in-kind	24	22	24	22
	1,480	1,044	1,480	1,044
Directors of subsidiaries:				
Salaries	75	124	-	-
Defined contribution	9	16	-	-
Other emoluments	23	2	-	-
	107	142	-	-
Total	1,587	1,186	1,480	1,044
Included in the staff costs:				
Key Management Personnel other than Directors:				
Salaries and other emoluments	987	477	-	-
Defined contribution	118	57	-	-
	1,105	534	-	-

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management practice is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value as well as to enable the Group to continue as going concern. To achieve this, the Group ensures that an optimal capital structure is maintained. The Group yearically reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The directors monitor and determine the optimal debt to equity ratio that complies with the debt covenants. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2023 and 31 March 2022.

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	31,649	72,772	2,164	42,787
Less: Cash and bank balances	(7,116)	(3,983)	(262)	(446)
Net debts	24,533	68,789	1,902	42,341
Equity attributable to owners of the Company	260,717	276,124	291,790	314,506
Net gearing ratio (times)	0.09	0.25	0.01	0.13

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Fair value through profit or loss ("FVPL")
(ii) Amortised cost

	Carrying Amount RM'000	Amortised Cost RM'000	FVPL RM'000
2023			
Financial assets			
Group			
Amount owing by associates	25,334	25,334	-
Trade and other receivables	57,264	57,264	-
Other investment	70	-	70
Cash and bank balances	7,116	7,116	-
	89,784	89,714	70
Company			
Amount owing by subsidiaries	2,537	2,537	-
Amount owing by associates	22,963	22,963	-
Trade and other receivables	2,537	2,537	-
Other investment	26	-	26
Cash and bank balances	262	262	-
	28,325	28,299	26
Financial liabilities			
Group			
Trade and other payables	356,846	356,846	-
Borrowings	31,649	31,649	-
	388,495	388,495	-
Company			
Trade and other payables	259,779	259,779	-
Amount owing to subsidiaries	71,077	71,077	-
Borrowings	2,164	2,164	-
	333,020	333,020	-

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

	Carrying Amount RM'000	Amortised Cost RM'000	FVPL RM'000
2022			
Financial assets			
Group			
Amount owing by associates	23,359	23,359	-
Trade and other receivables	109,400	109,400	-
Sinking funds held by trustees	398	398	-
Other investment	69	-	69
Cash and bank balances	3,983	3,983	-
	137,209	137,140	69
Company			
Amount owing by subsidiaries	2,301	2,301	-
Amount owing by associates	21,364	21,364	-
Trade and other receivables	40,625	40,625	-
Sinking funds held by trustees	398	-	398
Other investment	26	-	26
Cash and bank balances	446	446	-
	65,160	64,736	424
Financial liabilities			
Group			
Trade and other payables	349,838	349,838	-
Borrowings	72,772	72,772	-
	422,610	422,610	-
Company			
Trade and other payables	247,832	247,832	-
Amount owing to subsidiaries	63,297	63,297	-
Borrowings	42,787	42,787	-
	353,916	353,916	-

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, market price risk and operational risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit Risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its receivables and amount owing by associates. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

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

In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. Receivables are monitored on a going concern basis via Group's management reporting procedures and action will be taken for long outstanding debt. Majority of the receivables are from property development segment. The credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default.

Credit risk concentration profile

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property development	23,056	40,303	479	405
Property investment and management	607	709	-	-
Construction	19,252	17,052	-	-
	42,915	58,064	479	405

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit Risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group and the Company manage its debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

For construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

Ageing analysis of the Group's and of the Company's trade receivables are as follow:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Neither past due nor impaired	24,979	56,658	479	405
Past due but not impaired				
1-30 days past due	3,971	913	-	-
31-60 days past due	2,037	77	-	-
61-90 days past due	1,899	84	-	-
91-120 days past due	9,575	90	-	-
more than 121 days past due	4,428	5,607	-	-
	21,910	6,771	-	-
Impaired Individually	(3,974)	(5,365)	-	-
	42,915	58,064	479	405

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit Risk (Cont'd)

Other receivables and other financial assets

For other receivables and other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting year. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Refer to Note 3.11(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Inter-company loans and advances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay loans and advances on an individual basis.

At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by collateral or supported by other credit enhancements.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payment of subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities, principally from trade and other payables, loan and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met on timely basis. In addition, the Group and the Company maintain sufficient level of cash and available financing facilities at a reasonable level to its overall debt position to meet their working capital requirement.

The following summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date on contractual undiscounted repayment obligations:

GROUP	Carrying Amount RM'000	Contractual Cashflow RM'000	On demand / within one year RM'000	Two to five years RM'000
2023				
Trade and other payables	356,846	383,581	128,823	254,758
Borrowings	31,485	32,123	32,121	2
Lease liabilities	164	169	131	38
Total undiscounted financial liabilities	388,495	415,873	161,075	254,798
2022				
Trade and other payables	349,838	379,749	138,500	241,249
Borrowings	72,493	74,049	73,507	542
Lease liabilities	279	294	131	163
Total undiscounted financial liabilities	422,610	454,092	212,138	241,954

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity Risk (Cont'd)

COMPANY	Carrying Amount RM'000	Contractual Cashflow RM'000	On demand / within one year RM'000	Two to five years RM'000
2023				
Trade and other payables	259,779	288,685	38,440	250,245
Borrowings	2,000	2,074	2,074	-
Lease liabilities	164	169	131	38
Amount owing to subsidiaries	71,077	71,620	63,777	7,843
Total undiscounted financial liabilities	333,020	362,548	104,422	258,126
2022				
Trade and other payables	247,832	276,738	40,002	236,736
Borrowings	42,508	43,460	43,460	-
Lease liabilities	279	294	131	163
Amount owing to subsidiaries	63,297	63,841	55,998	7,843
Total undiscounted financial liabilities	353,916	384,333	139,591	244,742

Despite the uncertainty in the property development market, the Group will endeavour to undertake all necessary measures to mitigate the adverse effects on the liquidity position of the Group.

The Group has prepared a cash flow forecast to consider the availability of unutilised funding facilities in supporting the management of liquidity risk that the Group will have sufficient financial resources for a year of at least 12 months from the end of the financial year. Significant assumptions and judgements are used in the preparation of the cash flow forecast.

The Group will dispose of its excess land, if the need arises, to generate cash to meet its obligations.

Besides current development projects, cash will be generated by joint venture projects undertaken with other reputable corporations.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investment.

Where the Group's operations are overseas, the funding is sourced in that local currency in which the operations are carried out to hedge against any foreign exchange fluctuation.

No sensitivity analysis for foreign currency risk is prepared at the end of reporting year as the Group does not have significant exposure to foreign currency risk.

(iv) Market Risk

The market risk arises from changes in the state of domestic property prices, the cost of building materials, availability of labour and other related cost in property development.

The Group concentrates on development projects in carefully selected locations and this has resulted in resilience against softening of the property sector.

(v) Operational Risk

The operational risk arises from the daily activities of the Group as a property developer and contractor which includes legal, credit, reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approvals limits, clear reporting structure, segregation of duties, policies and procedures implemented and yearic management meetings.

In dealing with its stewardship, the Board of Directors recognises that effective risk management is an integral part of good business practice.

The Board of Directors will pursue an on-going process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly review and enhancing risk mitigating strategies with its appointed and key management personnel.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement

The carrying amounts at cash and cash equivalents, sinking funds held by trustee, short-term receivables and payables and short-term borrowings reasonably approximately their fair values due to the relatively short-term nature at these financial instruments.

There have been no transfers between level 1 and level 2 during the financial year (2022: no transfer in either direction).

The fair value of non-current financial lease liability is estimated using discounted cash flow analysis, based on current lending rate for similar types of lease arrangements.

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

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
GROUP									
2023									
Non-current									
Financial assets									
Amount owing by associate	25,196	-	-	-	-	-	-	25,196	25,196
Trade receivables	22,268	-	-	-	-	-	-	22,268	22,268
Financial liabilities									
Borrowings	29,523	-	-	-	-	-	-	29,523	29,523
Other payables	229,980	-	-	-	-	-	-	229,980	229,980
2022									
Non-current									
Financial assets									
Amount owing by associates	23,359	-	-	-	-	-	-	23,359	23,359
Trade receivables	23,772	-	-	-	-	-	-	23,772	23,772
Financial liabilities									
Borrowings	653	-	-	-	-	-	-	653	653
Other payables	212,028	-	-	-	-	-	-	212,028	212,028

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (Cont'd)

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
COMPANY									
2023									
Non-current									
Financial asset									
Amount owing by associate	22,963	-	-	-	-	-	-	22,963	22,963
Financial liabilities									
Amount owing to subsidiaries	5,692	-	-	-	-	-	-	5,692	5,692
Other payables	222,900	-	-	-	-	-	-	222,900	222,900
Borrowings	38	-	-	-	-	-	-	38	38
2022									
Non-current									
Financial asset									
Amount owing by associates	21,364	-	-	-	-	-	-	21,364	21,364
Financial liabilities									
Amount owing to subsidiaries	7,299	-	-	-	-	-	-	7,299	7,299
Other payables	207,830	-	-	-	-	-	-	207,830	207,830
Borrowings	153	-	-	-	-	-	-	153	153

There were no transfers between the levels during the financial year ended 31 March 2023 and financial year ended 31 March 2022.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

33. OTHER COMMITMENT

The Group has leased out several of its properties and have remaining lease terms of between one to five years which are renewable upon expiry. The leases do not include any contingent rentals.

Future minimum rental receivable under the non-cancellable operating leases at the reporting date are as follows:

	GROUP	
	2023 RM'000	2022 RM'000
- Not later than one year	2,697	3,345
- More than one year but not later than five years	1,080	1,087
	3,777	4,432

34. SEGMENTAL INFORMATION

Measurement of reportable segments

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Executive Director of operation for the purpose of making decision about resource allocation and performance assessment.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment profit
Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial years in the measurement methods used to determine reported segment statements of comprehensive income.

Segment assets
All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, investment in associates and joint ventures. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

Segment liabilities
All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated on proportion to the segment assets.

Business Segments

The Group's operations comprise the following business segments:

Property development	:	Investment holdings, development of residential and commercial properties.
Property investment and management	:	Rental and disposal of properties and provision of management services.
Construction	:	Performance of construction activities.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

34. SEGMENTAL INFORMATION (CONT'D)

Business Segments (Cont'd)

	Property Development RM'000	Property Investment and Management RM'000	Construction RM'000	Others RM'000	Note	Total RM'000
2023						
Revenue	26,925	4,766	29,714	-	A	61,405
Results						
Bad debts written off	697	-	-	-		697
Depreciation of:						
- property, plant and equipment	161	1	46	34		242
- investment properties	7	976	-	-		983
Impairment loss on:						
- receivables - non trade	12	-	-	-		12
Inventories written down	82	-	-	-		82
Loss on financial assets at amortised cost	394	-	-	3		397
Impairment loss no longer required:						
- receivables - trade	1	(695)	-	-		(694)
- receivables - non trade	(92)	-	-	-		(92)
Interest income	(1,890)	-	-	-		(1,890)
Share of results of associates	1,276	-	-	-		1,276
Results of segment profit/ (loss)	8,251	(25,466)	2,083	(343)		(15,475)
Taxation	3,063	(3,122)	-	-		(59)
Profit/(loss) for the financial year	11,314	(28,588)	2,083	(343)		(15,534)
Other information						
Segment assets	427,858	187,142	19,378	210		634,588
Investment in associates	17,085	-	-	-		17,085
Segment liabilities	358,960	16,483	12,515	1,168		389,126
Capital expenditures	-	855	-	16	B	871

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

34. SEGMENTAL INFORMATION (CONT'D)

Business Segments (Cont'd)

	Property Development RM'000	Property Investment and Management RM'000	Construction RM'000	Others RM'000	Note	Total RM'000
2022						
Revenue	32,650	4,171	29,706	1	A	66,528
Results						
Bad debts written off	7	22,202	-	-		22,209
Depreciation of:						
- property, plant and equipment	169	2	46	32		249
- investment properties	-	984	-	-		984
Impairment loss on:						
- amount owing by associate	59	-	-	-		59
- receivables - trade	-	245	-	-		245
- receivables - non trade	62	-	-	-		62
Inventories written down	2,032	-	-	-		2,032
Loss on acquisition of subsidiaries	1,895	-	-	-		1,895
Gain on disposal of joint venture	-*	-	-	-		-*
Gain on financial assets at amortised cost	(11,076)	-	-	-		(11,076)
Gain on financial liabilities at amortised cost	(315)	-	-	-		(315)
Impairment loss no longer required:						
- receivables - trade	(5)	(4)	-	-		(9)
- receivables - non trade	(2,326)	-	-	-		(2,326)
Interest income	(1,368)	(33)	-	-		(1,401)
Waiver of debt	(27,000)	-	-	-		(27,000)
Share of results of associates	52	-	-	-		52
Results of segment profit/(loss)	20,603	(26,896)	4,909	(359)		(1,743)
Taxation	(81)	(3,122)	-	-		(3,203)
Profit/(loss) for the financial year	20,522	(30,018)	4,909	(359)		(4,946)
Other information						
Segment assets	583,311	76,907	22,730	176		683,124
Investment in associates	18,361	-	-	-		18,361
Segment liabilities	382,592	16,934	23,040	838		423,404
Capital expenditures	-	1	-	15	B	16

* *Represent amount less than RM1,000*

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

34. SEGMENTAL INFORMATION (CONT'D)

Business Segments (Cont'd)

Note: Nature of adjustments and elimination to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation

B Additions of capital expenditure consists of:

	GROUP 2023 RM'000	2022 RM'000
Property, plant and equipment	17	16
Investment properties	854	-

Geographical information

All the remaining operation are conducted in Malaysia. Hence, no geographical segment is presented.

Information about major customers

In the previous financial year, for property development segment, revenue from three customers represent approximately RM27.51 million of the Group's total revenue.

For construction segment, revenue from two (2022: three) customers represent approximately RM29.30 million (2022: RM29.48 million) of the Group's total revenue.

35. MATERIAL LITIGATION

Save as disclosed below, neither the Group and the Company are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the business or financial position of the Group, and the Board of Directors has no knowledge of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the business or financial position of the Group:

A Writ of Summons and the Statement of Claim was filed in the Kuala Lumpur High Court by Universal Healthcare (R&D) Sdn. Bhd. ("UHSB") against TTB and 3 other Defendants who were Directors of Pandan Indah Medical Management Sdn. Bhd. (In Liquidation), a former subsidiary of TTB ("PIMM").

UHSB claims against TTB for the Declarations that TTB is a director of PIMM and that the business of PIMM was carried out by its Directors and/ or TTB and that the Directors of PIMM and/or TTB are personally liable to UHSB. Consequently, UHSB is seeking an order that the Directors of PIMM and/ or TTB pay jointly and/ or severally, the alleged debt arising from the judgment sum of RM23.82 million assessed by UHSB against PIMM together with interest at the rate of 8% per annum from the date of Writ of Summons until full settlement amounting to a total alleged claim of RM49.23 million (as at 12 October 2015) and/ or in the alternative, damages to be assessed.

NOTES TO THE
FINANCIAL STATEMENT (CONT'D)

35. MATERIAL LITIGATION (CONT'D)

TTB has filed its Defence and also counterclaimed against UHSB and the 3 Directors of UHSB for general damages, exemplary damages and aggravated damages for the tort of abuse of process and/ or malicious prosecution.

The full trial of the Civil Suit commenced on 19, 23 and 24 January 2017 and continued to be partly heard on 19 and 20 June 2017, 1, 2 and 3 August 2017, 20 and 24 October 2017 and 27 and 28 November 2017. The Court further continued with the hearing on 18, 19 and 29 January 2018 and 9 and 12 February 2018 and 15 March 2018 and 5, 7 and 8 June 2018 for continued hearing and completed the full hearing on 25 June 2018. Both parties have put in their written submission on 20 August 2018 and the reply on 12 September 2018. The Court had on 10 January 2019 and 12th to 14th June 2019 heard oral submission and fixed 29 August 2019 to deliver its decision which was then deferred to 29 January 2020 and subsequently to 6 March 2020.

The High Court had on 6 March 2020 delivered its decision and dismissed UHSB's Civil Suit and also TTB's Counter Claim with no order as to costs. UHSB's Solicitors had on 14 May 2020 served a Notice of Appeal dated 1 April 2020 to appeal to the Court of Appeal against part of the decision of the High Court dismissing UHSB's High Court Civil Suit without cost. The date for the hearing of the Appeal is fixed on 23 October 2023 and 25 October 2023.

STATEMENT BY DIRECTORS

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

We, **CHUA KIM LAN** and **YAW CHUN SOON,** being two of the directors of TALAM TRANSFORM BERHAD, do hereby state that in the opinion of the directors, the financial statements set out on pages 67 to 151 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and cash flows for the financial year then ended.

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

CHUA KIM LAN
Director

YAW CHUN SOON
Director

Kuala Lumpur

Date: 28 July 2023

STATUTORY DECLARATION
(Pursuant to Section 251(1) of the Companies Act 2016)

I, **SOO KAH PIK**, being the officer primarily responsible for the financial management of TALAM TRANSFORM BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 67 to 151 are 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.

SOO KAH PIK
(MIA No. 8102)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 28 July 2023.

Before me,

SHAMALA A/P BATUMALAI (W759)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALAM TRANSFORM BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TALAM TRANSFORM BERHAD**, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 151.

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 March 2023, and of its financial performance and its cash flows for the 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.

Information other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALAM TRANSFORM BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Funding requirements and ability to meet short term obligations (Note 4(a) to the financial statements)

The Group's policies and processes for the management of liquidity risk is disclosed in Note 32(b)(ii) to the financial statements. The directors have prepared the cash flow forecast for the next 12 months from the financial year to support the assertion that the Group will have sufficient funds to meet its cash flow obligations. We focus on this area due to significant judgement involved in determining the assumptions used by the directors in arriving at the Group's cash flow forecast for the next 12 months.

Our audit response:
Our audit procedures included, among others:

- reviewing the cash flow forecast over the next 12 months;
- comparing the Group's assumptions in the cash flow forecast to our understanding obtained during our audit in relation to key assumptions;
- agreeing sources of financing and uses of funds to relevant supporting documents; and
- testing the mathematical accuracy of the cash flow forecast calculation.

Receivables and amount owing by an associate (Note 4(b), 9(b) and 11 to the financial statements)

We focused on this area because the directors made judgements over both the events or changes in circumstances indicating that receivables and amount owing by an associate are impaired and the estimation of the size of any such impairment. The receivables are monitored individually by management and therefore the impairment is assessed based on the knowledge of each individual receivables and amount owing by an associate.

Our audit response:
Our audit procedures included, among others:

- understanding of significant credit exposures which were significantly overdue through analysis of ageing reports prepared by management;
- obtaining confirmation of balances from selected receivables and associate; and
- reviewing subsequent receipts, correspondences, and considering the level of activity with the debtor and management explanations on recoverability with significantly past due balances.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALAM TRANSFORM BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Group (Cont'd)

Inventories (Note 4(c) and 6 to the financial statements)

The Group and the Company have significant balances of completed properties and properties held for development as at 31 March 2023. We focused on this area because the assessment of the net realisable value of these completed properties and properties held for development requires the application of significant judgements made by the directors.

Our audit response:
Our audit procedures included, among others:

- understanding the assumption used by the directors in determining the value of completed properties and properties held for development;
- comparing the recent transacted prices of comparable completed properties. We focused our evaluation on those completed properties that are slow moving;
- performing site visit on selected completed properties and properties held for development to ascertain the condition; and
- reviewing subsequent sales and Group's assessment on estimated net realisable value on selected inventory items.

Revenue recognition for construction activities (Note 4(d) and 22 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the year of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date to the estimated total costs for each project (input method).

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of performance obligation, the extent of construction costs incurred and the estimated total construction contracts revenue and costs. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:
Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers to determine that revenue recognition is consistent with the requirements of MFRS 15 *Revenue from Contracts with Customers;*
- discussing the progress of projects and expected outcome with project manager to obtain an understanding of the basis on which the estimates are made;
- reviewing the reasonableness of computed progress towards anticipated satisfaction of performance obligation for identified projects against architect or consultant certificate; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALAM TRANSFORM BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Company

Investment in subsidiaries (Note 4(e) and Note 8 to the financial statements)

The Company has significant balance of investment in subsidiaries. At the end of the financial year, the Company determined whether there is any indication of impairment of investment in subsidiaries.

We focused on this area because the directors' assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in subsidiaries was determined based on the fair value less cost to sell or value-in-use which involves exercise of significant judgement on the discount rates applied and the assumptions supporting the underlying cash flow projections which include future sales, gross profit margin and operating expenses.

Our audit response:
Our audit procedures included, among others:
- comparing the Group's assumptions to our understanding obtained during our audit in relation to key assumptions to assess their reasonableness; and
- testing the mathematical accuracy of the impairment assessment.

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 the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALAM TRANSFORM BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALAM TRANSFORM BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 29 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
03460/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 28 July 2023

LIST OF
TOP 10 PROPERTIES

No.	+ Registered # Beneficial Owner		Location	*Acreage/ **Built up area (sq. ft.) (Nett Area)	Description/ proposed development	Date of Acquisition	Tenure	Expiry	Approximate age of the building (Years)	Net Book Value/ Net Carrying Value as at 31/03/2023 (RM'000)
1	Talam Leisure Development Sdn Bhd	#	Mukim Dengkil, Daerah Sepang, Taman Putra Perdana, Puchong, Selangor	*66.78	Development of residential and commercial properties	05/02/2015	99 years Leasehold	19/10/2093	N/A	109,602
2	Europlus Berhad	+	Mukim Ulu Yam, Daerah Ulu Selangor, Bukit Beruntung 3, Negeri Selangor	*199.22	Residential, Industrial and Bukit Beruntung III	18/12/1991	Freehold	N/A	N/A	89,806
3	Cekap Tropikal Sdn Bhd	#	Mukim of Batu, District of Gombak, State of Selangor	*50	Mixed Development	05/03/2007	99 years Leasehold	24/02/2105	N/A	70,000
4	Europlus Berhad	+, #	Mukim Serendah, Daerah Ulu Selangor, Bandar Bukit Beruntung, Negeri Selangor	*135.05	Township Development Bukit Beruntung	17/02/2015	Freehold	N/A	N/A	38,690
		#	Mukim Serendah, Daerah Ulu Selangor, Bandar Bukit Sentosa, Negeri Selangor	*15.13 *6.29	Bukit Sentosa III Development of industrial, residential and commercial development	13/05/2019 17/03/2020	Freehold Freehold	N/A N/A	N/A N/A	5,270 8,080
5	Abra Development Sdn Bhd	+	Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 KL	**365,029	Menara Maxisegar 24-storey commercial complex	22/06/1995	99 years Leasehold	03/04/2094	24	46,903
6	Zhinmun Sdn Bhd	+	Mukim of Batu, District of Gombak, State of Selangor	*50	Mixed Development	08/02/2006	99 years Leasehold	23/12/2103	N/A	36,000
7	Inti Johan Sdn Bhd	#	Pandan Kapital Shopping Mall, Jalan Pandan Utama, Pandan Indah, 55100 KL	**177,471	Pandan Kapital Shopping Mall	09/03/2005	99 years Leasehold	24/03/2101	23	25,233

LIST OF
TOP 10 PROPERTIES (CONT'D)

No.	+ Registered # Beneficial Owner		Location	*Acreage/ **Built up area (sq. ft.) (Nett Area)	Description/ proposed development	Date of Acquisition	Tenure	Expiry	Approximate age of the building (Years)	Net Book Value/ Net Carrying Value as at 31/03/2023 (RM'000)
8	Good Debut Sdn Bhd	+	Mukim Hulu Kelang, Daerah Gombak, Negeri Selangor	*4.99	100 units Terraced Lots	17/11/2006	99 years Leasehold	22/06/2114	N/A	21,075
9	Pintar Arif Sdn Bhd	+	Mukim Hulu Kelang, Daerah Gombak, Negeri Selangor	*3.97	26 units Semi-Detached House	23/02/2012	99 years Leasehold	04/10/2100	N/A	13,505
		+	Mukim Hulu Kelang, Daerah Gombak, Negeri Selangor	*4.81	302 units Medium Cost Apartments	23/02/2012	99 years Leasehold	04/10/2116	N/A	10,040
10	Talam Transform Berhad	+	Mukim Serendah, Daerah Ulu Selangor, Bandar Bukit Sentosa, Negeri Selangor	*44.85	Bukit Sentosa III Development of industrial, residential and commercial development	29/10/1994	Freehold	N/A	N/A	17,470

STATEMENT ON DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S INTERESTS AS AT 3 JULY 2023

DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS
(Based on Register of Directors' and Register of Principal Officers' shareholdings as at 3 July 2023)

	Name of Directors/Group Chief Executive Officer	No. of Ordinary Shares Held Direct Interest	%*5	Indirect Interest	%*5
1.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	1,007,710,694	23.47	258,760,772*1	6.03
2.	Chua Kim Lan	90,039	0.002	28,125*2	0.001
3.	Yaw Chun Soon	445,000	0.01	-	-
4.	Chan Tet Eu	-	-	1,266,471,466*3	29.50
5.	Dato' Mohamad Razali Bin Mohamad Rahim	15	*4	-	-

NOTES:-

*1 Held through his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), his daughter, Chan Siu Wei ("CSW") and deemed interested by virtue of his interest in Pengurusan Projek Bersistem Sdn Bhd ("PPBSB"), Sze Choon Holdings Sdn Bhd ("SCHSB") and Jejak Progresif Sdn Bhd ("JPSB") pursuant to Section 59(11)(c) and Section 8 of the Companies Act 2016 ("Act") respectively.

*2 Held through her spouse, Chin Chee Meng pursuant to Section 59(11)(c) of the Act.

*3 Deemed interested through his father, TSDCAC, his mother, PSDTNC, his sister, CSW and by virtue of his interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*4 negligible

*5 % shareholding based on the total number of voting shares as at 3 July 2023 of 4,292,643,762.

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon and Chan Tet Eu, by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the other Directors of the Company have any interests in the shares of the Company and its related corporations as at 3 July 2023.

ANALYSIS
OF SHAREHOLDINGS
AS AT 3 JULY 2023

SHARE CAPITAL

Total Number of Issued Shares	:	4,295,279,562 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share
Total Number of Voting Shares	:	4,292,643,762 (excluding treasury shares of 2,635,800)

DISTRIBUTION OF ORDINARY SHAREHOLDINGS
(Based on Record of Depositors as at 3 July 2023)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 - 99	1,521	8.13	67,288	0.00
100 - 1,000	1,962	10.48	1,199,997	0.03
1,001 - 10,000	5,985	31.97	27,289,431	0.64
10,001 -100,000	6,267	33.48	302,979,837	7.06
100,001 – 214,632,187 (*1)	2,980	15.92	3,037,107,209	70.75
214,632,188 and above (*2)	3	0.02	924,000,000	21.52
TOTAL (*3)	**18,718**	**100.00**	**4,292,643,762**	**100.00**

NOTES:

(*1) Less than 5% of the total number of voting shares
(*2) 5% and above of the total number of voting shares
(*3) Exclusive of treasury shares

THIRTY LARGEST ORDINARY SHAREHOLDERS
(Based on Record of Depositors as at 3 July 2023)

No.	Name	No. of Ordinary Shares Held	%
(1)	CHAN AH CHYE @ CHAN CHONG YOON	400,000,000	9.32
(2)	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHAN AH CHYE @ CHAN CHONG YOON (PB)	294,000,000	6.85
(3)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JEJAK PROGRESIF SDN BHD	230,000,000	5.36
(4)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN AH CHYE @ CHAN CHONG YOON	183,718,086	4.28
(5)	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	175,475,900	4.09
(6)	CHAN AH CHYE @ CHAN CHONG YOON	124,374,565	2.90

ANALYSIS
OF SHAREHOLDINGS (CONT'D)
AS AT 3 JULY 2023

THIRTY LARGEST ORDINARY SHAREHOLDERS
(Based on Record of Depositors as at 3 July 2023)

No.	Name	No. of Ordinary Shares Held	%
(7)	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	120,021,400	2.80
(8)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PROMINENT XTREME SDN BHD	107,849,781	2.51
(9)	AL WAKALAH NOMINEES (TEMPATAN) SDN BHD BANK ISLAM MALAYSIA BERHAD	103,373,494	2.41
(10)	WCE HOLDINGS BERHAD	79,670,967	1.86
(11)	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	49,317,579	1.15
(12)	RESON SDN BHD	27,131,500	0.63
(13)	TENGKU UZIR BIN TENGKU UBAIDILLAH	27,086,800	0.63
(14)	YEOH TEONG ENG	26,322,700	0.61
(15)	SIM CHENG CHENG	25,000,000	0.58
(16)	PENGURUSAN PROJEK BERSISTEM SDN BHD	21,000,404	0.49
(17)	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	18,000,000	0.42
(18)	NG LOO SOON	16,000,000	0.37
(19)	LIM SIEW KHEONG	15,700,000	0.36
(20)	HONG ENG KWEE @ HONG ENG HWE	15,450,000	0.36
(21)	TAN TIAM YEE	14,700,000	0.34
(22)	TAY HOCK SOON	14,500,100	0.34
(23)	ONG YENG TIAN @ ONG WENG TIAN	13,934,470	0.32
(24)	CHIA YOON KHENG	13,650,000	0.32
(25)	CHIA YOON LING	13,252,300	0.31
(26)	GENERAL TECHNOLOGY SDN BHD	13,197,431	0.31
(27)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WCE HOLDINGS BERHAD	13,169,550	0.31
(28)	YEOH TEONG ENG	12,000,000	0.28
(29)	POS MALAYSIA BERHAD	11,637,000	0.27
(30)	ONG YEW BENG	10,900,000	0.25
	TOTAL	**2,190,434,027**	**51.03**

ANALYSIS
OF SHAREHOLDINGS (CONT'D)
AS AT 3 JULY 2023

SUBSTANTIAL SHAREHOLDERS
(Based on Register of Substantial Shareholders as at 3 July 2023)

	Name of Substantial Shareholders	No. of Ordinary Shares			
		Direct Interest	%[*5]	Indirect Interest	%[*5]
1.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	1,007,710,694	23.47	258,760,772[*1]	6.03
2.	Puan Sri Datin Thong Nyok Choo	600,145	0.01	1,265,871,321[*2]	29.49
3.	Chan Siu Wei	3,259,950	0.07	1,263,211,516[*3]	29.43
4.	Chan Tet Eu	-	-	1,266,471,466[*4]	29.50
5.	Jejak Progresif Sdn Bhd	230,000,000	5.36	-	-

NOTES:-

*1 Held through his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), his daughter, Chan Siu Wei ("CSW") and deemed interested by virtue of his interest in Pengurusan Projek Bersistem Sdn Bhd ("PPBSB"), Sze Choon Holdings Sdn Bhd ("SCHSB") and Jejak Progresif Sdn Bhd ("JPSB") pursuant to Section 59(11)(c) and Section 8 of the Companies Act 2016 ("Act") respectively.

*2 Deemed interested through her spouse, TSDCAC, her daughter, CSW and by virtue of her interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*3 Deemed interested through her father, TSDCAC, her mother, PSDTNC and by virtue of her interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*4 Deemed interested through his father, TSDCAC, his mother, PSDTNC, his sister, CSW and by virtue of his interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*5 % shareholding based on the total number of voting shares as at 3 July 2023 of 4,292,643,762.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 98th Annual General Meeting of **TALAM TRANSFORM BERHAD** ("the Company") will be held at Pusat Konvensyen, Triumph Convention Centre, Lot 1.01, Level 1, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur on Tuesday, 26 September 2023 at 11.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2023 and the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To approve the payment of Directors' fees of RM25,000.00 for each Director for the financial year ended 31 March 2023. **(Resolution 1)**

3. To approve the payment of Non-Executive Directors' remuneration (excluding Directors' fees) up to an amount of RM312,000.00 from 27 September 2023 until the next Annual General Meeting of the Company to be held in the year 2024. **(Resolution 2)**

4. To re-elect the Director, Mr Chan Tet Eu who is retiring in accordance with Clause 110 of the Constitution of the Company. **(Resolution 3)**

5. To re-elect the Director, Dato' Abdul Hamid Bin Mustapha who is retiring in accordance with Clause 90.3 of the Constitution of the Company. **(Resolution 4)**

6. To re-elect the Director, Mr Tai Keat Chai who is retiring in accordance with Clause 90.3 of the Constitution of the Company. **(Resolution 5)**

7. To re-elect the Director, Mr Ling Chee Min who is retiring in accordance with Clause 90.3 of the Constitution of the Company. **(Resolution 6)**

8. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:-

9. **ORDINARY RESOLUTION** **(Resolution 8)**
   Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights

   "**THAT** subject to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company and approvals of the relevant governmental/regulatory authorities where such approval is necessary, 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 to be issued does not exceed ten percent (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;

   THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12 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 Companies Act 2016; and

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

NOTICE OF
ANNUAL GENERAL MEETING (CONT'D)

10. **ORDINARY RESOLUTION** **(Resolution 9)**
Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate I")

"**THAT** subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary companies shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.4 (1) to (3) of the Circular to Shareholders dated 31 July 2023 subject further to the following:-

(i) the transactions are in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(ii) disclosure will be made in the Annual Report of the aggregate value of transactions of the Proposed Shareholders' Mandate I conducted during the financial year, including amongst others, the following information:-

  (a) the type of the recurrent transactions made; and

  (b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiary companies.

AND THAT such mandate shall commence upon passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate I."

NOTICE OF
ANNUAL GENERAL MEETING (CONT'D)

11. **ORDINARY RESOLUTION** **(Resolution 10)**

Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate II")

"**THAT** subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary companies shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.4(4) to (5) of the Circular to Shareholders dated 31 July 2023 subject further to the following:-

(i) the transactions are in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(ii) disclosure will be made in the Annual Report of the aggregate value of transactions of the Proposed Shareholders' Mandate II conducted during the financial year, including amongst others, the following information:-

(a) the type of the recurrent transactions made; and

(b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiary companies.

AND THAT such mandate shall commence upon passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate II."

12. To transact any other ordinary business which due notice shall have been given.

BY ORDER OF THE BOARD

SOO KAH PIK (MIA 8102)
SSM Practising Certificate No. 201908004099
Company Secretary

Kuala Lumpur
31 July 2023

NOTICE OF
ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restrictions 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 members to speak at the meeting.*

2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

3. *Where a member appoints two (2) proxies, the member shall specify the proportions of his shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or the hand of an officer or attorney duly authorised.*

6. *All Forms of Proxy must be deposited at the Registered Office of the Company situated at Unit 17.02, Level 17, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

7. *For the purpose of determining members who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 September 2023. Only members whose names appear therein shall be entitled to attend the said meeting or appoint a proxy to attend and vote on their behalf.*

8. *Pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of this Annual General Meeting will be put to vote by poll.*

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS

1. *<u>Audited Financial Statements of the Company for the financial year ended 31 March 2023</u>*

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. *<u>Resolution 2: Payment of Non-Executive Directors' Remuneration (excluding Directors' Fees) from 27 September 2023 until the next Annual General Meeting of the Company to be held in the year 2024</u>*

   The Company is seeking shareholders' approval for the payment of the Non-Executive Directors' remuneration for the period commencing from 27 September 2023 (being the date immediately after the 98th Annual General Meeting of the Company) until the next annual general meeting of the Company to be held in the year 2024.

   The Remuneration Committee had conducted a review of the Directors' remuneration which has been reinstated back to original quantum during the financial year and had recommended that the following estimated Directors' remuneration (excluding Directors' Fees) payable to the Non-Executive Directors to remain the same as per last year:-

No.	***Description***	***Designation***	***Amount***
(i)	*Fixed Monthly Allowance*	*Chairman*	*RM10,000 per month*
		Non-Executive Directors	*RM5,000 per month per director*
(ii)	*Meeting Allowance • Board Meeting (5 times per year) • General Meeting (1 time per year)*	*Non-Executive Directors*	*RM500 per meeting per director*

NOTICE OF
ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS (CONT'D)

2. *Resolution 2: Payment of Non-Executive Directors' Remuneration (excluding Directors' Fees) from 27 September 2023 until the next Annual General Meeting of the Company to be held in the year 2024 (Cont'd)*

The payment of the Directors' remuneration (excluding Directors' Fees) to the Non-Executive Directors will be made by the Company on a monthly basis and/or as and when incurred, if the Proposed Resolution 2 is passed at the 98th Annual General Meeting. The Board is of the view that it is fair and equitable for the Non-Executive Directors to be paid the Directors' remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, given that they have duly discharged their responsibilities and provided their services to the Company and the Group for the said period.

3. *Resolution 8: Authority to issue shares and waiver of pre-emptive rights*

The proposed Ordinary Resolution 8 is intended to renew the authority granted to the Directors of the Company at the 97th Annual General Meeting of the Company held on 22 September 2022, to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("General Mandate"). The General Mandate granted by the shareholders at the 97th Annual General Meeting of the Company has not been utilised as at the date of this notice and hence, no proceed was raised therefrom.

The new General Mandate will enable the Directors to take swift action for the allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions and to avoid delay and cost in convening general meetings to approve such issue of shares.

Pursuant to Section 85(1) of the Companies Act 2016 to be read together with Clause 12 of the Company's Constitution, shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares of the Company. Therefore, the waiver of pre-emptive rights will allow the Board of Directors to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares of the Company under the new General Mandate.

NOTICE OF
ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS (CONT'D)

3. *Resolution 8: Authority to issue shares and waiver of pre-emptive rights (Cont'd)*

The following are excerpted from the Companies Act 2016 and the Company's Constitution:-

Section 85 of the Companies Act 2016	Clause 12 of the Company's Constitution
Pre-Emptive Rights to New Shares (1) Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders. (2) An offer under subsection (1) shall be made to the holders of existing shares in a notice specifying the number of shares offered and the time frame of the offer within which the offer, if not accepted, is deemed to be declined. (3) If the offer is not accepted after the expiry of the period specified in the notice under subsection (2), the directors may dispose those shares in such manner as the directors think most beneficial to the company.	12. Subject to any direction to the contrary that may be given by the Company in meeting of Members, any shares or other convertible Securities proposed to be issued shall before they are issued be offered to such persons as are at the date of the offer entitled to receive notices from the Company of meeting of Members in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or convertible Securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible Securities offered, the Directors may dispose of those shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or convertible Securities which (by reason of the ratio which the new shares or convertible Securities bear to shares or Securities held by the persons entitled to an offer of new shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new shares or other convertible Securities from time to time to be created to the holders of the existing shares where the said shares or convertible Securities are to be issued as consideration or part consideration for the acquisition of shares, convertible Securities or assets by the Company.

4. *Resolution 9 and 10: Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature*

The detailed information on the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature, is set out in the Circular to Shareholders dated 31 July 2023 which is enclosed together with the Company's Annual Report 2023.

TALAM TRANSFORM BERHAD

Company Registration No.: 192001000012 (1120-H)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of ordinary shares held	

*I/We ____
(Full Name of Shareholder as per NRIC/Passport/Certificate of Incorporation in capital letters)

(NRIC/Passport/Company No. ______________________) of ______________________
(Full Address)

____
(Full Address)

______________________________ being a *member/members of **TALAM TRANSFORM BERHAD** ("the Company")

hereby appoint ______________________ (NRIC/Passport No. ______________________)
(Full Name of Proxy as per NRIC/Passport in capital letters)

of ____
(Full Address)

*and/ or ______________________ (NRIC/Passport No. ______________________)
(Full Name of Proxy as per NRIC/Passport in capital letters)

of ____
(Full Address)

**or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the 98th Annual General Meeting ("98th AGM") of the Company to be held at Pusat Konvensyen, Triumph Convention Centre, Lot 1.01, Level 1, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur on Tuesday, 26 September 2023 at 11.30 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
As Ordinary Business			
1	To approve the payment of Directors' fees of RM25,000.00 for each Director for the financial year ended 31 March 2023.		
2	To approve the payment of Non-Executive Directors' remuneration (excluding Directors' fees) up to an amount of RM312,000.00 from 27 September 2023 until the next Annual General Meeting of the Company to be held in the year 2024.		
3	To re-elect the Director, Mr Chan Tet Eu who is retiring in accordance with Clause 110 of the Constitution of the Company.		
4	To re-elect the Director, Dato' Abdul Hamid Bin Mustapha who is retiring in accordance with Clause 90.3 of the Constitution of the Company.		
5	To re-elect the Director, Mr Tai Keat Chai who is retiring in accordance with Clause 90.3 of the Constitution of the Company.		
6	To re-elect the Director, Mr Ling Chee Min who is retiring in accordance with Clause 90.3 of the Constitution of the Company.		
7	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
As Special Business			
8	Ordinary Resolution Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights.		
9	Ordinary Resolution Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate I").		
10	Ordinary Resolution Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate II").		

(Please indicate with an "X" in the appropriate spaces how you wish your vote to be casted. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstains from voting.)

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies must be indicated below:-	
	Percentage (%)
First proxy	
Second proxy	

____
Signature/Common Seal of Member(s)

Signed this______________day of__________, 2023.

* Please delete if not applicable.

** If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "or failing him/her, the Chairman of the Meeting" and insert the name(s) of the proxy(ies) you wish to appoint in the blank space(s) provided.

NOTES:-

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restrictions 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 members to speak at the meeting.*

2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

3. *Where a member appoints two (2) proxies, the member shall specify the proportions of his shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation under its common seal or the hand of an officer or attorney duly authorised.*

6. *All Forms of Proxy must be deposited at the Registered Office of the Company situated at Unit 17.02, Level 17, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

7. *For the purpose of determining members who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 September 2023. Only members whose names appear therein shall be entitled to attend the said meeting or appoint a proxy to attend and vote on their behalf.*

8. *Pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of this Annual General Meeting will be put to vote by poll.*

Please fold here

STAMP

THE COMPANY SECRETARY
TALAM TRANSFORM BERHAD
Company Registration No: 192001000012(1120-H)
Unit 17.02, Level 17, Menara Maxisegar
Jalan Pandan Indah 4/2
Pandan Indah
55100 Kuala Lumpur

Please fold here

Unit 17.02, Level 17, Menara Maxisegar,
Jalan Pandan Indah 4/2,
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