



**MUDAJAYA GROUP BERHAD**  
200301003119 (605539-H)

Annual Report  
**2023**  
ADVANCING  
**THE FUTURE**  
TOGETHER



# AT A GLANCE



TOTAL  
REVENUE  
**RM460.7  
MILLION**



OPERATING  
PROFIT  
**RM39.0  
MILLION**



OVER  
**50 YEARS**  
OF  
EXPERIENCE



TOTAL  
ASSETS  
**RM2.2  
BILLION**



## ADVANCING THE FUTURE TOGETHER

The cover design connotes all of Mudajaya's business segments weaved together in a cohesive and consolidated fashion.

Its core activities span across the earth, steadily, moving ahead, its long-term vision of building a foundation of resilience as the Group strives to produce sustainable growth and value for its shareholders.

**21<sup>ST</sup>**

### ANNUAL GENERAL MEETING

**DATE:** 13 June 2024  
**TIME:** 2.30 p.m.  
**BROADCAST**  
**VENUE:** 12<sup>th</sup> Floor,  
Menara Symphony

**30**

**APRIL  
2024**

Notice of **21<sup>st</sup>**  
**Annual General**  
**Meeting** and  
issuance of **Annual**  
**Report 2023**

## OUR PRIDE

FIRST CONSTRUCTION COMPANY IN MALAYSIA CERTIFIED FOR THE ISO 37001: 2016 ANTI-BRIBERY MANAGEMENT SYSTEM (ABMS), WITH ACCREDITATION FROM UNITED KINGDOM ACCREDITATION SERVICE (UKAS)

AWARDED 5-STAR IN THE SAFETY AND HEALTH ASSESSMENT SYSTEM IN CONSTRUCTION FROM CIDB MALAYSIA

ACHIEVED 4-STAR IN THE CIDB SCORE ASSESSMENT

## FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

### 30 MAY 2023

Announcement of the unaudited consolidated results for the 1<sup>st</sup> quarter ended 31 March 2023

### 29 AUGUST 2023

Announcement of the unaudited consolidated results for the 2<sup>nd</sup> quarter ended 30 June 2023

### 29 NOVEMBER 2023

Announcement of the unaudited consolidated results for the 3<sup>rd</sup> quarter ended 30 September 2023

### 28 FEBRUARY 2024

Announcement of the unaudited consolidated results for the 4<sup>th</sup> quarter and financial year ended 31 December 2023

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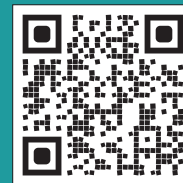
49 MW Solar Photovoltaic Power Plant, Sungai Siput, Perak



LRT3 GS01 Viaduct section near Damansara Toll Plaza



The online version of Mudajaya Group Berhad's ("Mudajaya") Annual Report 2023 is available from our website. Go to <https://www.mudajaya.com> or scan the QR code with your smartphone.



- 1 Download the "QR Code Reader" on Apple App Store or Google Play Store.
- 2 Run the QR Code Reader app and point your camera to the QR Code.
- 3 Get access to our online version of Mudajaya's Annual Report 2023

# REPORTING SCOPE AND BOUNDARIES



## OUR VISION

To be the preferred leader in the Construction, Property Development and Renewable Energy industry.

To provide good infrastructure and energy requirement to society.

Strive in looking ahead beyond expectations and goals by integrating technical excellence, commitment and leveraging on the competency of our people.



## OUR MISSION

Committed to continuously improve performance by meeting international quality standards, timely completion, customer satisfaction and enhancement of shareholders value.

Committed to improve overall to continuously attract, engage, retain and develop human capital.

**WE CONTINUE TO STRENGTHEN OUR POSITION BY COLLABORATING WITH OUR CRITICAL STAKEHOLDERS TO MEET THE CURRENT AND FUTURE CHALLENGES OF OUR BUSINESS, CREATING VALUE.**



## OUR CORPORATE VALUES

The essence of Mudajaya's corporate culture is captured succinctly by the acronym, TULIP and signifies five distinct values which guide the organisation's principles and practices in its never-ending journey for excellence. Each value is set out below:

### TRUST

Trust is the basis of all good relationships, be it personal or at work. Being open, transparent and respectful

### UNITY

Unity is strength, when there is teamwork, where people come together and collaborate, wonderful things can be achieved and success is inevitable

### LEARNING

Change is the result of all true learning where there is no beginning and no end but continuous improvement and growth. We advance together

### INTEGRITY

Consistency in our actions, values, methods, measures & principles, expectations and outcomes

### PROGRESSION

Success is the progressive realisation of a worthy goal or ideal, step up to challenges



## REPORTING SCOPE AND BOUNDARIES

(CONTINUED)



**MUDAJAYA GROUP BERHAD (“MUDAJAYA” OR THE “COMPANY”) AND ITS SUBSIDIARIES ARE PRIMARILY INVOLVED IN CONSTRUCTION, PROPERTY DEVELOPMENT, POWER, MANUFACTURING AND TRADING. CONSTRUCTION, UNDERTAKEN BY MUDAJAYA CORPORATION BERHAD (MCB), IS THE MAIN CONTRIBUTOR TO THE GROUP’S REVENUE DOMESTICALLY. MCB IS INVOLVED IN GENERAL CONSTRUCTION, IN PARTICULAR CIVIL ENGINEERING AND BUILDING CONSTRUCTION ON BOTH DESIGN AND BUILD, AS WELL AS CONVENTIONAL CONSTRUCTION, CONTRACTS FOR GOVERNMENT, QUASI-GOVERNMENT AND THE PRIVATE SECTOR.**

### MUDAJAYA GROUP PROFILE

The Mudajaya Group has been involved in a portfolio of contracts (some of which were on joint venture basis) of national relevance, including critical infrastructures such as highways, roads, bridges, power stations, buildings, infrastructure, marine structures, dams and retaining structures, water supply works, drainage and sewerage works.

In fulfilling our purpose of ‘Advancing the Future Together’, we continue to be committed to progress towards building a more dynamic future for all. The Group remains optimistic of its current market position as well as its future prospects with a strong financial base, experienced management and skilled workforce. Our positive outlook is reinforced by our capacity to design and build, our expertise in power plants and tall chimneys, the potential to diversify and a good business strategy. Collectively, these strengths will put us in good stead to further excel in the business undertaken by the Group.

At Mudajaya, we believe in collaboration as a team - within the organisation as well as with our valued clients - we can step together to meet current and future challenges with confidence, energy and determination.

## REPORTING SCOPE AND BOUNDARIES

(CONTINUED)

### ABOUT THIS REPORT

This report focuses on the sustainability strategy, current performance and future plans of the Group; namely on the material Economic, Environmental, Social and Governance aspects of business operations. Utilising this format of reporting represents the Group's commitment to transparency and quality disclosures on our business performance and our ability to create value for our multiple stakeholders. This report aligns with the content elements suggested by the International Integrated Reporting Council (IIRC) and includes components such as consistency and comparability, strategic focus and future orientation. This report includes both financial and non-financial performance indicators. Our objective is to provide an innovative and effective way to communicate the Group's ability to create value in a sustainable manner over time as we continue to embed integrated thinking into all our decision-making processes that drive positive change.

Since year 2017 our annual integrated reports have incorporated our sustainability results with the strategy for our business. In developing this report, we considered input from our many stakeholders as we continued to work on strengthening our strategy formulation and data collection processes and mechanisms. This 2023 report serves as a communications tool and provides a perspective on the issues that matter to our stakeholders; both in the near-term as well as long-term.

Our financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and the requirements of the Companies Act 2016 in Malaysia. We also adhered to Bursa Malaysia Securities Berhad's Main Market Listing Requirements and their Sustainability Guidelines, as well as the Malaysian Code on Corporate Governance 2017 released by the Securities Commission.

### REPORTING SCOPE AND BOUNDARY

This integrated annual report covers Mudajaya Group's financial and non-financial performance for the period 1 January 2023 to 31 December 2023. This report covers information on our operations of Mudajaya Group Berhad, as well as our core sectors including construction, property development, power, manufacturing and trading. The scope includes our Group performance in the context of governance, risks, opportunities, prospects and sustainability.

As we transition into our sixth year of integrated reporting, we have taken great care in providing accurate data and information to the best of our knowledge and ability. We continue with our efforts to influence sustainability practices along our value chain and we intend to extend them significantly in the years to come.

### MATERIALITY DETERMINATION

Materiality determination remains a critical element in defining the strategies that we deploy towards value creation. Mudajaya conducts reassessments on an annual basis to align our material matters with the latest Bursa Malaysia enhanced listing requirements and evolving industry best practices. In 2023, we identified a total of 14 material matters. The process of materiality assessment was conducted based on prescribed guidelines of the Global Reporting Initiative (GRI) Standards.

The Board, specifically the Audit and Risk Management Committee, maintains its central role in continuously evaluating the Group's current and emerging risks as well as opportunities for growth and expansion.

### FORWARD-LOOKING STATEMENTS

Certain statements in this report regarding our business operations and strategies may constitute forward-looking statements and can be identified by words such as 'believes', 'anticipates', 'expects', 'intends', 'may', 'will', 'plan' or any other words of similar meaning which indicate a future operating or financial performance. Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting our stakeholders understand our financial position, objectives and priorities.

Such statements are necessarily dependent on assumptions, methods or data that may later be imprecise or incorrect and as such are not guaranteed to be an indicator of future results. Instead, these constitute our expectations based on reasonable assumptions and may change as a result of unexpected events, risks, uncertainties or other factors.

### STATEMENT OF THE BOARD OF DIRECTORS OF MUDAJAYA GROUP

The Board acknowledges responsibility for the presentation, integrity and completeness of the Integrated Report. The Board confirms that it has collectively reviewed the content of the Integrated Report and is satisfied that this Integrated Report is a fair representation of the performance of the Group for the year under review.

# REPORTING PRINCIPLES

**MUDAJAYA GROUP BERHAD**

200301003119 (605539-H)



## TRANSPARENCY

Transparency in business is a driver for exponential progress and promotes all-round satisfaction to all stakeholders. Thus, we have included disclosures providing our stakeholders with a clearer understanding of our businesses and our value proposition. As we continue to meet all compliance requirements, we are still improving on the quality of our reporting.



## BALANCED INFORMATION

We have attempted to share information on our successes as well as challenges during the reporting year. We strongly believe that balanced information will help our stakeholders to evaluate our performance holistically.



## COMPARABILITY

As with our previous Integrated Reports, wherever possible we have also included data for a minimum of three (3) years to allow for comparisons and to reflect on our progress year-on-year. Comparability will allow our stakeholders to more accurately assess the Group's development and its future aspirations.

# INTEGRATED THINKING

We understand that integrated reporting promotes integrated thinking and is fundamental to the way we do business. This cohesiveness will promote the flow of information and result in a more efficient and productive allocation of capital which in turn, will drive our performance and growth. As we strategise how these capitals are deployed on the back of favourable market conditions, our robust risk management framework, and our corporate values, we are able to create value and increase understanding of our performance for all our stakeholders.



## Manufactured Capital

Manufactured Capital are the physical assets, products and services of the Group and encompass landbanks, township, commercial space, solar photovoltaic plants, concrete precast production and construction works. As we strive to provide seamless delivery of our products and services, we depend on the competency of our people, efficiency of the equipment, tools and transportation as well as quality materials.



## Financial Capital

Financial Capital refers to the Group's existing financial resources which are generated either through business operations or via its shareholder funds. As we continue to manage our four core businesses namely construction, property, power as well as trading, manufacturing and others, we are able to generate income to sustain and grow the organisation. A stable financial capital base provides us with the opportunity to consistently invest in potential opportunities for growth and expansion, stakeholder engagement and talent development; while also fulfilling our responsibility to the community.



## Human Capital

Human Capital is the heart and soul of any organisation and drives business productivity, enhances customer relationships, and allows business growth. Whether directly or indirectly, all decisions, financials and systems are strategically aligned to ensure that the organisations human talent is central to all aspects of its operations. At Mudajaya, we place high value on this key organisational asset and we want to ensure their work has meaningful impact not only to us, but to the community as well. Employee experience and engagement are our main priorities in nurturing highly skilled and adept professionals; as investing in human capital will pay off in terms of higher productivity and in turn ensure efficient business operations and growth.



## Social Capital

Social Capital refers to the relationships that make our organisation run effectively and include various stakeholders such as employees, shareholders, regulators, customers, suppliers and the communities in which we operate. We continue to invest in strengthening our relationships with these various stakeholders based on trust and integrity in order to enhance individual and collective wellbeing; recognising that social capital is vital to our business' success.



## Natural Capital

Natural Capital refers to all renewable and non-renewable environmental resources and processes that we utilise while delivering our solutions and we realise that an organisation would not be able to prosper without due consideration for its impact on the environment. The Group's construction and property sectors are highly dependent on the existing natural landscape in developing projects which are of great importance for human and natural habitats. As a responsible business, we strive to operate using environmentally friendly practices and technologies in order to minimise our direct impact on the environment and resources.



## Intellectual Capital

Intellectual Capital refers to our decades of industry experience and expertise, our credible brand as well as our knowledge; which combine to contribute to our evolution as a successful business. The Group's reputation grows and is reinforced through our bespoke and purpose-built construction, property and power plant projects. We continue to uphold and demonstrate our strengths and capabilities in all our core sectors and are supported by our recognised subsidiaries.

## THE OFFICE CLUB @ MENARA MUDAJAYA

### *The Office Club at Menara Mudajaya*

Riding on the overwhelming response to The Office Club on Level 12 of Menara Mudajaya, the Property team has embarked on furnishing Level 11 as the addition to the exclusive private office market. A grand lounge basked in contemporary British India ambience serves as a meeting place for the members of The Office Club while other facilities including pantry, shared meeting rooms and even a phone booth for that private talk provide the members a hassle-free environment. Time saved can be used to earn good money.



*Glass clad façade allow luxurious sunlight into the office and meeting rooms which are equipped with state-of-the-art meeting facilities.*

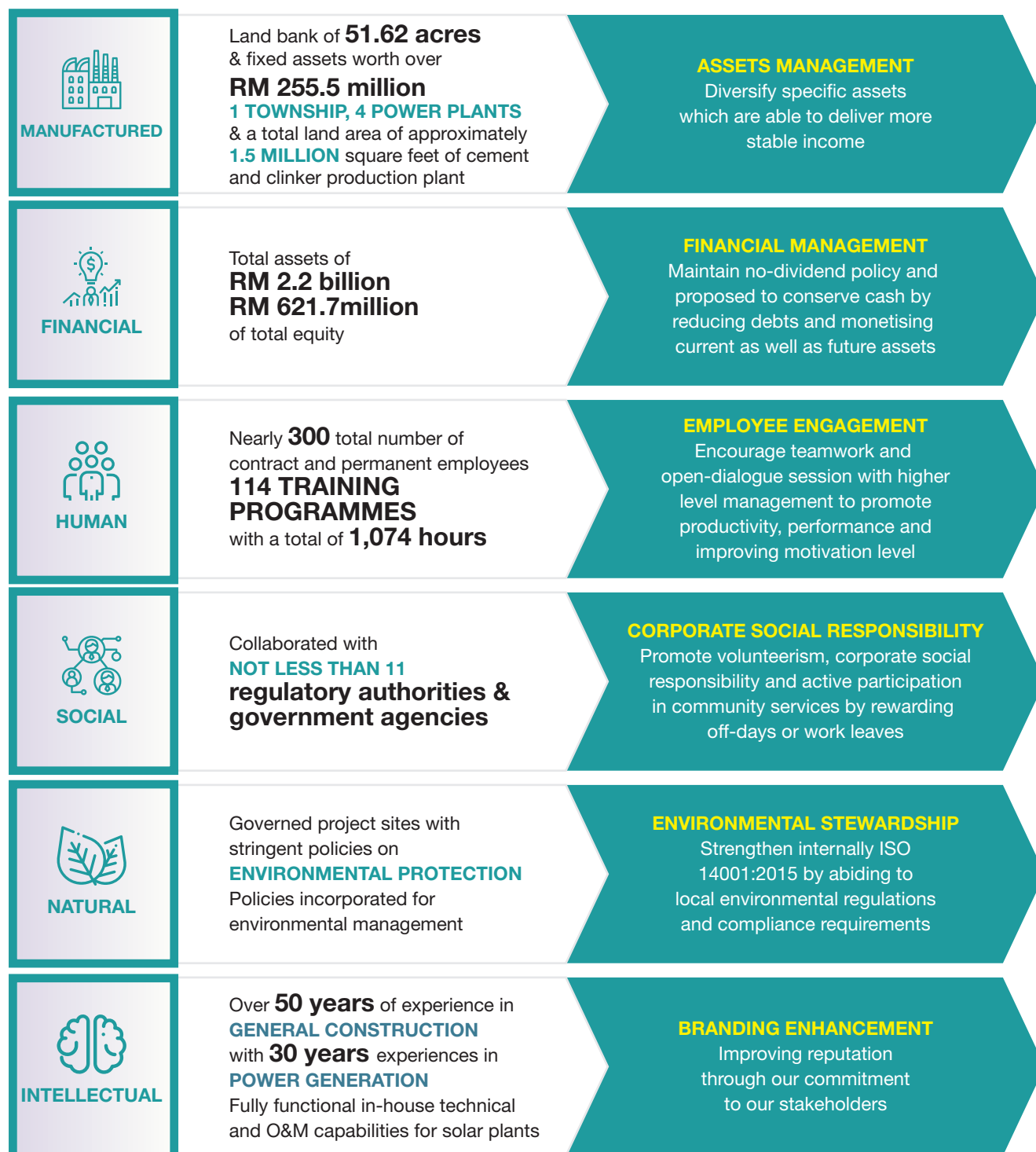


# VALUE CREATION BUSINESS MODEL

## OUR VALUE CREATION MODEL

### INPUTS (CAPITAL RESOURCES)

### LEVERAGES



# VALUE CREATION BUSINESS MODEL

(CONTINUED)

Our value creation model is designed to address the significant capitals (as inputs) and material topics in context of value creation for our multiple stakeholders.

## OUTPUT

### MUDAJAYA'S CORE BUSINESSES



CONSTRUCTION



POWER



PROPERTY DEVELOPMENT



MANUFACTURING, TRADING &amp; OTHERS

### TREND

### MATERIAL TOPICS

Urbanisation

Financial

Market

Industrialisation

Environmental, Safety &amp; Health

Development Strategy

Economic Growth

Project Development &amp; Execution

Talent &amp; Resource Management

Financial

Utilities &amp; Supply

### STRATEGIES PRIORITIES IN 2023



### Manufactured Capital

- Completed and on-going mega projects in **construction** and **power sectors** with a total contract sum of > **RM4.9 billion**
- Cement production plant with maximum annual capacity of **1 million tonnes** per annum

### Financial Capital

**RM460.7 million** of revenue reported in FY2023

### Human Capital

- Awarded **5-STAR** in the safety and health assessment system in construction from CIDB Malaysia
- Compliance with amendments to the Employment Act 1955

### Social Capital

Various **CSR events/programmes, sport activities & staff engagement** carried out in current year

### Natural Capital

#### SOLAR FACILITY:

- Produced **more than 90 Gwh** of clean and renewable energy
- Eliminated approximately over **62,000 ton** of CO2 per annum

### Intellectual Capital

#### AWARDS GRANTED:

- Focused Recognition Award** for good performance from Petronas, **IFAWPCA Silver Medal for Civil Engineering Construction** from International Federation of Asian and Western Pacific Contractors' Associations, **Anugerah Kecemerlangan Industri Pembinaan Malaysia** ("MCIEA"), **Anugerah IBS** from Lembaga Pembangunan Industri Pembinaan Malaysia ("CIDB"), Member of the Malaysian Photovoltaic Industry Association
- Sinar Kamiri Sdn Bhd won the **2022 JCI Malaysia Sustainable Development Award** under SDG No. 7
- Platinum Service Award (20 years) from Master Builders Association Malaysia ("MBAM")

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### IR. JAMES

#### WONG TET FOH

*Non-Independent  
Executive Chairman*

### DATO' AMIN RAFIE BIN OTHMAN

*Independent  
Non-Executive  
Deputy Chairman*

### CHEW HOY PING

*Senior Independent  
Non-Executive Director*

### OEI SU LEE

*Independent  
Non-Executive Director*

## AUDIT COMMITTEE

Chew Hoy Ping (*Chairman*)  
Dato' Amin Rafie Bin Othman  
Oei Su Lee

## COMBINED NOMINATION AND REMUNERATION COMMITTEE

Dato' Amin Rafie Bin Othman  
(*Chairman*)  
Chew Hoy Ping  
Oei Su Lee

## RISK MANAGEMENT COMMITTEE

Chew Hoy Ping (*Chairman*)  
Dato' Amin Rafie Bin Othman  
Oei Su Lee

## INVESTMENT COMMITTEE

Oei Su Lee (*Chairman*)  
Dato' Amin Rafie Bin Othman  
Chew Hoy Ping

## COMPANY SECRETARY

Tan Chin Boo (MIA 46824)  
(SSM PC No. 202408000126)

## REGISTERED OFFICE

PH1, Menara Mudajaya  
No. 12A, Jalan PJU 7/3  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No : (603) 7806 7899  
Fax No : (603) 7806 7900

## SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
Registration No. 199601006647 (378993-D)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No : (603) 7890 4700  
Fax No : (603) 7890 4670  
Helpdesk Email:  
BSR.Helpdesk@boardroomlimited.com

## AUDITORS

Deloitte PLT  
Chartered Accountants

## PRINCIPAL BANKERS

AmBank Islamic Berhad  
Al Rajhi Banking & Investment  
Corporation (Malaysia) Bhd  
OCBC Bank (Malaysia) Berhad  
HSBC Bank Malaysia Berhad  
CIMB Bank Berhad  
United Overseas Bank (Malaysia)  
Berhad

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : MUDAJYA  
Stock Code : 5085

## WEBSITE ADDRESS

[www.mudajaya.com](http://www.mudajaya.com)

## INVESTOR RELATIONS

Email : [info@mudajaya.com](mailto:info@mudajaya.com)  
Tel No : (603) 7806 7899

# BOARD OF DIRECTORS



**CHEW  
HOY PING**

Senior  
Independent  
Non-Executive  
Director

**DATO' AMIN  
RAFIE BIN OTHMAN**

Independent  
Non-Executive  
Deputy Chairman

**IR. JAMES  
WONG TET FOH**

Non-Independent  
Executive  
Chairman

**OEI  
SU LEE**

Independent  
Non-Executive  
Director

## DIRECTORS' PROFILE




### IR. JAMES WONG TET FOH

Non-Independent  
Executive Chairman

Malaysian 

Male 

Aged 63 

**Ir. James Wong graduated with a Bachelor of Science (1st Class Honours) in Civil Engineering in 1984 and a Master of Science in 1985 from Imperial College of Science, Technology & Medicine, United Kingdom. He also completed a Master of Business Administration (Finance) Programme from Nottingham University Business School in 2015.**

He attained his Professional Engineer registration with the Board of Engineers Malaysia (BEM) in 1989 after having spent the first 5 years of his career with a forensic engineering consultancy firm specialising in distressed buildings or infrastructure works covering the fields of geotechnical, structural and material investigations.

He joined the UEM Group of Companies in 1989 where he served for 21 years in various capacities such as Chief Operating Officer for UE Construction Sdn. Bhd. (2002-2004) and Director of International Projects for UEM Builders Berhad (2004-2009). His stint with UEM covered projects in India, Middle East, Indonesia and Singapore. In 2009, he moved to Lafarge Concrete (M) Sdn. Bhd. as Vice President of Marketing and Strategy (Asia). Prior to joining Mudajaya, he served as Business Development Director of IJM Corporation Bhd and subsequently as Managing Director of IJM's toll highway concession asset companies in Malaysia and India.

Ir. James Wong joined the Board of Mudajaya as Executive Director and served as Managing Director of Mudajaya Corporation Berhad on 2 May 2014. He was appointed the Group Managing Director & Chief Executive Officer of Mudajaya on 1 April 2015. He was subsequently redeisgnated as Executive Chairman of Mudajaya on 1 April 2024.

Ir. James Wong serves as a member of the Risk Management Committee and Investment Committee.

Ir. James Wong's directorship in non-listed public company is Mudajaya Corporation Berhad. He has no directorships in other listed issuers.

## DIRECTORS' PROFILE

(CONTINUED)



### DATO' AMIN RAFIE BIN OTHMAN

Independent Non-Executive  
Deputy Chairman

Malaysian 

Male 

Aged 64 

**Dato' Amin graduated with a Degree in Economics and International Politics from University College of Wales, Aberystwyth and a Master of Business Administration Degree in Export Management and International Business from City University Business School, United Kingdom.**

Dato' Amin is currently the Director of Corporate Affairs of Medika Natura Sdn Bhd. He was formerly the Deputy Chairman and Senior Independent Non-Executive Director of WZ Satu Berhad. In a career spanning over 30 years, Dato' Amin has served as the Independent Non-Executive Director of MYP Ltd, a company listed on the Singapore Stock Exchange. He was the Managing Director of Dubai Group Sdn. Bhd., Rio Capital Sdn. Bhd. and PJB Capital Sdn. Bhd.; Chief Executive Officer of Maybank Investment Management Sdn. Bhd.; Executive Director of Smith Zain Securities Sdn. Bhd.; and Senior General Manager and a Director of RHB Asset Management Sdn. Bhd. He was also the past President of the Malaysian Association of Asset Managers and a member of the Listing Committee of Bursa Malaysia Securities Berhad.

Dato' Amin was appointed to the Board on 22 February 2018 and was subsequently redesignated as Deputy Chairman on 14 July 2022. He also serves as Chairman of the Combined Nomination and Remuneration Committee as well as a member of the Audit Committee and Investment Committee.

Dato' Amin has no directorships in other listed issuers or non-listed public companies.


## DIRECTORS' PROFILE

(CONTINUED)



### CHEW HOY PING

Senior Independent  
Non-Executive Director

Malaysian 

Male 

Aged 66 

**Mr. Chew is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.**

Mr Chew had a professional career with PricewaterhouseCoopers (“**PwC**”) spanning 30 years, including 15 years as a partner of the firm. Whilst at PwC, he engaged in a diverse range of professional services encompassing auditing, corporate finance and business recovery services. He held various leadership roles including the chair of its financial advisory services for the Asia Pacific region and in risk, governance and management functions. Mr Chew had work secondment experiences with PwC Houston, Texas and with Bank Negara Malaysia in the 1980's.

Mr Chew was appointed to the Board on 1 January 2015 and he also serves as Chairman of the Audit Committee and Risk Management Committee as well as a member of the Combined Nomination and Remuneration Committee, and Investment Committee.

Mr Chew is currently an Independent Non-Executive Director of Mulpha International Bhd where he is the Member of Audit Committee. He has no directorships in non-listed public companies in Malaysia.

## DIRECTORS' PROFILE

(CONTINUED)




### OEI SU LEE

Independent  
Non-Executive Director

Malaysian 

Female 

Aged 54 

Ms Oei Su Lee graduated with a Bachelor of Economics (Accounting and Finance) Degree from Macquarie University, Sydney, Australia and a Master of Business Administration (MBA) from Macquarie Graduate School of Management, Sydney, Australia. She is a member of the Institute of Chartered Accountants, Australia and New Zealand; a Certified Tax Advisor of the Institute of Taxation of Australia; an associate member of the Financial Services Institute of Australia; and a graduate member of the Australian Institute of Company Directors. She has completed the Mandatory Accreditation Programme for company directors with Bursa Malaysia.

Ms Oei is a senior finance executive with over 30 years of diversified financial management experience covering accounting, tax, compliance, business strategy and venture capital advisory. She has served as the Chief Financial Officer of MKS Capital Australia, part of the MKS Group, a global financial services organisation specialising in precious metals with 15 offices worldwide and headquartered in Geneva, Switzerland. Prior to that, she specialised in taxation services for the banking and finance sector whilst at PwC in Sydney. Subsequently, Ms Oei was a Director at Camphin Boston Chartered Accountants, a mid-tier Australian accounting firm specialising in advice for SMEs. She currently holds an advisory role with the firm. Her other past roles included being the Director of Corporate Expansion in N2N Connect Australia Pty Limited, a fully owned subsidiary of N2N Connect Berhad (Malaysia) to guide their successful global expansion through investing in Australian fintech businesses. In 2019, Ms Oei was appointed adviser to the Chief Executive Officer of Emerald Foods Pty Limited (which owned New Zealand Natural Ice Cream) as part of its business development drive in Southeast Asia and its eventual and successful sale to investors in its home country of New Zealand. Since December 2021, she has been appointed Strategic Adviser to the Chief Innovation Officer at Fueltech Pty Limited, an Australian company with partners in South Korea, China and Indonesia in the new energy transportation sector for the development of industrial and transport solutions based around electric vehicles and hydrogen infrastructure. Ms Oei has over many years contributed significantly by providing organisational support to classical musicians. This involves connecting them to the corporate world with numerous events that raise awareness as well as funds for social causes.

Ms Oei was appointed to the Board on 22 April 2022 and she also serves as Chairman of the Investment Committee, as well as a member of the Audit Committee, Combined Nomination and Remuneration Committee, and Risk Management Committee.

Ms Oei has no directorships in other listed issuers or non-listed public companies.

#### NOTES:

**1. Family Relationship with Director and/or Major Shareholder**

None of the Directors has any family relationship with any director and/or major shareholder of Mudajaya.

**2. Conflict of Interest**

None of the Directors has any conflict of interest with Mudajaya.

**3. Conviction for Offences**

None of the Directors has any conviction for offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the Directors by the relevant regulatory bodies during the financial year.

**4. Attendance of Board Meetings**

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2023 is disclosed in the Corporate Governance Overview Statement.

## SENIOR MANAGEMENT'S PROFILE



**ALVIN CHEW  
CHEE WAI**

Acting Group Chief  
Operating Officer, Mudajaya  
Group Berhad

Managing Director, Mudajaya  
Corporation Berhad

Malaysian | Male | Aged 45

Mr. Alvin Chew Chee Wai joined Mudajaya as the General Manager for China Operations on 3 January 2022. He was also overseeing the local procurement division. He was appointed as the Managing Director of Mudajaya Corporation Berhad on 16 October 2023, heading the Construction division. Further to this, he was appointed as the Acting Group Chief Operating Officer for Mudajaya Group on 1 April 2024, to help oversee the operations of the Group covering the Construction, Trading and Manufacturing, Property as well as Power divisions.

Mr. Alvin Chew has over 20 years' experience in the sales & marketing of building materials. Prior to joining Mudajaya, he operated his business as a contractor in the construction industry, supplying and trading building materials, both in China and Malaysia. He also has vast sources in China to create synergies and further enhance the business growth in Malaysia.

Mr. Alvin Chew's directorship in non-listed public company is Mudajaya Corporation Berhad. He has no directorships in any listed issuers.

Mr Ng Qing Hai has over 25 years of experience in the cement-related business. Mr Ng completed a 3-year course in finance and accounting in building materials industry in 1983. He is a non-practising member of The Chinese Institute of Certified Public Accountants. Mr. Ng was the 6th Vice Chairman of Shanghai Cement Industrial Association of the People's Republic of China, and was a fellow member of the Asian Knowledge Management Association from November 2005 to November 2006. He was appointed as a member of 11th and 12th Shandong Provincial Committee of the Chinese People's Political Consultative Conference in January 2013 and January 2018 respectively. Mr. Ng was an Executive Director of Allied Cement Holdings Limited (now known as Tongfang Kontafarma Holdings Limited) from December 2011 to September 2018, and a Non-Executive Director of China Shanshui Cement Group Limited from December 2015 to February 2016.

He has entered into a service contract with Shanghai Allied Cement Holdings Limited, a subsidiary of Real Jade Limited, for a term of 3 years commencing from 19 October 2021.

Mr. Ng has no directorships in any listed issuers or non-listed public companies in Malaysia.



**NG QING HAI**

Managing Director,  
Shanghai Allied Cement  
Holdings Limited

Chinese | Male | Aged 68

## SENIOR MANAGEMENT'S PROFILE

(CONTINUED)

Mr. Daniel Tan Ah Kow joined Mudajaya Corporation Berhad as the Assistant General Manager under the Construction Division on 1 April 2016. Since then, he has completed construction projects such as RAPID Warehouse, MRT Package V207, and Earthwork for Gurun Power Plant as the Project Leader. He was promoted to the position of General Manager on 1 January 2024 to oversee the construction projects in Mudajaya Corporation Berhad.

Mr. Daniel Tan graduated with a Bachelor of Engineering in Civil Engineering from University of Malaya. He has over 33 years of experience in the field of engineering and construction. He started his career in an engineering consultancy firm in 1990, and subsequently worked with other established construction companies in Malaysia such as Zelan Berhad, MCT Consortium Berhad and Putrajaya Perdana Berhad, managing various types of projects ranging from power plant, airport to high rise buildings.

Mr. Daniel Tan has no directorships in any listed issuers or non-listed public companies.



**DANIEL TAN  
AH KOW**

General Manager –  
Construction, Mudajaya  
Corporation Berhad

Malaysian | Male |  
Aged 59



**SAMANTHA  
LEE TZE LIU**

General Manager - Property,  
Mudajaya Land Sdn. Bhd.

Malaysian | Female |  
Aged 56

Ms. Samantha Lee Tze Liu was appointed as the General Manager of the Property Division on 1 November 2015. She is a Bachelor of Law graduate from University of London, with 29 years of experience in property and township development, leasing and maintenance.

Ms. Lee started her working career in 1993 with MBF Property Services as a Marketing Executive. She later joined Mudajaya Corporation Berhad in 1995 as a Senior Marketing Executive and rose in ranks to Marketing & Sales Manager in 1997. She was appointed as the Director of MJC City Development Sdn. Bhd. in 2004 which undertakes the company's flagship township development at Batu Kawah New Township, Kuching, Sarawak. She was promoted to the Assistant General Manager of the Property Division in 2007 and Director of Mudajaya Land Sdn Bhd in 2015. During her tenure with Mudajaya, she had successfully launched and sold more than RM1.3 billion worth of properties for the Group in Kuala Lumpur which include the luxury Lumi Tropicana lifestyle apartments and the 256-acre Batu Kawah New Township in Kuching, Sarawak. This contemporary integrated township has won 3 awards from SHEDA, namely SHEDA Excellence Awards for Innovative Design & Lifestyle Concept 2009 (One Residency), Merit Award in Master Plan (Completed Development) (Batu Kawah New Township) 2011 and Outstanding Development Award for Residential: High Rise Strata Development 2013 (Skyvilla Residences).

Ms. Lee has no directorships in any listed issuers or non-listed public companies.

## SENIOR MANAGEMENT'S PROFILE

(CONTINUED)

Mr. Yam Keong Chee joined MJC Precast Sdn. Bhd. as the General Manager on 16 March 2015.

Mr. Yam graduated with a BSc. in Civil Engineering in 1985 from Oklahoma State University, Stillwater, USA. He has more than 30 years' proven experience in managing operations and large project deployment within the construction industry. Recognised as a hands-on leader with strong knowledge in the construction and civil engineering field.

He has 17 years of working experience in India including the last 6 years with Raffles Education Corporation Ltd. (a Singaporean company) as the Vice President of Indian Operations.

With MJC Precast Sdn. Bhd., Mr. Yam has secured various precast concrete product projects i.e. West Port CT8 & CT9, West Coast Expressway Sec 5 & Sec 9, SUKE CB2 & CA3, DASH CB1, DUKE 3, LRT3 –PC 2, MRT 2, Electrified Double Track Project (Johor) etc.

Mr. Yam has no directorships in any listed issuers or non-listed public companies.



**YAM KEONG CHEE**

General Manager - Precast,  
MJC Precast Sdn Bhd

Malaysian | Male | Aged 62



**TAN CHIN BOO**

Head of Finance and  
Company Secretary –  
Mudajaya  
Corporation Berhad

Malaysian | Male | Aged 33

Mr. Tan Chin Boo graduated with a BSc (Hons) Degree in Applied Accounting from Oxford Brookes University. Mr. Tan is a fellow member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants, United Kingdom.

Mr. Tan joined Mudajaya as the Financial Controller on 1 November 2019 and was subsequently redesignated as the Head of Finance on 1 August 2022.

Prior to joining Mudajaya, Mr. Tan had a professional career with KPMG Malaysia starting in 2013 for period of six years. Whilst at KPMG, he was engaged and involved in the audits of public listed and private companies in various industries including manufacturing, trading, property development, retail, oil and gas, shipping and services.

Mr. Tan has no directorships in any listed issuers or non-listed public companies in Malaysia.

## SENIOR MANAGEMENT'S PROFILE

(CONTINUED)



**SIVARAJAN A/L  
KUPPA RAJOO**

Acting Head of Concession  
Assets – Mudajaya Facilities  
Management Sdn. Bhd.

Malaysian | Male | Aged 52

Mr. Sivarajan A/L Kuppa Rajoo joined Mudajaya Corporation Berhad as a Senior Construction Manager at Tanjung Bin 4 Power Plant project in August 2013 and was then transferred to Concession Assets in July 2015 as Senior Project Manager. He was subsequently appointed as Acting Head of Concession Assets on 1 February 2023.

Mr. Sivarajan graduated with a Certificate in Land Survey from Polytechnic Kuching, Sarawak in 1994. While working, he further attained his Diploma in Civil Engineering in 2001 from University of Technology Malaysia and Executive Bachelor in Engineering Management in 2018 from Asia e University.

He has more than 28 years of working experience in construction as well as operation and maintenance roles in Malaysia, India and Indonesia. He started his career as a Land Surveyor with Pilecon Engineering Berhad in 1993 and worked with a few other public listed construction companies in Malaysia, involved in various projects. He also has 5 years of working experience in India as Senior Project Manager with UEM Builders in various road construction works from 2008 till 2012, and worked as Head of Maintenance with IJM Tollway, India in various road operation and maintenance works from 2012 until 2013. He then joined Mudajaya as a Senior Construction Manager at the Tanjung Bin 4 Power Plant project in August 2013 and was transferred to Concession Assets in July 2015 for the construction of the Baruta Coal Fired Power Plant in Sulawesi, Indonesia. He has more than 5 years of working experience in Indonesia and was appointed as Chief Operating Officer for PT Harmony Energy Indonesia (a subsidiary of Mudajaya Energy Sdn Bhd) in June 2016.

Mr. Sivarajan has no directorships in any listed issuers or non-listed public companies.



The artist's impression shows the majestic façade of Block E, affectionally called Eaven at Skyvilla which is scheduled to be launched in 2024.

We have completed 560 units of apartments located in 4 towers at Skyvilla Residences. The fifth or last tower aptly named Eaven will be launched in 2024. It comprises of 128 units of apartments ranging from 882f to 1566sf, complete with a Sky Lounge on the roof.

Artists' impressions showing the ambience and view of a typical unit facing the mountain at Skyvilla Residences and a serene view from the balcony, thanks to the greenery preserved by the developer.



# SKYVILLA

Skyvilla Residences is an award winning project which accentuate the essence of quality high-rise living in Kuching. With generous built-up areas from 1,000sf to 1,400sf and optimum cross ventilation in and outside the apartments, it promotes healthy city-living to its residents. In addition, selected tastefully furnished premium edition apartments are prepared for the busy executive who would like to move in with a suitcase. Flexibility is another hallmark at Skyvilla Residences at Batu Kawah New Township.

The peaceful and tranquil facility deck is an antidote to the hustle and bustle of life for the Skyvilla residents.

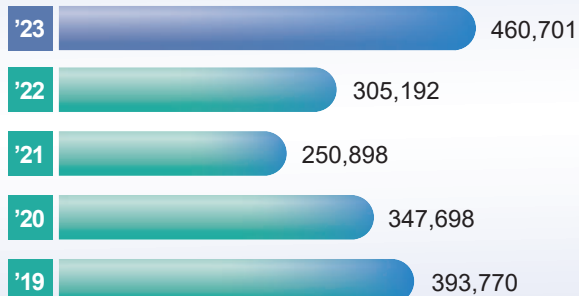


# FIVE YEARS' FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000 (Restated)	2021 RM'000 (Restated)	2020 RM'000 (Restated)	2019 RM'000
<b>ASSETS</b>					
Non-Current Assets	642,450	631,738	478,599	469,483	469,020
Current Assets	1,537,847	1,292,024	541,499	770,462	858,474
Total Assets	2,180,297	1,923,762	1,020,098	1,239,945	1,327,494
<b>EQUITY AND LIABILITIES</b>					
Capital and reserves					
Share Capital	667,683	663,450	502,054	397,730	393,172
Reserves	(329,150)	(262,444)	(237,341)	(287,416)	(246,258)
Equity Attributable To					
Owners Of The Company	338,533	401,006	264,713	110,314	146,914
Non-Controlling Interests	283,144	274,844	38,088	42,238	32,927
Total Equity	621,677	675,850	302,801	152,552	179,841
Liabilities					
Non-Current Liabilities	383,461	554,513	369,324	507,497	521,036
Current Liabilities	1,175,159	693,399	347,973	579,896	626,617
Total Liabilities	1,558,620	1,247,912	717,297	1,087,393	1,147,653
Total Equity And Liabilities	2,180,297	1,923,762	1,020,098	1,239,945	1,327,494
<b>GROUP RESULTS</b>					
Revenue	460,701	305,192	250,898	347,698	393,770
Profit/(Loss) Before Tax	(21,041)	26,751	19,993	(41,591)	(63,350)
Tax expense	(10,212)	(5,424)	(6,092)	(3,544)	(17,060)
Non-Controlling Interests	17,271	6,872	1,573	2,643	1,828
Profit/(Loss) Attributable To Owners Of The Company	(48,524)	14,455	12,328	(47,919)	(87,918)
<b>SELECTED RATIOS</b>					
Earnings/(Loss) Per Share (Sen)					
- Basic	(2.59)	0.77	1.57	(7.86)	(14.90)
- Diluted	(2.59)	0.74	0.86	(7.86)	(14.90)
Net Assets Per Share Attributable To Of The Company (RM)	0.18	0.21	0.20	0.17	0.25
Return on Equity (%)	(14.33)	3.60	4.66	(43.44)	(59.84)
Gearing Ratio (Times)	2.61	1.82	1.82	7.66	5.97
Share Price (Year-End Closing) (RM)	0.17	0.23	0.18	0.33	0.39

## FIVE YEARS' FINANCIAL HIGHLIGHTS

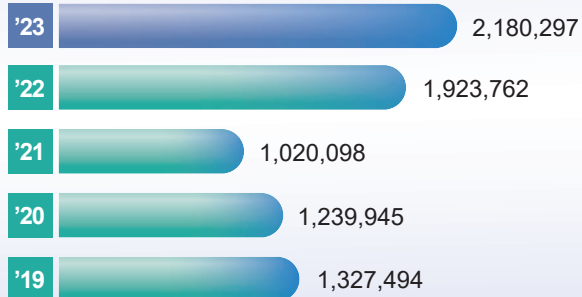
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REVENUE  
(RM'000)
**RM460.7**  
million

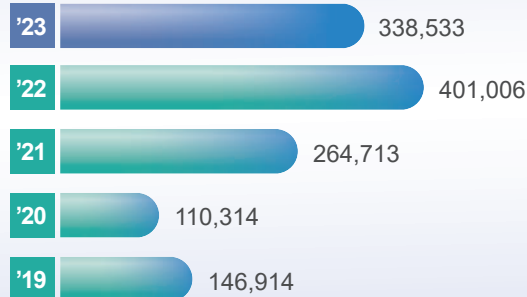
2022: RM305.2 million

**INCREASE**  
**51%**
PROFIT/(LOSS) BEFORE TAX  
(RM'000)
**(RM21.0)**  
million

2022: RM26.8 million

**DECREASE**  
**>100%**
TOTAL ASSETS  
(RM'000)
**RM2,180**  
million

2022: RM1,923 million

**INCREASE**  
**13%**
EQUITY ATTRIBUTABLE TO  
OWNERS OF THE COMPANY  
(RM'000)
**RM338.5**  
million

2022: RM401.0 million

**DECREASE**  
**16%**

# MESSAGE

## FROM THE CHAIRMAN



DEAR SHAREHOLDERS

TAKING THE BOLD STEP TO VENTURE BEYOND MALAYSIAN BORDERS HAS RESULTED IN TANGIBLE RETURNS FOR THE GROUP AND AT THE SAME TIME, OPENED A VAST WINDOW OF OPPORTUNITIES THAT CAN CATALYSE FURTHER GROWTH IN A SUSTAINABLE YET ROBUST MANNER.

ON THIS POSITIVE NOTE AND ON BEHALF OF THE BOARD OF DIRECTORS OF MUDAJAYA GROUP BERHAD, IT IS MY PLEASURE TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP OF COMPANIES ("MUDAJAYA" OR "THE GROUP") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023.



**Ir. James Wong Tet Foh**

*Executive Chairman*



## MESSAGE FROM THE CHAIRMAN

(CONTINUED)

### STRONG EXTERNAL HEADWIND TEMPERED BY STEADY ECONOMIC RECOVERY

In 2023, the global economy was impacted by slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. In spite of this significant headwind, the Malaysian economy was able to grow by 3.7% due to an uptick in economic activities and improved labour market conditions following the global health pandemic.

In addition, headline inflation during the year had declined to 2.5% from 3.3% a year ago, while core inflation remained flat year-on-year at 3%, according to Bank Negara Malaysia.<sup>1</sup> Notably, the ability to manage inflation successfully is critical towards strengthening business and consumer confidence in our national economy.

The construction industry in Malaysia saw marked improvements in 2023 as work done value increased by 9.6% year-on-year in the 3<sup>rd</sup> quarter of 2023, as reported by the Department of Statistics Malaysia.<sup>2</sup> The industry's growth was underpinned by civil engineering construction activities, namely the building of roads and railways. The industry also benefited from growth in the construction of residential buildings, which is in turn, a positive indicator for the property industry.

On this note, the National Property Information Centre (NAPIC) had reported that property transaction value had hit RM196.83 billion in 2023, which was the highest ever recorded.<sup>3</sup> In addition, NAPIC's Property Market Report 2023 also indicated that this positive growth trend had affected all subsectors, namely residential commercial, industrial, agriculture and development land.

For the energy industry, 2023 saw the continued rise in renewable energy (RE) power generation in Malaysia, particularly solar energy. The percentage of RE in our national energy mix has reached 25% during the year, surpassing the target set out by the 2010 National Renewable Energy Policy.<sup>4</sup>

### SUSTAINING A PATHWAY TO GROWTH

Mudajaya has remained focus on leveraging on the successful acquisition of our cement manufacturing and trading group in China, Real Jade Ltd ("Real Jade"), to generate strong returns on investments. Concurrently, we are also seizing opportunities that are relevant to our core business activities in construction, power generation, property as well as manufacturing and trading to drive sustainable value creation for our shareholders and stakeholders.

In FY2023, the Group had recorded a notable 51% increase in revenue to RM460.7 million compared to RM305.2 million a year ago. This was largely due to the consolidation of the full-year's revenue contribution from Real Jade, which had successfully delivered revenue of RM251.8 million or 55% of the Group's total revenue for the year.

In spite of the growth in revenue, the group had recorded a loss before tax of RM21.0 million. This was mainly due to the reassessment of the cost of a construction contract during the year, whereby our contractual claims are still pending our client's approval.

In spite of the property industry downturn in China, the Group's cement manufacturing and trading operations was able to deliver a strong set of results as its key markets are centered in and around Shanghai, China's largest city and a global financial hub. Demand for building materials in these areas remain robust and is expected to improve further as the property sector recovers. In view of this, we have made plans to carry out upgrading works on our plant's infrastructure and technology in accordance with the Chinese government's aim to establish a more sustainable manufacturing, with additional allocation for increased production capacities.

Similarly, Ji Feng Building Material Co., Ltd, the Group's wholly owned subsidiary company that conducts trading services in China also recorded encouraging revenue and profit figures in its first full year of operation.

In 2023, our construction segment saw tangible progress being made across our on-going projects. We were also able to secure more infrastructure development work to bolster our order book. In April 2023, the Group was awarded a contract by Kotra Pharma (Malaysia) Sdn Bhd to construct a one-storey warehouse together with six mezzanine floors in Melaka. The project is valued at RM64.1 million and is targeted to be completed by October 2024.

<sup>1</sup> [https://www.bnm.gov.my/-/qb23q4\\_en\\_pr](https://www.bnm.gov.my/-/qb23q4_en_pr)

<sup>2</sup> <https://www.bernama.com/en/business/news.php?id=2243014>

<sup>3</sup> <https://theedgemaalaysia.com/node/703628>

<sup>4</sup> <https://www.thestar.com.my/news/focus/2023/11/05/solar-powers-malaysias-renewable-energy-push>

## MESSAGE FROM THE CHAIRMAN

(CONTINUED)

In August 2023, the Group was engaged by China Communications Construction Sdn Bhd to undertake the construction and completion of stations, ancillary buildings and other associated works (Package 3) for the East Coast Rail Link (ECRL) project located in Terengganu. The project is valued at approximately RM195.1 million and is targeted to be completed by 2026.

In our power generation segment, the Group entered into a Memorandum of Understanding with Concord New Energy Group Ltd ("CNE") in April 2023 to bid for and deliver solar and wind energy power projects in the Southeast Asia region. CNE, a Hong Kong based company listed on The Stock Exchange of Hong Kong Limited, is an industry specialist that develops and operates more than four gigawatts of RE power assets in China, the United States, Italy, Spain and South Korea.

Reflecting our commitment towards embracing financial prudence, the Group had entered into a conditional variation agreement with Minyi Holdings Limited ("MHL") in November 2023 to vary the timing and mode of the settlement of the amount owing by Mudajaya to MHL for the acquisition of Real Jade.

Concurrently, the Group has also proposed to undertake a corporate exercise to fund the proposed conditional variation agreement. Once completed, this exercise will result in significant savings for Mudajaya in terms of interest cost.

### EMBRACING CORPORATE BEST PRACTICES, DRIVING ESG

Mudajaya is proud to be a Malaysian flag-bearer in key markets within our region. As a Group, we have and will always be committed towards embedding corporate best practices within our domestic and international operations while driving the tenets of ESG (Environment, Social and Governance) in areas where we conduct our business activities.

During the year under review, the Group had reviewed and updated our ESG pillars to include three distinct areas, namely *Delivering Excellence*, *Building Towards a Green Future* and *Caring for Our People*. These pillars will help guide our sustainability initiatives towards achieving our strategic ESG goals. We have also enhanced our climate-related disclosure and developed a comprehensive Sustainability Policy in FYE2023.

Further details of our commitment towards ESG are highlighted in the Sustainability Statement in this Annual Report.

### WELL-POISED TO REACH GREATER HEIGHTS

Moving forward, the group aims to widen our foothold in the Southeast Asia region and China.

In China, the upgrades we have made to our cement production plant in Shandong has resulted in the facility being recognised as a national high-tech enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance and Beijing Municipal Taxation Bureau. We see this as an enabler to further expand our presence in the world's second largest economy, capitalising on the consolidation within the building material manufacturing sector and the potential growth in demand as China's construction and property markets turn around.

The Group is also encouraged by China's continued emphasis on sustainable construction and production as Real Jade is currently well-positioned to deliver solutions in energy conservation and waste recycling. In addition, our construction segment intends to leverage on Real Jade's presence, track record and network to offer project management services to selected development projects across China.

In power generation, we also aim to work closely with our joint venture partner, CNE, to tap the growing demand for RE solutions in the region, including countries like China, Indonesia, Singapore and Timor Leste.

On the domestic front, the Malaysian economy is expected to grow between 4% and 5% in 2024, underpinned by the continued expansion in domestic demand and improvement in external demand, according to the Economic Monetary Review 2023 by Bank Negara Malaysia.<sup>5</sup>

The Government's Budget 2024 has also indicated that the construction sector will receive higher development allocations for new projects. These include five new stations for the Klang Valley Light Rail Transit, a nationwide flood mitigation and sewerage treatment plant facilities and Penang's first LRT project, amongst others. Coupled with the continuation of several strategic infrastructure projects such as the ECRL as well as sewerage treatment plants and power generation developments, we foresee that Malaysian construction sector will improve further in FY2024. At Mudajaya, we aim to aggressively bid for and secure key infrastructure and private investment projects to replenish our current order book of RM381.4 million.

<sup>5</sup> <https://www.thestar.com.my/business/business-news/2024/03/20/malaysian-economy-to-grow-4-5-in-2024>

## MESSAGE FROM THE CHAIRMAN

(CONTINUED)

The Group's power generation segment is inspired by the Government's plans to invest in and develop greener energy generation solutions in tandem with its commitment to achieve net-zero GHG emissions by 2050, as stipulated in the 12<sup>th</sup> Malaysia Plan (2021-2025).

In reaching this goal, National Energy Transition Roadmap (NETR) was introduced in 2023 to navigate the complexity of energy transition on a large scale, especially the shift from a traditional fossil fuel-based economy to a high-value green economy. The Group believes that our expertise and experience in this area has placed us in a unique position to contribute positively to the goals of the NETR, more so with our strategic partnership with a proven renewable energy solutions expert like CNE.

On the same note, we are also heartened by the Government's recent announcement on the lifting of the renewable energy export ban. This would allow the sales of electricity across our borders through the Cross Border Electricity Sales (CBES) initiatives, benefiting the RE sector as a whole.

The improving economic outlook and rising property market is also providing our property segment with a conducive operating environment to launch more offerings within our Batu Kawah New Township in Kuching, Sarawak, in 2024. We also believe that these launches will be timely in view of Sarawak's fast paced economic progress and rapid urbanisation.

In view of the exciting prospects ahead, the Board of Mudajaya, together with the management team and employees of our Mudajaya family, aim to work dedicatedly and cohesively to deliver an improved performance for the year ending 31 December 2024.

### ACKNOWLEDGEMENT

Our continued growth and success are predicated on motivated and talented employees. We are indeed grateful to each and every one of you who have spared no efforts to ensure that Mudajaya remains competitive and success-oriented. My thanks as well to the Board of Directors for carrying out their leadership and fiduciary duties to the best of their abilities.

We would also like to thank our customers, business associates, regulators and relevant government authorities for the continued support and cooperation. We also appreciate the loyalty and confidence shown by our valued shareholders over the years.

Terima kasih.

**Ir. James Wong Tet Foh**

*Executive Chairman*



# BATU KAWAH NEW TOWNSHIP

Batu Kawah New Township, passionately known as MJC, is one of the most prominent satellite township in Kuching, in much the same way Petaling Jaya is to Selangor. Spanning across 256-acre on former pineapple plantation has been fulfilling its master plan and its ethos of “Back To Nature” Residents in and around the Batu Kawa region conjured at the civic facilities in this township on a regular basis, be it the linear park, townsquare or just jog along the designated footpath, breathing fresh air, showering under the morning sun, live, laugh and play.

The above shows residents practising tai-chi at the MJC townsquare on a regular basis.

The modern and self-sustained township is completed with education, banking, shopping and medical facilities.

SJK (C) Chung Hua Sg. Tapang located at Jalan Batu Kawa, Batu Kawah New Township.



# MENARA MUDAJAYA



## MANAGEMENT DISCUSSION & ANALYSIS



LRT3 GS01 Elevated Station and Viaduct at Damansara Toll Plaza

## SEGMENTAL ANALYSIS: CONSTRUCTION SECTOR

## MANAGEMENT DISCUSSION & ANALYSIS

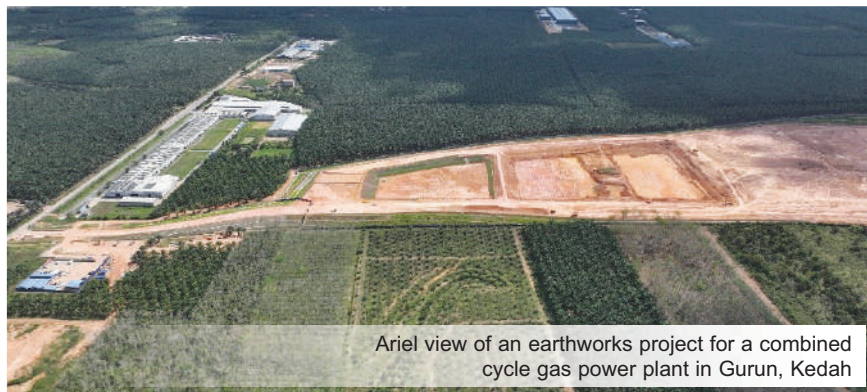
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### SECTORAL LANDSCAPE

Following the endemic phase of the Covid-19, there has been a focus on recovering and ensuring the resilience of the Malaysian construction sector. The Malaysian construction industry continues to play an important role in the economic growth of the country, as well as facilitating the development of socioeconomics of the society at large.

The government announced 2024 budgeted development expenditure of RM 90 billion consists of Pan Borneo Sabah Phase 1B (RM 15.7 billion), Sabah-Sarawak Link Road (RM 7.4 billion), Penang LRT (RM10 billion), LRT3 reinstatement (RM 4.7 billion) and Flood mitigation packages worth RM11.8 billion etc. The civil engineering subsector is anticipated to regain its positive growth, following the continuation and acceleration of major infrastructure projects announced in Budget 2024 and further prospective developments on civil packages such as MRT3, KL-SG HSR, Johor LRT etc. It is forecasted that the Malaysia's GDP to register 4.7% growth in 2024.

2024 is a challenging year yet full of opportunities. The external factors such as elevated trade tensions between the US and China, the ongoing conflict in Ukraine and the recent outbreak of war between Israel and Hamas in the Middle East, rising in interest rate, currency volatility, political stability and government budget will significantly affect the local construction industry. While pursuing opportunities in the construction sector, Mudajaya maintains prudent strategy aimed at managing risks of the uncertainties and challenges that may arise.



Aerial view of an earthworks project for a combined cycle gas power plant in Gurun, Kedah

### ACHIEVEMENTS IN 2023

In 2023, several projects that are approaching the final stages of completion include Sarawak Pan Borneo Highway Package 8 Balingian Station and Gurun Power Plant Platform. Mudajaya's footprints in East Malaysia, the Vehicular Yard at Senari Port, Kuching's progress of work has seen ahead of schedule. There has been significant progress witnessed at the LRT3 GS01 project with the stations substantially completed and the major external works expected to complete by first quarter of 2024.

Mudajaya secured two new work contracts worth of RM 259.2 million in 2023, namely the Kotra Pharma Warehouse in Malacca and the ECRL Station Package 3 (Dungun, Kemasik and Chukai Stations in Terengganu). Both projects are ongoing and expected to complete on time.

### WAY FORWARD

Under the New Industrial Master Plan 2030 (NIMP 2030), sizable private sector-driven infrastructure project awards can also be expected in 2024 and will stay vibrant, underpinned by massive investment in new semiconductor foundries and data centers. The construction sector contracted by 6.3% in 2023 and is projected to turn around by 7.2% in 2024. Major infrastructure projects have been a focal point, including the construction of highways, bridges, ports, airports, and public transportation systems. The demand for residential and commercial properties has driven growth in these segments. Urbanization and population growth have led to increased construction activities, particularly in urban areas. Malaysia has shown a growing interest in sustainable and environmentally friendly construction practices. The adoption of green building standards and certifications has become more prevalent in recent years. Mudajaya continues to be actively involved in infrastructure project tenders while exploring new opportunities in building constructions across the Peninsula, East Malaysia and China.

The industry faces challenges such as labor shortages, regulatory complexities, and issues related to project delays and cost overruns. Concerning the escalating of material cost and raw material shortage at times will continue to increase the execution risks for new and current projects. Shortage of transportation drivers affecting delivery and logistic arrangement. Addressing these challenges is crucial for sustained growth of the Group.

In our journey towards excellence, commitment stands as the cornerstone of our collective endeavor. We will stay hungry for success, embrace challenges with courage and determination, and allow our insatiable appetite for greatness propel the Group towards ongoing success and fulfillment.

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)



49 MW Solar Photovoltaic Power Plant, Sungai Siput, Perak

## SEGMENTAL ANALYSIS:

# POWER SECTOR

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

### SECTORAL LANDSCAPE

Mudajaya's power unit undertakes the concession and IPP assets within the energy sector. At present, Mudajaya operates, owns, and manages two solar photovoltaic (PV) assets with total capacity of approximately 59MW. The first 10MW solar PV plant is located at Gebeng, Pahang and the second 49MW plant is located at Sungai Siput, Perak. Mudajaya's historical assets in the power generation sector include a 2 x 7MW coal fired power plant in Sulawesi, Indonesia and a 4 x 360 MW coal fired plant in Chhattisgarh, India.



49 MW Solar Photovoltaic Power Plant, Sungai Siput, Perak



49 MW Solar Photovoltaic Power Plant, Sungai Siput, Perak

### ACHIEVEMENTS IN 2023

During 2023, Mudajaya's solar PV plants generated approximately 97GWh of clean and renewable energy and eliminated over 62,000 ton of CO<sub>2</sub>. The energy generation in 2023 for the two solar PV plant is comparatively higher than the generation in 2022 due to better irradiation.

Mudajaya's 2 x 7 MW coal fired power plant in Sulawesi, Indonesia generated 90,652MWh of electricity with better profits which resulting from the higher revenue and coal price allocation.

The power plant in India also have recorded a profit for the year 2023 amounted to equivalent RM229 million from its operations and with the growing demands for power in India, this performance is expected to further improve in 2024.

### WAY FORWARD

With the Government of Malaysia's commitment towards the 2012 Paris Agreement targets remain intact, the government have revised and increase its national RE capacity to 20 percent of the generation mix by 2025. As part of the process, Malaysia is expected to expand renewable capacity excluding Hydropower from 6 to 14GW, rising from 18% to 30% of the generation mix to support its aim of meeting Sustainable Development Goals (SDG) targets. Green Investment Tax Allowance (GITA) for purchasing green technology assets and green income tax exemption have been extended to 2025 and the government have also launched the RM2.0 billion Green Technology Financing Scheme 3.0 (GTFS3.0) in Budget 2023.

With the increase in RE target mix to 30%, Mudajaya expect Suruhanjaya Tenaga to rollout sizeable, large scale solar through LSS5 programme in 2024, Corporate Green Power Programme (CGPP) and Cross Boarder Electricity Supply (CBES) in which Mudajaya will continue to participate. Besides solar PV project, Mudajaya will also look out for other renewable energy projects for the Group.

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)



Aerial view of cement manufacturing plant in Shandong, China

## SEGMENTAL ANALYSIS: MANUFACTURING, TRADING AND OTHER SECTOR

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

### SECTORAL LANDSCAPE

Mudajaya's trading, manufacturing and other units mainly covers the trading, production, and investment divisions. The main activities in Malaysia include trading construction materials, production of ready-mixed concrete and precast concrete products.

### ACHIEVEMENT IN 2023

With the delay in rolling out of new mega projects in FY2023 by the Malaysian government, both the construction industry and the manufacturing industry have been seriously affected. In spite of this, MIC Precast managed to complete the KVLRT3-PC2 project (pier caps), KVLRT3-GS01 and KVLRT3-GS04 (I Beams & parapets) and securing the projects of casting of Box Culverts in Klang Valley Double Track Phase 2 and casting of RE wall Panels (for Penang Project).



Box culverts for project DMIA - Klang Valley Double Track (Phase 2)

### WAY FORWARD

It is forecasted that the construction & manufacturing industry are expected to see a brighter prospect in 2024.

Based on Budget 2024, the Malaysian government intends to roll out several big-ticket projects like the Sarawak-Sabah link road Phase2, North South Expressway – Sedenak to Simpang Renggam, KVLRT3 – 5 stations (which were previously cancelled), Flood mitigation projects etc. Beside these projects, Penang Light Rail Transit (LRT), New Pantai Highway 2, HSR, WISE (Menora Tunnel bypass) and KVMRT3 are also in the pipeline. We believe that with the continuation and implementation of these projects, we will be able to continuously in securing more jobs.

MJC Precast intends to participate selectively in various tenders to replenish its manufacturing order book of RM18 million, based on current market scenario.



Reinforced Earth Wall panel for project REM - Casting of RE Wall

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)



Production of aggregates in the cement plant in Shandong, China

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

### SECTORAL LANDSCAPE

The Group's operations in the People's Republic of China ("PRC") encompass the manufacture and sales of cement and clinker, trading of cement, manufacture and sales of building materials, and energy conservation and environmental protection.

In 2011, the Real Jade Group was awarded the highest standards in quality management, environmental management, occupational health and safety management, and energy management. Additionally, it received accolades such as "Meritorious Foreign Ventured Company of Zaozhuang City", "Model Company of Safety Culture in Shandong Province", "Top 500 Construction Material Companies in China", and "Top 100 of Most Developing Construction Companies". The Group's "Taili" cement product was recognized as a "Known Brand of Shandong Province". Furthermore, the subsidiary of Shandong Allied Wangchao Cement Limited was ranked as one of the national high-tech enterprises due to continuous improvement in production equipment.

### ACHIEVEMENTS IN 2023

In 2023, despite the regional economic challenges caused by the COVID-19 pandemic which continued to affect the People's Republic of China (PRC), the Chinese government implemented various measures to strengthen the country's economy. The performance of our operations in the PRC was inevitably challenged. Nonetheless, our operations in the PRC were still able to generate revenue equivalent to RM233.7 million and a profit before taxation of equivalent to RM30.1 million during the year ended 31 December 2023.

Throughout 2023, we sold approximately 829,000 tonnes of cement and clinker through our cement production plant located in Shandong and traded approximately 2,383,000 tonnes of cement through our operation based in Shanghai.

### WAY FORWARD

The slowdown of the PRC's economy after the COVID-19 pandemic is expected to continue for some time. The market price of cement in the PRC may remain at a relatively low level compared to pre-COVID-19 levels. To reduce production costs, improve production efficiency, and enhance production capacity, the cement operation plans to upgrade its over 20-year-old clinker production line in Shandong from a daily production capacity of 2,500 tonnes to 4,000 tonnes. It is expected that the upgrade will be completed around the end of 2024.



Project of air conditioning cleaning for 1000 trees in Shanghai

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)



Ariel view of Batu Kawah New Township at Kuching, Sarawak

## SEGMENTAL ANALYSIS:

# PROPERTY SECTOR

## MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

### SECTORAL LANDSCAPE

Mudajaya's property unit involves in property development, leasing and building management and maintenance services in Kuala Lumpur and Kuching. It had launched and completed more than RM1 billion worth of properties for the Group and won multiple awards for its projects. Moving forward the Property Division hope to explore more opportunities in property development and acquisition of buildings for recurring income.



Hanging garden at Skyvilla Block E



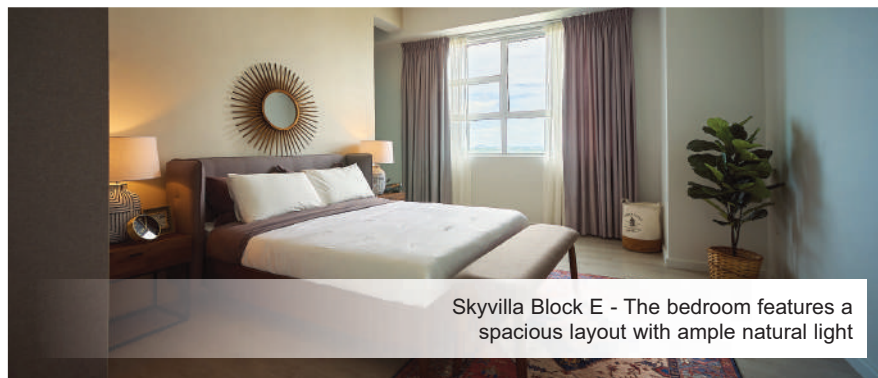
Skyvilla Block E - The living and dining rooms are combined in an open-plan layout

### ACHIEVEMENT IN 2023

On the back of a moderate growth in the property market, the Property Division shifted its focus to rebrand the township, disposing the inventory in Kuching and planning for the launch of new projects. We took a more cautious approach to new launches by way of smaller-scale phases and infuse a new sense of vibrancy with the introduction of ESG compliant features such as rainwater harvesting system, lush greeneries on selected floors of the apartments, large sky lounges and grand entrance lobby in the upcoming projects. In Kuala Lumpur, the team stretched its creativity beyond conventional office spaces by creating The Office Club, a new upmarket boutique office within Menara Mudajaya to fill the gap between co-working spaces and conventional offices. Concerns over geopolitical stability and economic challenges continue to linger, it includes inflated costs of living triggered by inflation, homebuyers' affordability, as well as global supply chain disruptions due to the Russian-Ukraine tension, slowdown of China and Europe economy.

### WAY FORWARD

With the support of the government and the recovery in employment market, we are planning to launch new projects in Batu Kawah New Township to attract renewed interest and improve the revenue and profit.



Skyvilla Block E - The bedroom features a spacious layout with ample natural light

# MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

## FINANCIAL POSITION ANALYSIS

in RM'000	31.12.2023	31.12.2022 Restated	Variance
Non-current assets	642,450	631,738	2%
Current assets	1,537,847	1,292,024	19%
Total assets	2,180,297	1,923,762	13%
Equity attributable to owners of the Company	338,533	401,006	(16%)
Non-current liabilities	383,461	554,513	(31%)
Current liabilities	1,175,159	693,399	69%
Total liabilities	1,558,620	1,247,912	25%

### Total assets and total liabilities

Total assets and total liabilities amounted to RM2,180 million and RM1,558 million respectively as at 31 December 2023, an increase of 13% and 25% compared to RM1,924 million and RM1,248 million, respectively, as at 31 December 2022, mainly due to the increase in trade and other receivables as well as loans and borrowings. This amount mainly stems from invoice financing with recourse, where the debtors' invoices were sold to third-party financial institutions. This amount remains in trade receivables and bank loans until the financial institutions collect these receivables from the customers. The increase in total liabilities is further attributed by the increase in trade and other payables as at 31 December 2023.

### Equity attributable to owners of the Company

Equity attributable to the owners of the Company decreased by 16% as at 31 December 2023, compared to 31 December 2022, primarily due to the losses attributable to the Owners of the Company that were recorded during the year. These losses are mainly due to the reassessment of the costs of a construction contract.



3-storey office building of the cement operations in Shandong, China

# MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

## PROFIT OR LOSS ANALYSIS

in RM'000	31.12.2023	31.12.2022 Restated	Variance
Revenue	460,701	305,192	51%
Gross profit	39,033	48,170	(19%)
Finance cost	52,418	31,683	65%
(Loss)/Profit before tax	(21,041)	26,751	(>100%)
(Loss)/Profit for the year	(31,253)	21,327	(>100%)

### Revenue and gross profit

The Group reported revenue of RM460.7 million and gross profit of RM39.0 million for the year ended 31 December 2023, representing an increase of 51% and a decrease of 19% in revenue and gross profit, respectively, as compared to revenue of RM305.2 million and gross profit of RM48.2 million in the previous financial year. The revenue for the current year reflects the consolidation of revenue streams for twelve months compared to two months in the previous financial year due to the acquisition of Real Jade Group in November 2022. Lower gross profit in the current year as compared to previous financial year is mainly due to the reassessment of the cost of a construction contract during the year.

### Finance cost

The Group recorded finance costs of RM52.4 million for the year ended 31 December 2023, an increase of 65% from RM31.7 million in the previous financial year. The increase in finance costs is due to the increase in loans and borrowings associated with the acquisition of Real Jade Group, which resulted in higher finance costs during the year.

### (Loss)/Profit before tax ("LBT" or "PBT")

The Group reported LBT of RM21.0 million for the year ended 31 December 2023 as compared to PBT of RM26.8 million in the previous financial year. As mentioned earlier, LBT in the current year was mainly due to the reassessment of the cost of a construction contract during the year. However, the impact is partially offset by the profit generated from China operations.

## CASH FLOWS ANALYSIS

in RM'000	2023	2022 Restated
Net cash generated from/ (used in) operating activities	30,868	(30,168)
Net cash (used in)/generated from investing activities	(112,908)	106,385
Net cash generated from financing activities	47,747	55,555
Net (decrease)/increase in cash and cash equivalents	(34,293)	131,772
Effect of exchange rate fluctuations on cash held	18,374	(20,504)
Cash and cash equivalents* at 1 January	168,369	57,101
Cash and cash equivalents* at 31 December	152,450	168,369

\* excluded pledged deposits

As at 31 December 2023, cash and cash equivalents, excluding pledged deposits, decreased by 9% compared to 31 December 2022. The improved cash flow from operating activities in the current year is primarily due to the lower contract assets reported as at 31 December 2023. The net cash used in investing activities in 2023, compared to the net cash generated from investing activities in 2022, is mainly due to the increased placement of short-term deposits as at 31 December 2023. The higher net cash generated from financing activities in 2023 is mainly due to the increase in loans and borrowings attributed by the Real Jade Group.

## VALUE-ADDED STATEMENT

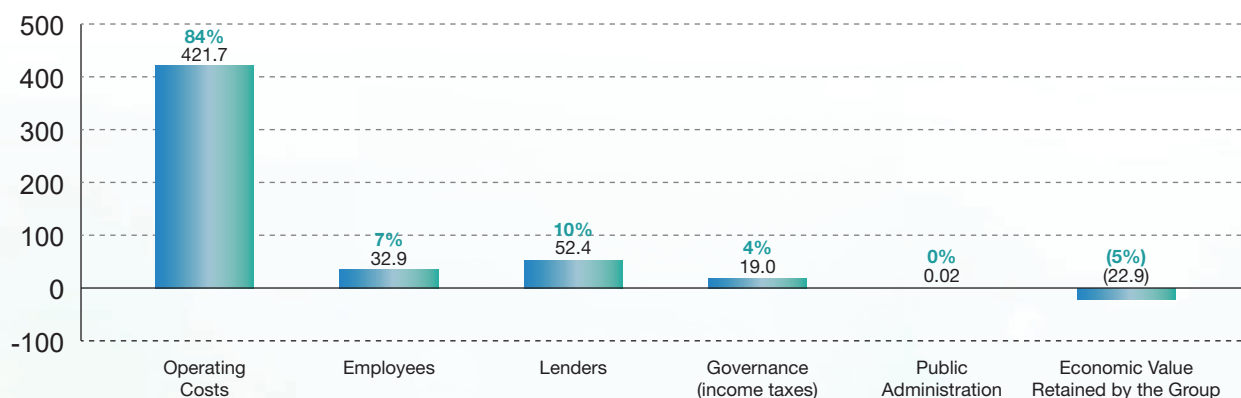
Mudajaya Group aims to create sustainable value by relentlessly looking for opportunities for sustainable revenue growth and enhanced profitability. We work hard to maintain a strong financial position and increase our positive contribution to society to ensure the wellbeing of all our stakeholders.

This statement is a measure of the wealth created by the Group through its various business activities and shows how the Group's economic activities provide value to our employees, partners, shareholders, investors and the community. Mudajaya Group's value added amounted to RM503.1 million (2022: RM353.2 million) – with 84% (2022: 73%) of the value added of RM421.7 million (2022: RM257.0 million) directed to Operating Costs. Additionally, distribution to employees in the form of wages and benefits amounted to RM32.9 million (RM20.6 million).

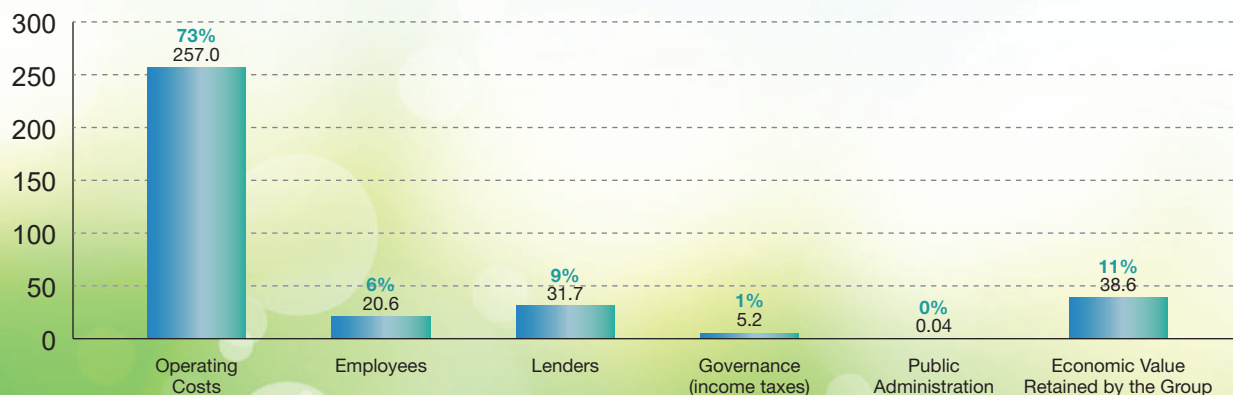
The Group's retained economic value decreased to negative RM22.9 million in 2023, compared to a positive retained economic value of RM38.6 million in 2022.

**“WE CONTINUE TO MAKE INVESTMENTS THAT WILL PRIORITIZE OUR STAKEHOLDERS’ WELLBEING”**

**2023 DISTRIBUTION OF VALUE ADDED**  
(RM MILLION)



**2022 DISTRIBUTION OF VALUE ADDED**  
(RM MILLION)



# INVESTOR RELATIONS 2023



LRT3 GS01 Elevated Station and Viaduct at Damansara Toll Plaza

Dear shareholders and stakeholders,

We are pleased to present our Investor Relations Statement for the year ending 31 December 2023. The Mudajaya Group has continued to perform well despite the challenging economic environment, with a focus on executing our strategy and delivering sustainable growth.

## Financial performance

The Mudajaya Group's financial performance in 2023 was strong, with a 51% increase in revenue to RM460.7 million compared to the previous year. We achieved this by expanding our geographical footprint in the China market and capitalising on growth opportunities in cement manufacturing and trading, as well as energy conservation and reuse solutions activities. However, the Group reported a loss before tax of RM21.0 million mainly due to the reassessment of the cost of a construction contract during the year, with contractual claims still awaiting approval from our client.

## Business activities

Mudajaya's sectoral diversification allows the company to focus not only on the construction sector, but also to operate in the energy sector (renewable energy), property development, manufacturing and trading locally and overseas. The persistent efforts of the power sector and its steady performance with optimal operations have had a positive impact on the Group's bottom line. The acquisition of Real Jade Ltd, a group of cement manufacturers and trading group in China, allows Mudajaya to explore opportunities beyond the country's borders.

## Future prospects

We look forward to the resumption of strategic infrastructure development projects such as five new stations for the Klang Valley Light Rail Transit, a nationwide flood mitigation and sewerage treatment plant facilities and Penang's first LRT project, and Mass Transit Rapid 3 ("MRT3"), as well as more public spending on renewable energy and infrastructure projects in East Malaysia. In addition, the renewable energy sector offers promising opportunities; the Energy Commission has opened the tendering process for Large Scale Solar 5 offering a total capacity of 2,000MW. The government aims to maximise the green industry through the Green Investment Tax Allowance ("GITA") and the Green Income Tax Exemption ("GITE"). It is also introducing tax incentives for solar leasing companies by exempting them from 70% income tax for up to 10 years.

We intend to leverage our presence in China by bidding for potential construction project management and commercial contracts, drawing on our rich experience and strong track record in this area. We are optimistic about the future and believe we are well positioned to capitalise on the opportunities presented to us in the changing business landscape. We will continue to focus on innovation, customer satisfaction and sustainable growth while ensuring that we maintain a solid financial position.

Finally, we would like to thank our shareholders and stakeholders for their continued support and trust in our company. We remain committed to creating value for all our stakeholders and look forward to achieving our strategic goals in the coming years. All in all, the Group expects a better outlook for 2024, both in terms of our top and bottom lines.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (**"the Board"**) of Mudajaya (or **"the Company"**) is pleased to provide an overview of the Company's corporate governance practices during the financial year ended 31 December 2023 with reference to the 3 key Principles as set out in the updated Malaysian Code on Corporate Governance 2021 (**"MCCG 2021"**) namely (a) Board leadership and effectiveness; (b) Effective audit and risk management; and (c) Integrity in corporate reporting and meaningful relationship with stakeholders. The Company's application of each Practice set out in MCCG 2021 during the financial year 2023 is disclosed in the Company's Corporate Governance Report (**"CG Report"**) which is available on the Company's website at [www.mudajaya.com](http://www.mudajaya.com) as well as via the Company's announcement made to Bursa Malaysia Securities Berhad (**"Bursa Securities"**).

The Board remains committed to high standards of corporate governance driven by the ultimate objective of protecting and enhancing shareholder value and the financial performance of the Company and its subsidiaries (**"the Group"**).

The Board recognises that maintaining good corporate governance is critical to business integrity and performance, and key to delivering shareholder value. The Board continuously evaluates and adapts existing corporate governance practices in line with other known best practices and developments in the corporate sector.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

The Board has general oversight of management of the Group. The Board provides direction to Management on the Group's strategy and overall policies for long-term value creation for all stakeholders including shareholders and employees. It endeavours to do this by taking into account the interests of all stakeholders in its decisions.

The Board is not directly involved in the day-to-day management of the Group but implements and monitors adequate guidelines and policies to ensure that Management acts in the best interest of the Group and its stakeholders, and observes and conforms to proper ethical, regulatory and legal requirements. In doing so, the Board has set limits of authority and boundaries for the actions that may be taken by Management and matters that it considers sufficiently material for its deliberation and approval.

In the interest of business efficacy, the Board may delegate authority to achieve the corporate objectives of the Group to the Executive Chairman and Group Managing Director & Chief Executive Officer (**"Group CEO"**), supported by an Executive Committee (a Management-level Committee). The Executive Chairman and Group CEO remain accountable to the Board for all actions taken by them pursuant to any such authority as well as for their performance in accordance with their contracts of service. Notwithstanding, the Board reserves the authority to consider and make decisions on any matter that it deems of significance to stakeholders and the Group. Furthermore, the Board may establish Key Performance Indicators (KPI) for Management to ensure that they meet performance and delivery targets for the Group and will provide incentives for performance, and link remuneration and benefits to performance.

The role of the Independent Directors is to take into account the interest of all shareholders and adopt an independent and objective stand on all matters before the Board. Independent Directors must vocalise their views on all matters and act in the best interest of the Group as a whole.

The Board has established Board Committees, namely the Audit Committee (**"AC"**), Combined Nomination and Remuneration Committee (**"CNRC"**), Risk Management Committee (**"RMC"**) and Investment Committee (**"IC"**) to assist the Board with specific matters within their respective terms of reference. The terms of reference of these Board Committees have been approved by the Board but are continuously evaluated to ensure that they are adequate and relevant. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast through the reports from the respective Chairmen of the Board Committees and the minutes of the Board Committee meetings. The ultimate responsibility for decision-making, however, lies with the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

### Separation of Positions of the Chairman and Group CEO

There is a clear division of responsibilities between the Executive Chairman and the Group CEO to ensure that there is a balance of power and authority such that neither individual has unfettered power over decision-making.

The Executive Chairman is primarily responsible for the vision and strategic direction of the Group as well as leadership of the Board. The Executive Chairman moderates and guides all meetings, and encourages active participation and contribution from all members of the Board. He engages directly with the Group CEO to monitor performance and oversees the implementation of strategies.

The Group CEO is responsible for the day-to-day management of the Group's operations and businesses as well as implementation of the Board's policies and decisions.

The Executive Chairman is not a member of any Board Committee in compliance with Practice 1.4 of the MCCG 2021.

### Company Secretary

The Board is supported by a suitably qualified Company Secretary who manages and directs the flow of information to the Board and its Committees. He is responsible for developing and maintaining the processes that enable the Board to fulfil his role, ensuring compliance with the Company's Constitution and the relevant guidelines, regulatory and statutory requirements, and advising the Board on all governance matters.

The Board is regularly updated and advised by the Company Secretary on new statutory and regulatory requirements, and the implications on the Group and the Directors in relation to their duties and responsibilities. The Company Secretary also oversees the adherence to Board policies and procedures.

### Board Meetings and Access to Information and Advice

Each Director has full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

The Board meets quarterly to review financial, operational and business performances, with additional meetings convened when necessary. The Board endeavours to deliberate on all important and material matters at physical/virtual meetings, however where urgent and unforeseen matters require a decision of the Board and a physical meeting is not possible, the available Directors endeavour to arrive at a consensus by conferring via telephone or other electronic means. The Board may make routine or administrative decisions via circular resolutions. In all cases, the Board decides after receiving the information it requires for an informed decision.

All Directors are provided with an agenda and a set of agenda papers at least 5 business days prior to the Board and Committee meetings to enable the Directors to review and consider the items to be deliberated at the meetings. The Directors may seek advice from Management, or request further explanation, information or updates, where necessary. Additionally, the Board may receive further updates, reports and information to ensure that it is apprised of the latest key business, financial and operational matters.

### Board Charter

The Board is guided by the Board Charter which sets out amongst others, the roles and responsibilities of the Board, Board Committees, individual Directors and Management in upholding good corporate governance standards and practices. The Board Charter also covers the composition of the Board; division of responsibilities between the Chairman and Group CEO; matters reserved for the Board's consideration and approval; procedures for convening Board meetings; Directors' remuneration and training; financial reporting; investor relations; and shareholder communication. The Board Charter is accessible in Mudajaya's website at [www.mudajaya.com](http://www.mudajaya.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

### Code of Ethics and Conduct

The Board has a formalised Code of Ethics and Conduct (“**the Code**”) which reflects Mudajaya’s vision and core values of integrity, respect, trust and openness. The Code provides clear direction on the conduct of business, workplace behaviour, relations with stakeholders and the wider community. It also includes guidance on disclosure of conflict of interests; maintaining confidentiality and disclosure of information; good practices and internal controls; compliance with relevant laws and regulations; and the duty to report where there is a breach of the Code, amongst others. The Code is made available on Mudajaya’s website at [www.mudajaya.com](http://www.mudajaya.com).

### Whistleblowing Policy & Procedure

Mudajaya has in place a Whistleblowing Policy & Procedure to provide an avenue and mechanism to all employees and stakeholders of the Group to report concerns in strict confidence, about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or other forms of inappropriate or unethical behaviour. Reports can be made anonymously without fear of retaliation or repercussions and will be treated confidentially. There is a process in place to independently investigate all reports received to ensure the appropriate follow-up actions are taken.

The Whistleblowing Policy & Procedure was revised in year 2020 for the purpose of compliance with the ISO 37001:2016 Anti-Bribery Management System (“**ABMS**”). Mudajaya obtained the ISO 37001:2016 ABMS certification on 10 June 2020. The revised Whistleblowing Policy & Procedure which was approved by the Board on 27 February 2020, is published on Mudajaya’s website at [www.mudajaya.com](http://www.mudajaya.com).

### Anti-Bribery and Corruption Policies

In compliance with the new Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and guided by the principles under the Guidelines for Adequate Procedures and Paragraph 15.29 of the Main Market Listing Requirements of Bursa Securities in relation to anti-bribery, the Board has on 27 February 2020, approved the new Anti-Bribery Policy Statement. On 28 May 2020, the Board adopted the Anti-Bribery Manual and the Anti-Bribery Objectives & Targets.

The Anti-Bribery Policy Statement, Anti-Bribery Manual and the internal policies set out the procedures and measures implemented by Mudajaya to prevent the occurrence of corruption in connection with its business and to ensure compliance with anti-corruption laws in the countries in which the Group operates. These policies serve as control measures to address and manage the risks of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Company.

The Anti-Bribery Policy Statement is published on Mudajaya’s website at [www.mudajaya.com](http://www.mudajaya.com).

### Directors’ Fit and Proper Policy

In compliance with Paragraph 15.01A of the Main Market Listing Requirements of Bursa Securities, the Board has on 27 May 2022, approved the new Directors’ Fit and Proper Policy for the appointment and re-election of directors.

The objective of the Directors’ Fit and Proper Policy is to guide the CNRC and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election at the Annual General Meeting (“**AGM**”) of the Company. This Policy also aims to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The Directors’ Fit and Proper Policy is published on Mudajaya’s website at [www.mudajaya.com](http://www.mudajaya.com).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

## Sustainability Governance

The Board together with Management are responsible for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. The Management team, led by the Group CEO is continuously enhancing the sustainability management framework and processes during the year to ensure effective implementation and execution of the environmental, social and governance ("ESG") initiatives.

Mudajaya has a sustainability governance structure that clearly defines the roles and responsibilities of those within the organisation who will be facilitating the development and implementation of sustainable policies and procedures.

The Sustainability Steering Committee ("SSC") which was formed in 2021, is responsible for carrying out sustainability programmes and assessing the results of these initiatives. On a day-to-day operational perspective, the SSC is supported by selected executives across departments to implement sustainability initiatives and report progress to the SSC. The Group CEO who chairs the SSC during the year, is tasked to drive the sustainability strategy from an executive level, ensuring that sustainability initiatives are carried out in accordance with their respective objectives and timeframe.

To ensure the long-term expectations of stakeholders are met, Mudajaya continues to monitor its sustainability priorities, including taking the necessary actions to minimise the environmental impact. The senior leadership team is accountable for embedding sustainability initiatives and targets throughout business operations and overseeing the execution.

## II. BOARD COMPOSITION

As at the date of this Statement, the Board has 4 members, comprising the Executive Chairman, Independent Non-Executive Deputy Chairman and 2 Independent Non-Executive Directors. A majority of the Board members consists of Independent Non-Executive Directors, who account for more than half of the members and this allows for more effective oversight of management. The Board composition also complies with Paragraph 15.02(1)(a) of the Main Market Listing Requirements of Bursa Securities, which states that at least 2 directors or one-third of the Board members, whichever is higher, are Independent Directors.

Ms Oei Su Lee as an Independent Non-Executive Director of the Company in compliance with Paragraph 15.02(1)(b) of the Main Market Listing Requirements of Bursa Securities, which states that at least one Director on the Board must be a woman.

The Board has an appropriate mix of relevant skills, knowledge and experience in the areas of business, accounting, finance, economics, construction, engineering, real estate investment and property development, of which are skill sets relevant to the Group. A brief profile of each Director is set out under the Directors' Profile section of this Annual Report.

The composition of Directors during the financial year provides the appropriate size, diversity and balance of expertise, skills and core competencies among the Directors, which are necessary to lead the Group effectively. The Independent Directors provide independent judgement, objectivity, and check and balance on the Board.

## CNRC

The CNRC comprises all Independent Non-Executive Directors. In conformity with MCGG 2021, the CNRC is chaired by an Independent Non-Executive Deputy Chairman, Dato' Amin Rafie Bin Othman.

The CNRC has written terms of reference dealing with its authority, duties and responsibilities, which is accessible in Mudajaya's website at [www.mudajaya.com](http://www.mudajaya.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

The activities of the CNRC during the financial year are summarised as follows:-

- (a) Reviewed the evaluation results of the Board and Board Committees, and independence assessment of the Independent Directors.
- (b) Reviewed the results of the Director's Self & Peer Evaluation and mix of skills, competencies and experience of Directors.
- (c) Reviewed the term of office, competency and performance of the AC and its members.
- (d) Reviewed the evaluation results of the performance and contribution of the Group CEO.
- (e) Reviewed and recommended the re-election of Directors for shareholders' approval at the 2023 AGM.
- (f) Reviewed the training programmes attended by the Directors and assessed the training needs of Directors.
- (g) Reviewed and recommended for the Board's approval, the offer of employment contract for the Group CEO.

The CNRC reports its proceedings and recommendations to the Board for its consideration and approval.

### Appointment of New Directors to the Board

The CNRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous, and that appointments are based on merit. The CNRC is guided by the Directors' Fit and Proper Policy in evaluating the suitability of individuals for appointment as new Directors. The CNRC ensures that the Board comprises individuals with the necessary background, skills, knowledge, experience and competencies to complement the existing Board and meet its future needs.

A proposed candidate is first considered by the CNRC which takes into account, among others, the skills, knowledge, experience, competence, integrity and time commitment of the candidate, before making a recommendation to the Board for approval. A formal procedure and process has been established for the nomination and appointment of new Directors. The process includes conducting an interview or engagement session with the shortlisted candidate, if necessary. Candidates could be sourced through the recommendation of existing Directors, senior management, shareholders, external registries of corporate directors, internal database of potential candidates, third party referrals or from executive search firms.

Diversity of gender, ethnicity and age within the Board is also important, and this includes appropriate mix of skills, experience and competencies which are relevant to enhance the Board's composition. The Board recognises that the evolution of this mix is a long-term process that is deliberated each time a vacancy arises to ensure a balanced and diverse Board composition is maintained.

The Board does not have a specific policy on gender diversity but the CNRC is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes gender diversity pursuant to the recommendation stated in MCCG 2021. The CNRC will endeavour to consider both suitable male and women candidates, and candidates of all ethnicities in the recruitment exercise, when the need arises. The Board has one female member, Ms Oei Su Lee, who makes up 25% of the Board as at the date of this Statement.

### Tenure of Independent Directors and Annual Assessment of Independence

The Board acknowledges the importance of Independent Directors who are tasked with ensuring that there is a proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision making of the Board, taking into account the interests of the Group and the minority shareholders.

In its annual assessment, the CNRC reviewed the independence of Independent Directors. Based on the assessment, the Board is of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations and is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

### Re-election of Directors

The Company's Constitution provides that one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office at each AGM. Each Director shall retire once at least in each 3 years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment. As for Directors who are appointed by the Board during the year, they are subject to re-election at the next AGM following their appointment.

The performance of those Directors who are subject to re-election at the AGM will be subject to assessment conducted by the CNRC, whereupon the CNRC's recommendations are made to the Board on the proposed re-election of the Directors concerned for shareholders' approval at the AGM. The re-election of each Director is voted as a separate resolution during the AGM.

### Annual Evaluation of Directors

The Board annually evaluates its performance and governance processes with the aim of improving individual Director's contributions, and effectiveness of the Board and its Committees.

During the financial year, a Board evaluation exercise was carried out to assess the performance and effectiveness of the Board, Board Committees and the contribution of each Director based on a set of pre-determined criteria.

The CNRC reviewed the overall results of the evaluations conducted and subsequently tabled the same to the Board and highlighted those areas which required further and continuous improvement.

### Time Commitment

During the financial year, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board and Board Committees' meetings held.

To facilitate the Directors' time planning, a schedule of meetings comprising the dates of Board and Board Committees' meetings and AGM, would be prepared and circulated to them at the end of every year.

A total of 5 Board meetings were held during the financial year ended 31 December 2023 and the record of attendance of the Directors is as follows:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Mr. James Wong Tet Foh	5/5	100%
Dato' Amin Rafie Bin Othman	5/5	100%
Chew Hoy Ping	5/5	100%
Oei Su Lee	5/5	100%
Lee Eng Leong ( <i>Resigned on 1 April 2024</i> )	5/5	100%

All the Directors have complied with the minimum requirement of at least 50% on attendance of Board meetings during the financial year as stipulated in the Main Market Listing Requirements of Bursa Securities.

In compliance with Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities, the Directors of the Company hold not more than 5 directorships in public listed companies. This enables them to discharge their duties effectively by ensuring that their commitment, resources and time are focused on the affairs of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

### Directors' Training, Development and Induction

The Board acknowledges that continuous education is vital to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the skills and knowledge in discharging its responsibilities.

All the Directors, apart from attending the Mandatory Accreditation Programme as required by Bursa Securities, have also attended other training programmes organised by the relevant regulatory authorities or professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment. The Directors are mindful that they should continue to update their skills and knowledge to sustain their active participation in Board deliberations and maximise their effectiveness during their tenure.

The Directors have ongoing access to continuing education programmes as they are kept informed of relevant training programmes by the Company Secretary. The records of all training programmes attended by the Directors are maintained by the Company Secretary.

Annually, the Board (through the CNRC) reviewed the training programmes attended by the Directors and assessed the training needs of its members to assist them in the discharge of their duties as Directors. Details of the training programmes (eg. conferences, workshops, seminars and webinars) attended by the Directors during the financial year ended 31 December 2023 are as follows:-

Name of Directors	Training Programmes Attended	Organiser	Date
<b>Dato' Amin Rafie Bin Othman</b>	1) Mandatory Accreditation Programme Part II; Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	4 & 5 December 2023
	2) Anti-Bribery Management Systems: Refresher Briefing	Mudajaya Group Berhad	1 December 2023
<b>Lee Eng Leong</b> <i>(Resigned on 1 April 2024)</i>	1) MIA Conference 2023	Malaysian Institute of Accountants	13 & 14 June 2023
	2) Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	Bursa Malaysia	17 August 2023
	3) Sustainability Governance and Reporting	Malaysian Institute of Corporate Governance	24 August 2023
	4) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	13 & 14 December 2023

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

Name of Directors	Training Programmes Attended	Organiser	Date
<b>Ir. James Wong Tet Foh</b>	1) Social Sustainability Towards a Just Transition	Asian Institute of Chartered Bankers	17 January 2023
	2) Embracing Sustainability in Construction & Real Estate	YTL Cement Berhad	23 June 2023
	3) Sustainability in Concrete Construction: Materials and Practices for Sustainability in Concrete Construction	YTL Corporation Berhad	14 July 2023
	4) Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	Bursa Malaysia	17 August 2023
	5) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	22 & 23 August 2023
	6) The Cooler Earth Sustainability Summit	CIMB Group	11&12 September 2023
	7) MARC Malaysian Bond & Sukuk Conference 2023: Sustainable Transition to a Greener Economy	MARC Ratings Bhd	29 November 2023
	8) Anti-Bribery Management Systems: Refresher Briefing	Mudajaya Group Berhad	30 November 2023
<b>Chew Hoy Ping</b>	1) Preventing Sexual Harassment	Carlsberg Group	1 March 2023
	2) IFRS S1: General Requirements for Sustainability-related Disclosures	International Financial Reporting Standards	13 July 2023
	3) IFRS S2: Climate-related Disclosures	International Financial Reporting Standards	18 July 2023
	4) Beyond Box-Ticking: Essentials for Effective Remuneration Committees	Asia School of Business	7 August 2023
	5) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	4 to 7 September 2023
	6) KPMG Board Leadership: Navigating AI Governance & ESG Reporting	KPMG	17 October 2023
	7) Audit Oversight Board's Conversation with Audit Committees	Securities Commission	27 November 2023
	8) Climate Change & Carbon Footprint – Getting the Right Financial Risk & Reporting Perspectives	Institute of Corporate Directors Malaysia	1 December 2023

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

Name of Directors	Training Programmes Attended	Organiser	Date
<b>Chew Hoy Ping</b> (cont'd)	9) Anti-Bribery Management Systems: Refresher Briefing	Mudajaya Group Berhad	1 December 2023
	10) National Budget Webinar	KPMG	12 December 2023
<b>Oei Su Lee</b>	1) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	4 to 7 September 2023
	2) Sustainability or ESG Committees – How to structure your board	Australian Institute of Company Directors	1 November 2023
	3) Anti-Bribery Management Systems: Refresher Briefing	Mudajaya Group Berhad	1 December 2023

### III. REMUNERATION

#### Remuneration Policies and Procedures

The objective of Mudajaya's remuneration policies is to attract and retain Directors and key senior management of high calibre needed to run the Company successfully. The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects their experience, expertise and level of responsibilities undertaken by the Non-Executive Directors concerned.

Market survey data on the remuneration practices of comparable companies is taken into consideration in determining the remuneration packages for the Directors and key senior management.

#### CNRC

The role of the CNRC is to assist the Board in overseeing the remuneration policies of the Group. The CNRC is authorised to commission independent advice for the purpose of discharging its duties and responsibilities.

During the financial year, the CNRC evaluated the Executive Chairman and Group CEO against the set performance criteria, and reviewed and recommended their compensation packages for the Board's approval, with the Directors concerned abstaining from deliberation and voting on the same.

The Board collectively determined the remuneration for the Non-Executive Directors based on the recommendation from the CNRC. Each of the Non-Executive Directors abstained from deliberating and voting in respect to his individual remuneration. Directors' fees and benefits payable to the Non-Executive Directors are subject to the approval of shareholders at the AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

### Details of Directors' Remuneration

Details of remunerations of the Directors of Mudajaya (received from the Company and on a group basis respectively) for the financial year ended 31 December 2023 are as follows:

Name of Directors	Directors' Fees RM'000	Salaries RM'000	Defined Contribution Plan RM'000	Fixed Allowances RM'000	Meeting Attendance Allowances RM'000	Benefits-in-kind RM'000	Total RM'000
<b>Executive Directors</b>							
Lee Eng Leong (Resigned on 1 Apr 2024)	-	713	86	-	-	-	799
Ir. James Wong Tet Foh	-	583	23	-	-	-	606
<b>Non-Executive Directors</b>							
Dato' Amin Rafie Bin Othman	80	-	-	66	17	-	163
Chew Hoy Ping	80	-	-	46	18	-	144
Oei Su Lee	80	-	-	6	18	-	104
<b>Received from the Company</b>	<b>240</b>	<b>1,296</b>	<b>109</b>	<b>118</b>	<b>53</b>	<b>-</b>	<b>1,816</b>
<b>Executive Directors</b>							
Lee Eng Leong (Resigned on 1 Apr 2024)	-	583	70	-	-	31	684
Ir. James Wong Tet Foh	-	713	29	-	-	33	775
<b>Received from a subsidiary</b>	<b>-</b>	<b>1,296</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>64</b>	<b>1,459</b>
<b>Total Group</b>	<b>240</b>	<b>2,592</b>	<b>208</b>	<b>118</b>	<b>53</b>	<b>64</b>	<b>3,275</b>

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AC

The Board is assisted by the AC in governing its oversight of the Group's financial reporting, as well as the quality and integrity of its financial reporting. The quarterly results and audited financial statements are reviewed by the AC and the external auditors (for audited financial statements) and approved by the Board before being released to Bursa Securities.

The AC comprises 3 members, all of whom are Independent Non-Executive Directors. The AC is chaired by Mr Chew Hoy Ping, the Senior Independent Non-Executive Director, who is not the Chairman of the Board. All members of the AC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the AC. They also have sufficient understanding of the Company's businesses.

During the financial year, the Board reviewed the term of office and assessed the performance of the AC and its members through the annual evaluation exercise. The Board was satisfied with the performance of the AC in discharging its duties and responsibilities in accordance with its terms of reference.

In 2023, the AC members had attended training programmes to keep themselves abreast of the latest developments in accounting/auditing, risk management, regulatory requirements, sustainability and corporate governance.

The AC Report as set out in this Annual Report, provides the details of the AC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Sound Framework to Manage Risks

The Board has the ultimate responsibility of approving the risk management framework and policy as well as overseeing the Group's risk management and internal control framework.

Mudajaya has in place an ongoing process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The Board through oversight of the RMC and reports received from this Committee, makes high level assessments of the key risks inherent in the Group and proposes or endorses mitigating measures for any identified risks, including business disruption risks and investment risks.

The Statement on Risk Management and Internal Control as set out in this Annual Report, provides an overview of the state of internal controls and risk management within the Group.

#### Internal Audit and Risk Management Functions

The Board has the ultimate responsibility for the Group's system of internal controls which includes the establishment of an appropriate control environment and framework, and the review of its effectiveness, adequacy and integrity. A sound system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable rather than absolute assurance against material misstatement, loss or fraud.

The Board has established procedures to review the key financial, operational and compliance controls. These procedures, which are subject to regular review, provide an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The Group has an established internal audit function performed in-house by the Group Internal Audit & Risk Management Department, which reports directly to the AC. Its main role is to undertake regular reviews of the Group's systems of controls, procedures and operations so as to provide independent and objective assurance to the AC regarding the adequacy and effectiveness of internal control, risk management and governance systems.

The AC Report as set out in this Annual Report, outlines the details of the activities of the internal audit function.

#### Directors' Responsibilities Statement in respect of the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements which are in accordance with applicable approved accounting standards and give a true and fair view of the financial position of the Company and the Group at the end of the financial year, as well as of the financial performance and cash flows of the Company and the Group for the financial year.

In preparing the financial statements, the Directors have:

- (a) ensured that the financial statements are in accordance with the provisions of the Companies Act 2016, the applicable financial reporting standards and the Main Market Listing Requirements of Bursa Securities;
- (b) adopted the appropriate accounting policies and applied them consistently; and
- (c) made judgements and estimates that are prudent and reasonable.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Company and the Group which enable them to ensure that the financial statements comply with the relevant statutory requirements.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

### I. ENGAGEMENT WITH STAKEHOLDERS

#### Periodic and Continuous Disclosure

The Board acknowledges the need for shareholders and other stakeholders to be informed of all material matters affecting the business and performance of the Company. Announcements to Bursa Securities are made on developments or events significantly affecting the Group. Financial results are released on a quarterly basis to provide shareholders and other stakeholders with a regular overview of the Group's performance. All announcements made by the Company to Bursa Securities are also available to shareholders and the market on the Investor Relations section of Mudajaya's website.

The Company also arranges press interviews and briefings, and releases press announcements to provide information on the Group's business activities, performance and major developments, as and when necessary.

#### Company Website

The Company's website, [www.mudajaya.com](http://www.mudajaya.com) provides detailed information on the Group's businesses, projects and latest development, as well as the profiles of the Board and senior management. The website has a dedicated section on investor relations and corporate governance which contains announcements to Bursa Securities, quarterly financial results and annual reports, among others.

#### Shareholders and Investors Queries

Whilst the Company aims to provide sufficient information to shareholders and investors about Mudajaya and its activities, it also recognises that shareholders and investors may have specific queries and require additional information.

To ensure that shareholders and investors can obtain all relevant information about the Group, they are encouraged to direct their queries to:

Investor Relations  
Mudajaya Group Berhad  
PH1, Menara Mudajaya  
No. 12A, Jalan PJU 7/3  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Tel No: (603) 7806 7899  
Email : [info@mudajaya.com](mailto:info@mudajaya.com)

### II. CONDUCT OF GENERAL MEETINGS

#### Encourage Shareholder Participation at General Meetings

General meetings represent the principal forum for dialogue and interaction with shareholders. The Board fully recognises the rights of shareholders and encourages them to exercise their rights at the AGM.

The Company conducted a virtual AGM on 15 June 2023 from the broadcast venue by leveraging technology in accordance with Section 327 of the Companies Act 2016 and the Securities Commission's 'Guidance and FAQs on the Conduct of General Meetings for Listed Issuers'. The AGM was conducted through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by the Company's share registrar, Boardroom Share Registrars Sdn Bhd.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

The Notice of AGM with sufficient information of businesses to be dealt with thereat, together with the Proxy Form, Administrative Guide for AGM and Request Form (for printed copy of Annual Report and Share Buy-Back Statement), were sent to shareholders more than 28 days ahead of the meeting date. The Notice of AGM was published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. In addition, the Notice of AGM, Proxy Form, Administrative Guide and Request Form were posted on the websites of Mudajaya and Bursa Securities.

Each item of the ordinary and special businesses included in the Notice of AGM was accompanied by an explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved.

The minutes of the AGM (including the questions raised at the AGM and the answers thereto) were made available on Mudajaya's website.

### Effective Communication and Proactive Engagements with Shareholders

At the general meeting, shareholders have direct access to the Board and senior management, and they are encouraged to participate in the question and answer session. To further encourage engagement between the Directors and shareholders, shareholders were also invited to submit questions before the AGM to Boardroom Smart Investor Portal in relation to the agenda items of the AGM. Questions that were submitted prior to the AGM were addressed during the AGM.

At the said AGM, the Group CEO presented an overview of the Group's performance, impacts of the COVID-19 pandemic and future strategies for the Group. The Group CEO also shared with the shareholders/proxies, the Company's responses to questions submitted by the Minority Shareholder Watchdog Group prior to the AGM.

During the AGM, shareholders and proxies were encouraged to pose their questions using the message icon via the RPV facilities and the questions posed by shareholders were made visible to all meeting participants. The Chairman and Group CEO responded to all the questions raised by the shareholders and proxies. At the AGM, the external auditors, Deloitte PLT were in attendance to answer questions on the audited financial statements.

### Electronic Poll Voting

All the Company's shareholders are entitled to appoint proxy/proxies or corporate representatives to vote on their behalf in their absence at general meetings.

To strengthen transparency and efficiency in the voting process, the Company adopted electronic poll voting at the AGM in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. An independent scrutineer for the electronic poll voting process was appointed to verify the votes. The Chairman then announced the poll results which were also displayed on the screen and declared that all the resolutions were carried. Subsequently, the poll results were announced to Bursa Securities via Bursa LINK on the same day for the benefit of all shareholders.

**This Corporate Governance Overview Statement together with the CG Report were approved by the Board on 26 April 2024.**

## ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Securities:

### 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 December 2023.

### 2. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid/payable to the external auditors for services rendered to the Company and/or its subsidiaries for the financial year ended 31 December 2023 are as follows:-

	Group RM'000	Company RM'000
<b>Audit fees</b>		
- Auditors of the Company	1,701	296
- Other auditors	53	-
<b>Subtotal:</b>	<b>1,754</b>	<b>296</b>
<b>Non-audit fees</b>		
- Auditors of the Company	15	15
Subtotal:	15	15
<b>Total:</b>	<b>1,769</b>	<b>311</b>

### 3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interest of directors or major shareholders during the financial year ended 31 December 2023.

## AUDIT COMMITTEE REPORT

### CONSTITUTION AND COMPOSITION

The Audit Committee (“AC”) comprises 3 members, all of whom are Independent Non-Executive Directors and none of them is an alternate director. The members are as follows:-

1. Chew Hoy Ping (Chairman)  
(Senior Independent Non-Executive Director)
2. Dato’ Amin Rafie Bin Othman (Member)  
(Independent Non-Executive Director)
3. Oei Su Lee (Member)  
(Independent Non-Executive Director)

All members of the AC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the AC. In particular, the AC Chairman, Mr Chew Hoy Ping is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants, as required under Chapter 15, Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). Mr Chew Hoy Ping being the AC Chairman, is also an Independent Non-Executive Director, as required under Chapter 15, Paragraph 15.10 of the Main Market Listing Requirements of Bursa Securities.

The Board has reviewed the term of office of the AC and conducted an annual assessment of the composition, performance and effectiveness of the AC and its members based on the recommendations of the Combined Nomination and Remuneration Committee. The Board is satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the AC’s terms of reference, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

The profile of each member of the AC is set out in the Directors’ Profile section of this Annual Report.

### TERMS OF REFERENCE

The AC’s terms of reference (in line with the updated Malaysian Code on Corporate Governance (“**MCCG**”) 2021), which outline the AC’s composition, meetings and minutes, authority as well as duties and responsibilities are published on Mudajaya’s website at <http://www.mudajaya.com>.

### MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2023, the AC held 6 meetings. The details of attendance of the AC members are as follows:-

Name of AC Members	Number of Meetings Attended
Chew Hoy Ping	6/6
Dato’ Amin Rafie Bin Othman	6/6
Oei Su Lee	6/6

The Group Managing Director & Chief Executive Officer, Head of Internal Audit & Risk Management Department (“**IARMD**”) and the Finance team were invited to attend the meetings for the purpose of briefing the AC on the activities involving their areas of responsibilities.

The external auditors were present at 3 of the meetings held. The AC also met with the external auditors without the presence of the executive board members and Management at 2 of those meetings.

The AC Chairman would brief the Board on the proceedings of each AC meeting. Minutes of each AC meeting were also tabled for confirmation at the following AC meeting and subsequently tabled to the Board for notation.

# AUDIT COMMITTEE REPORT

(CONTINUED)

## SUMMARY OF ACTIVITIES OF THE AC

During the financial year up to the issuance date of this Annual Report, the AC carried out its activities in line with the AC's terms of reference, which are summarised as follows:-

### 1. Financial Reporting

- Reviewed and discussed with Management, the financial and cash flow reports of the Company and the Group at the AC meetings held on 27 February 2023, 26 May 2023, 28 August 2023, 28 November 2023 and 23 February 2024. The financial and cash flow reports were also tabled to the Board for notation.
- Reviewed the quarterly financial results for the 4th quarter of 2022 and the annual audited financial statements of 2022 for recommendation to the Board for approval and release to Bursa Securities, at the AC meetings held on 27 February 2023 and 7 April 2023 respectively.
- Reviewed the quarterly financial results for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2023, and the annual audited financial statements of 2023 for recommendation to the Board for approval and release to Bursa Securities, focusing particularly on:
  - o compliance with accounting and financial reporting standards, legal and other regulatory requirements;
  - o changes in or adoption of accounting policies and practices changes;
  - o significant matters including financial reporting issues, significant judgements made by Management, as well as significant and unusual events or transactions;
  - o the outlook and prospects of the Group;
  - o cash flow, financing and going concern assumptions; and
  - o significant audit issues and adjustments arising from audit

at the AC meetings held on 26 May 2023, 28 August 2023, 28 November 2023, 23 February 2024 and 16 April 2024 respectively.

### 2. Annual Report Requirements

- Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2022 Annual Report, at the AC meeting held on 27 February 2023.
- The AC was informed that the external auditors had reviewed the Statement on Risk Management and Internal Control to ensure that the disclosures were in compliance with the requirements under paragraphs 41 & 42 of the *Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers* ("**Guidelines**").
- Reviewed and approved the AC Report for inclusion in the 2022 Annual Report, at the AC meeting held on 7 April 2023.
- Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement and Notice of AGM for inclusion in the 2022 Annual Report, as well as the CG Report for submission to Bursa Securities at the AC meeting held on 7 April 2023.
- Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report, at the AC meeting held on 16 April 2024.

The AC was informed that the external auditors had reviewed the Statement on Risk Management and Internal Control to ensure that the disclosures were in compliance with the Guidelines.

- Reviewed and approved the AC Report for inclusion in the 2023 Annual Report, at the AC meeting held on 16 April 2024.

## AUDIT COMMITTEE REPORT

(CONTINUED)

- Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement, Sustainability Statement and Notice of AGM for inclusion in the 2023 Annual Report, as well as the CG Report for submission to Bursa Securities at the AC meeting held on 16 April 2024.

### 3. Internal Audit

- Reviewed the internal audit reports presented by the IARMD that detailed the audit findings and recommended corrective actions, as well as Management's responses and action plans in addressing the identified risks and internal control deficiencies, at the AC meetings held on 27 February 2023, 26 May 2023, 28 August 2023 and 28 November 2023. A total of 10 audit engagements were completed in 2023.

Risk-based audits were performed on selected business units within the Group based on the approved internal audit plan and those requested by Management. The audit areas which were covered included amongst others, project management, project cost management, pre and post contracts system, purchasing processes, power plant and construction projects, precast operations, review of payments, and ISO management system and procedures.

At each AC meeting, the IARMD provided an update on audit activities and the status of implementation of prior quarter audit report recommendations until they were fully implemented. Where appropriate, the AC was also apprised of key initiatives and continuous improvement activities being undertaken by the IARMD.

- Reviewed and discussed the status report on Anti-Bribery Management System ("**ABMS**"), at the AC meetings held on 27 February 2023, 26 May 2023, 28 August 2023 and 28 November 2023.
- Reviewed and approved the risk-based 3-years internal audit plan for 2024-2026, at the AC meeting held on 28 November 2023. The areas which were covered in the audit plan included construction and property projects, concession assets, precast, China division, central purchasing, payment process, enterprise risk management, ISO and ABMS.

### 4. External Audit

- Reviewed with the external auditors, the audit report, issues, reservations and Management responses arising from their audit of the financial statements for the year ended 31 December 2022, at the AC meeting held on 27 February 2023.

The external auditors briefed the AC among others, on the audit status and outstanding matters, audit focus areas (i.e. key audit matters and other significant audit matters) and audit findings in relation to the financial statements for the year ended 31 December 2022. At the same meeting, the external auditors confirmed that they have been independent throughout the conduct of the audit engagement 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 ("**IESBA Code**"), and they have fulfilled other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

- Reviewed with the external auditors on 27 February 2023, 28 November 2023 and 23 February 2024 without the presence of the executive board members and Management, the extent of assistance rendered by Management and issues arising from their audit. The AC was satisfied with the openness in communication and interaction with the engagement partner and his team, which demonstrated their independence and professionalism.

In addition, the Chairman and members of the AC periodically held informal discussions with the engagement partner of the external auditors to ensure audit issues were addressed on a timely basis.

## AUDIT COMMITTEE REPORT

(CONTINUED)

- In February 2023, the AC undertook an assessment of the suitability and independence of the external auditors for their re-appointment as Auditors of the Company at the 2023 AGM, which included a structured evaluation questionnaire completed by each member of the AC. The questionnaires which are used as an assessment tool, are based on a 4-scale rating or 'Yes' and 'No' answer, whichever is applicable for each question. The areas which were covered in the assessment encompassed the external auditors' performance in terms of skills, expertise and competencies, calibre of the external audit firm, independence and objectivity, audit scope and planning, reasonableness of audit fees, provision of non-audit services and quality of communications with the AC. This annual evaluation provides the AC with a disciplined approach for maintaining effective oversight of the external auditors' performance.

The AC reviewed the external auditors' performance having regard to factors such as the audit firm's service quality, adequacy of experience, technical competency, reasonableness of fees and provision of non-audit services, and was satisfied with the overall performance. The evaluation results were tabled at the AC meeting held on 27 February 2023. The external auditors have also provided written confirmation on their independence in accordance with the terms of the relevant professional and regulatory requirements. The AC was satisfied with the suitability and independence of the external auditors and thereby recommended to the Board for their re-appointment at the AGM of the Company.

The Board at its meeting held on 28 February 2023, approved the AC's recommendation for the re-appointment of external auditors, subject to the shareholders' approval being sought at the AGM of the Company. The shareholders had duly approved the re-appointment of external auditors at the AGM held on 15 June 2023.

- Reviewed the proposed audit and non-audit fees of the external auditors for the financial year ended 31 December 2022, at the AC meeting held on 27 February 2023.

The non-audit service was for the review of the Statement on Risk Management and Internal Control. The amount of non-audit fees was not significant as compared to the amount of audit fees. In this respect, the AC was satisfied that the provision of non-audit services by the external auditors did not impair their objectivity and independence as external auditors.

- Reviewed with the external auditors on 7 April 2023, the annual audited financial statements including the Independent Auditors' Report for the financial year ended 31 December 2022, where relevant disclosures in the annual audited financial statements were deliberated.
- Reviewed with the external auditors, their audit plan, scope of audit, audit timeline and audit focus areas (i.e. key audit matters and other significant audit matters) in relation to the audit of the financial statements for the year ended 31 December 2023, at the AC meeting held on 28 November 2023.

At the same meeting, the external auditors confirmed that they have been independent throughout the conduct of the audit engagement in accordance with the By-Laws and the IESBA Code, and they have fulfilled other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

- Reviewed with the external auditors, the audit report, issues, outstanding matters, audit focus areas, audit findings and conclusions, as well as Management responses arising from their audit of the financial statements for the year ended 31 December 2023, at the AC meeting held on 23 February 2024.

The external auditors briefed the AC among others, on the audit status and outstanding matters, audit focus areas (i.e. key audit matters and other significant audit matters) and audit findings.

Pursuant to the new and revised Auditor Reporting Standards which took effect from 16 December 2016, the AC reviewed the key audit matter raised by the external auditors and ensured that adequate work had been done to support the audit conclusions and overall impact on the financial statements. Revenue recognition from construction contracts (as disclosed in the Independent Auditors' Report contained in the Audited Financial Statements) was identified as a key audit matter in view that the revenue was recognised using over time method. The stage of completion was measured based on actual costs incurred to date as a percentage of the estimated total costs of the contract. The budgeted contract costs involved significant judgement and estimation that may result in management bias.

## AUDIT COMMITTEE REPORT

(CONTINUED)

- In February 2024, the AC assessed the suitability and independence of the external auditors for their re-appointment as Auditors of the Company at the forthcoming 2024 AGM, via the same assessment tool as described above. In its assessment, the AC also considered the information in the external auditors' Transparency Report with reference to Guidance 9.3 of MCCG 2021. The evaluation results were tabled at the AC meeting held on 23 February 2024, and the AC was satisfied with the suitability and independence of the external auditors and thereby recommended to the Board for their re-appointment at the forthcoming AGM of the Company. The external auditors have also provided written confirmation on their independence in accordance with the terms of the relevant professional and regulatory requirements.

The Board at its meeting held on 27 February 2024, approved the AC's recommendation based on the evaluation results, for the re-appointment of external auditors, subject to the shareholders' approval being sought at the forthcoming AGM of the Company.

- Reviewed and recommended to the Board for approval, the audit and non-audit fees of the external auditors for the financial year ended 31 December 2023, at the AC meeting held on 23 February 2024.

The non-audit service comprised the review of the Statement on Risk Management and Internal Control. The amount of non-audit fees was not significant as compared to the amount of audit fees. In this respect, the AC was satisfied that the provision of non-audit services by the external auditors did not impair their objectivity and independence as external auditors.

- Reviewed with the external auditors on 16 April 2024, the annual audited financial statements including the Independent Auditors' Report for the financial year ended 31 December 2023, where relevant disclosures in the annual audited financial statements were deliberated.

### 5. Risk Management

- Reviewed the half-yearly enterprise risk management reports submitted to the Risk Management Committee, and the appropriateness of Management's responses to significant risk areas and proposed recommendations for mitigation. These risk management reports were tabled to the Board for notation.
- Assessed the adequacy and effectiveness of the risk management and internal control system.

### 6. Related Party Transactions

- Reviewed the related party transactions entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms, at the AC meetings held on 27 February 2023, 26 May 2023, 28 August 2023, 28 November 2023 and 23 February 2024.

### 7. Other Matters

- Reported to the Board at its quarterly meetings on significant issues and concerns discussed during the AC meetings together with applicable recommendations. Minutes of the AC meetings were tabled and noted by the Board.
- The Chairman and members of the AC have held informal sessions and interactions with Management throughout the year which were aimed at obtaining a better understanding of business operations and risks related issues, and the resolution of issues.
- The AC has the responsibility in overseeing the implementation and monitoring of the Whistleblowing Policy & Procedure and ensuring effective administration thereof. The IARMD reported that there was no complaint received during the financial year 2023 up to the issuance date of this Annual Report.

## AUDIT COMMITTEE REPORT

(CONTINUED)

### INTERNAL AUDIT AND RISK MANAGEMENT FUNCTIONS

The Group has an established independent internal audit function performed in-house by the IARMD, which reports directly to the AC.

As at 31 December 2023, IARMD had one employee who subsequently left the company and for whom a replacement is being found.

The main role of the IARMD is to undertake regular reviews of the Group's systems of controls, procedures and operations so as to provide independent and objective assurance to the AC regarding the adequacy and effectiveness of internal control, risk management and governance systems.

The IARMD adopts a risk-based approach as guided by the Institute of Internal Auditors' International Standards for Professional Practice of Internal Auditing, in developing the annual internal audit plan for approval by the AC. The IARMD is guided by the Internal Audit Charter on their authority, duties and responsibilities.

The AC reviews the quarterly internal audit reports from IARMD based on the approved audit plan on the effectiveness and adequacy of the governance, risk management, operational and compliance processes. Follow-up reviews on a quarterly basis were also undertaken to ascertain the status of implementation of prior quarter audit recommendations, the results of which were reported to the AC.

Apart from the aforesaid internal audit mandate, the IARMD is also responsible for facilitating and assisting Management in maintaining a structured risk management framework to identify, evaluate and manage the significant risks facing the Group. The IARMD submits semi-annual reports on enterprise risk management for the Group to the Risk Management Committee for review and deliberation.

The IARMD's scope of responsibilities extends to all business and operational units within the Group. In fulfilling its mandate, the IARMD conducted the following activities during the financial year up to the issuance date of this Annual Report:

- (a) Performed and completed 10 audits on selected business units within the Group based on the approved internal audit plan and Management's request. The audit areas which were covered included project management, project cost management, pre and post contracts system, purchasing processes, power plant and construction projects, precast operations, review of payments, and ISO management system and procedures.
- (b) Tabled to the AC at its quarterly meetings, the audit reports for the above audits incorporating the audit findings, audit recommendations and Management responses. Follow-up audit was conducted and the status of implementation on the agreed action plans was reported to the AC.
- (c) Prepared the half-yearly enterprise risk management reports submitted to the Risk Management Committee, and the appropriateness of Management's responses to significant risk areas and proposed recommendations for mitigation.
- (d) Prepared and tabled the Statement on Risk Management and Internal Control for inclusion in the 2022 Annual Report, at the AC meeting held on 7 April 2023.
- (e) Prepared and tabled the status report on ABMS, at the AC meetings held on 27 February 2023, 26 May 2023, 28 August 2023 and 28 November 2023.

## AUDIT COMMITTEE REPORT

(CONTINUED)

- (f) Prepared and tabled for the AC's approval, the risk-based 3-years internal audit plan for 2024-2026, at the AC meeting held on 28 November 2023. The areas which were covered in the audit plan included construction and property projects, concession assets, precast, China division, central purchasing, payment process, enterprise risk management, ISO and ABMS.
- (g) Prepared and tabled the Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report, at the AC meeting held on 16 April 2024.

In February 2023, the AC carried out an evaluation of the effectiveness of the internal audit function in respect of financial year 2022. The appraisal covered the adequacy of IARMD's scope, its functions, resources, authority and independence, as well as the competency of internal audit staff. The results of the evaluation were tabled at the AC meeting held on 27 February 2023. Overall, the AC was satisfied with the performance of the IARMD. Certain areas which required improvement were also highlighted.

In February 2024, the AC also undertook an evaluation of the effectiveness of the internal audit function for financial year 2023, which covered the areas mentioned above. The results of the evaluation were tabled at the AC meeting held on 23 February 2024. The AC was satisfied with the performance of the IARMD.

The costs incurred by IARMD in discharging its functions and responsibilities during the financial year ended 31 December 2023 amounted to RM198,500.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control pursuant to Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities and the recommendations of MCCG 2021 with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing and maintaining an adequate and effective risk management framework and internal control system which has been included in all aspects of the activities and operations of the Group. This framework has been set in place by the Board to identify, evaluate, mitigate and monitor the risks faced by the Group.

The Board together with senior management continually reviews the adequacy and effectiveness of the risk management framework and internal control system to manage the Groups' principal and relevant risks within its risk appetite and tolerances.

The Board recognises that the framework is designed to mitigate rather than to eliminate risks or events which may significantly impact the achievement of the Group's business objectives and strategies. Accordingly, such systems can only provide reasonable but not absolute assurance against any material misstatement, loss or fraud.

The Group does not include material joint ventures and associates as the Group does not have management control over them. The Group ensures that the investments are protected by Board representation in these investments. Notwithstanding this, Management oversees and monitors the administration, operations and performance of these material joint ventures and associates. Regular reporting of financial information and risk reviews ensure that their performance and risks are properly managed and controlled.

## RISK MANAGEMENT

The Board, with the assistance of the AC and RMC, confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group throughout the year under review and up to the date of approval of this Statement for inclusion in the Annual Report. The AC and RMC assist the Board on the oversight of risk management for identification, managing and monitoring the principal risks of the Group. The Board retains the overall accountability for the Group's risks.

A risk management framework together with the standard operating policy and procedure, which has been communicated to the Management team, serves as a guide to the Group's risk management policy, risk management processes and reporting framework.

The RMC, chaired by the Senior Independent Non-Executive Director, meets with certain Directors and senior management on a six-monthly basis to review and deliberate on the top risks and the risk management actions taken. The Management team assists the RMC and the Board in implementing the process of identifying, evaluating and managing the significant risks applicable to their respective areas of business and in formulating suitable mitigation and internal controls to control these risks. Each business unit submits their risk registers and risk assessment reports which are presented via the IARMD to the RMC for their review and deliberation. The RMC reviews matters such as identification and responses to address significant risks, internal control systems and adequacy of the risk mitigation actions within the Group's risk appetite and tolerances to enhance shareholders' investments, safeguarding of assets, enhance opportunities, reduce threats and maintain corporate sustainability. The IARMD reviews these risk registers to provide further assurance on the compliance and effectiveness of the risk management and internal control system. The RMC receives from Management and IARMD, the Enterprise Risk Management report every 6 months which summarises the risk assessment and mitigation actions on the Group's top risks for review and deliberation.

## AC

The AC, which is chaired by a Senior Independent Non-Executive Director, is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control with the assistance of the in-house IARMD. On a quarterly basis, internal audit reports are prepared on the adequacy, efficiency and effectiveness of the system of internal control based on the current annual audit plan approved by the AC or where as directed by the AC.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

### KEY ELEMENTS OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board is committed in its efforts to maintain a reliable system of internal control and ensure it is updated in line with changes in the operating and business environment. The Board regularly reviews the process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as planned strategies to determine whether risks are mitigated and well managed.

Other key elements of the Group's risk management and internal control system, which have been in place throughout the financial year under review and up to the date of the Directors' report, are as follows:

- Various Board Committees have been established to assist the Board in discharging its duties, namely:
  - o AC
  - o Investment Committee
  - o RMC
  - o CNRC
  - o Executive Committee
  - o Tender Committee
- Clearly defined delegation of responsibilities, organisation structure and appropriate authority limits which have been established by the Board for the various Board Committees and Management.
- The Group's vision, mission, corporate philosophy and strategic direction are communicated to employees at all levels.
- Financial and operations performance reports are submitted to the Executive Directors and senior management. Management meetings are held among the Executive Directors and divisional heads; and during these meetings, reports and status updates of the business activities and projects are discussed and necessary actions are taken.
- The strategic plan and direction of the Group are encapsulated in the annual budgetary process that requires business units to prepare budgets and business plans that are approved by the Directors, and the control measures to mitigate identified risks for the forthcoming year. Significant variances in the quarterly financial reports are highlighted against budgets and comparative results and explained to the AC prior to presenting to the Board for approval. In addition, major project cost budgets are established with monthly tracking of actual costs so that such costs and project profitability are properly controlled and monitored independently by the Finance Department.
- Adequate financial information and key business or performance indicators are presented to senior management and the Board to assist in the review of the Group's performance.
- Internal policies and guidelines are communicated to all employees through standard operating policies and procedures, memoranda and handbooks.
- The enterprise risk management system in place is complemented by the process of risk identification and mitigation during major project tenders so that in the event the project tender is secured, project management shall follow through the risk mitigation measures during project execution.
- Adequate insurances where applicable for projects and assets of the Group are taken up to cover any insurable adverse events that may result in losses to the Group.
- The information technology system has systems and procedures to protect against the risks of cybersecurity intrusions, unauthorised access, unauthorised software use, corruption and loss of information assets. In addition, the system has in place to protect and manage the confidentiality, integrity and availability of data and the information infrastructure.
- External management system certifications currently applied to the Group are as follows:
  - o The Construction and Precast Manufacturing Divisions are accredited under the ISO 9001:2015 Quality Management System which is designed to consistently provide products and services that meet customer and regulatory requirements.
  - o Both ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health & Safety Management System certifications ensure that adequate controls and good governance are in place to manage environmental and safety matters for the Construction Division.
  - o The Group has obtained certification under ISO 37001:2016 Anti-Bribery Management Systems to prevent, detect and respond to bribery and corruption. This system is designed to be integrated into the Group's existing management processes, risk management system and controls to demonstrate adequate procedures are in place and to enhance corporate governance. These management systems are also subjected to yearly external audit by the respective certification bodies to ensure continued conformity of the respective management system.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

- The AC also met with the external auditors to discuss the external audit plan, review key audit issues and present their findings on the evaluation of the internal control system either formally or privately to the AC.
- The Human Capital system embraces a structured procedure for talent acquisition and management, employment practices, organisational and succession planning. A performance management system with defined criteria for performance with business objectives and targets are set for employees. Selected employees are provided training and development based on their training needs to meet their job performance expectations.
- All employees are governed by a Code of Ethics and Conduct who are required to acknowledge as having read and understood the Code upon commencement of employment.
- An established whistleblowing process provides an avenue for whistle-blowers to communicate their concerns or on matters of integrity in a confidential manner so that these can be investigated for effective resolution.
- Regular visits to operating units and project sites by the senior management, finance staff and internal auditors.

### INTERNAL AUDIT

The internal audit function of the Group is performed by the in-house IARMD, which reports directly to the AC.

The IARMD carries out independent reviews on the state of the internal control of the Group's business activities based on the current risk-based Audit Plan approved by the AC or where as directed by top management with the approval of the AC. The findings and observations are reported to the AC on a quarterly basis. Follow-up audits were also carried out to determine the status of implementation of agreed corrective actions based on the previous audit findings reported.

The IARMD continually reviews the system of internal control, procedures and operations to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

### THE BOARD'S REVIEW OF THE RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The risk management framework and internal control system for the financial year under review was considered to be adequate and operating satisfactorily. The Board undertakes to pursue the necessity for continuous improvements in its internal control system and risk management process in order to achieve its goals, enhance shareholder value and ensure sustainability of the businesses over the long term.

During the year, some areas for improvement in the internal control system were reported by IARMD to the AC. Management has been responsive to the issues raised and has taken appropriate measures to address the areas for improvement that have been highlighted. The monitoring, review and reporting procedures and systems in place give reasonable assurance that the controls are adequate and appropriate to the Group's operations and that risks are managed within an acceptable level of the Group's risk appetite and tolerance. However, neither procedures nor systems provide absolute assurance due to human error, the deliberate circumvention of control procedures by employees and others or the occurrence of unforeseeable circumstances. The effectiveness of the system of internal control is constantly reviewed and enhanced in response to changes in the business and operating environment.

The Board has received assurance from the Executive Chairman and the Group CEO that the Group's risk management and internal control system is operating effectively, in all material aspects, based on the risk management and internal control framework of the Group.

**This Statement on Risk Management and Internal Control was approved by the Board on 26 April 2024.**



# **MUDAJAYA GROUP BERHAD SUSTAINABILITY STATEMENT FY2023**

## SUSTAINABILITY STATEMENT

(CONTINUED)

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## SUSTAINABILITY STATEMENT

(CONTINUED)

### AN OVERVIEW OF MUDAJAYA'S SUSTAINABILITY STATEMENT

Over the course of our nearly six-decade journey, Mudajaya Group Berhad ("Mudajaya" or the "Group") has diversified into various sectors, including construction, property development, concession assets, manufacturing and trading.

Acknowledging the importance of managing our environmental, social, and governance ("ESG") impacts, we prioritise integrating sustainability throughout our diverse range of operations to enhance our value creation. With this commitment in mind, we are pleased to present our sustainability statement that encapsulates our sustainability-related impacts and performance for the financial year ended 31 December 2023 ("FY2023").

We strengthened our ESG performance by implementing a Group-level Sustainability Policy this year, setting clear sustainability objectives aligned with our aspirations. The policy guides our decision-making and enables us to contribute towards a sustainable future. In FY2023 we also commenced with the disclosure of Scope 1, Scope 2 and limited Scope 3 greenhouse gas ("GHG") emissions in light of the growing concern on climate change.

In aligning our strategies with global sustainability targets, we adopted six United Nations Sustainable Development Goals ("UN SDGs"). We reassessed our material matters and established nine sustainability key performance indicators ("KPIs"), demonstrating our accountability in sustainability practices.

Focused on ethical business practices, Mudajaya achieved the ISO 37001:2016 Anti-Bribery Management System Certification. As the first Malaysian construction company to attain this prestigious certification with United Kingdom Accredited Service ("UKAS") Accreditation, we uphold zero cases of corruption and bribery Group-wide.

Human rights and workplace safety are of primary concern in our industry. We prioritise employee well-being through Occupational Health and Safety ("OHS") capacity building and the provision of improved accommodation facilities to foster a safe and conducive work environment.

These measures fortify our sustainability commitment and strategically position us in the construction sector, preparing us to capitalise on opportunities in a rapidly changing landscape.

# SUSTAINABILITY STATEMENT

(CONTINUED)

## Establishing Our Scope and Boundary

Our sustainability statement will cover data from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 ("FY2023"), incorporating data from FY2021 and FY2022 to reflect annual trends.

The scope of this report surrounds Mudajaya Group Berhad, our subsidiaries and their operations.

Subsidiaries and Operations	Location
<b>Mudajaya Corporation Berhad ("MCB")</b> Delivers professional engineering services and construction. Active projects include: <ul style="list-style-type: none"> <li>• Light Rail Transit Line 3 ("LRT3") Package GS01</li> <li>• Gurun Earthwork ("GEK")</li> <li>• Kotra Pharma Melaka ("KPM")</li> <li>• ECRL Station (Package 3)</li> </ul>	Malaysia
<b>Mudajaya Land Sdn. Bhd. ("MLSB")</b> Owns and manages the 16-storey office building Menara Mudajaya, serving as the corporate headquarters ("HQ")	Petaling Jaya, Selangor
<b>MJC City Development Sdn. Bhd. ("MJCC")</b> Property developer of the 265-acre Batu Kawah New Township in Kuching.	Kuching
<b>MJC Development Sdn. Bhd. ("MJCD")</b> Owns and manages 61 units at Lumi Tropicana developed by Thriven Global Berhad.	Petaling Jaya, Selangor
<b>MJC Precast Sdn. Bhd. ("MJCP")</b> Manufacturing and supply of precast concrete products.	Ijok, Selangor
<b>MJC Trading Sdn. Bhd. ("MJCT")</b> Engaged in the trading of construction-related materials.	Malaysia
<b>Sinar Kamiri Sdn. Bhd. ("SKSB")</b> Owns and operates a 49MW solar farm in Sungai Siput, Perak.	Sungai Siput, Perak
<b>Special Universal Sdn. Bhd. ("SUSB")</b> Owns and operates a 10MW solar farm in Gebeng, Pahang.	Gebeng, Pahang
<b>Mudajaya Facilities Management Sdn. Bhd.</b> Engaged in the operation and management of power plants.	Malaysia

## The Guidelines that Define Our Report

The Group's sustainability statement was prepared with reference to Bursa Malaysia's Main Market Listing Requirements ("MMLR"), the Sustainability Reporting Guide (3rd edition) and the recently published Illustrative Sustainability Reporting Guide ("ISRG"). Our statement adheres to the Global Reporting Initiative ("GRI") Standards and the UN SDGs. These guidelines enable us to provide transparent and reliable reporting regarding our sustainability performance and goals.



## SUSTAINABILITY STATEMENT

(CONTINUED)

### Awards and Recognitions FY2023

- ★ 4-Star CIDB Score: Our dedication to excellence is further showcased by our impressive 4-star rating in the CIDB Score.
- ★ Excellence Award: Our LRT3 Project was honoured with the CIDB Excellence Award on Safety and Health, Environment and Quality ("SHEQ") Day 2023.
- ★ Top 30: MJCC was nominated as the Top 30 developers in Sarawak in 2023.

### Memberships and Associations

Mudajaya actively engages in our diverse industries by participating in the following associations, enabling us to stay informed about significant, industry-impacting issues and current sector developments.



Construction Industry  
Development Board ("CIDB")



Malaysian Photovoltaic Industry  
Association ("MPIA")



**MBAM**  
Master Builders Association Malaysia

Master Builders Association  
Malaysia ("MBAM")

### Ensuring Integrity

We acknowledge the value of independent verification in upholding the integrity of our sustainability disclosures. Internal due diligence was conducted to ensure that all data contained in this statement had been sourced and validated by the respective business divisions within the Group.

### Feedback

We highly value stakeholder feedback and view it as a key instrument for driving the enhancement of our sustainability disclosures. If you have any concerns about the information contained in our sustainability statement, please contact us via the details below.

#### Mudajaya Group Berhad

PH1, Menara Mudajaya

No. 12A, Jalan PJU 7/3

Mutiara Damansara

47810 Petaling Jaya Selangor Darul Ehsan

Tel No : (603) 7806 7899

Email : [info@mudajaya.com](mailto:info@mudajaya.com)

## SUSTAINABILITY STATEMENT

(CONTINUED)

### KEY SUSTAINABILITY ACCOMPLISHMENTS

#### FY2023 Sustainability Milestones

Mudajaya consistently works to integrate sustainability principles in all facets of our operations. Our approach has led to notable achievements, marking significant milestones in our sustainability journey.

#### DELIVERING EXCELLENCE



Cases of Corruption,  
Bribery and  
Whistleblowing

**ZERO**



Incidents of Breaches  
in Data Privacy and  
Cybersecurity

**ZERO**



Procurement Budget  
Allocated to Local  
Suppliers

**99.22%**

#### BUILDING TOWARDS A GREEN FUTURE



Reduction in Total  
Energy Consumption

**9.6%**



Reduction in Scope  
1 GHG Emissions

**8.2%**



Reduction in Water  
Consumption

**2.5%**

#### CARING FOR OUR PEOPLE



Lost Time Injuries  
and Fatalities

**ZERO**



Cases of Human  
Rights Violations

**ZERO**



Total Training  
Hours

**1,074 hours**

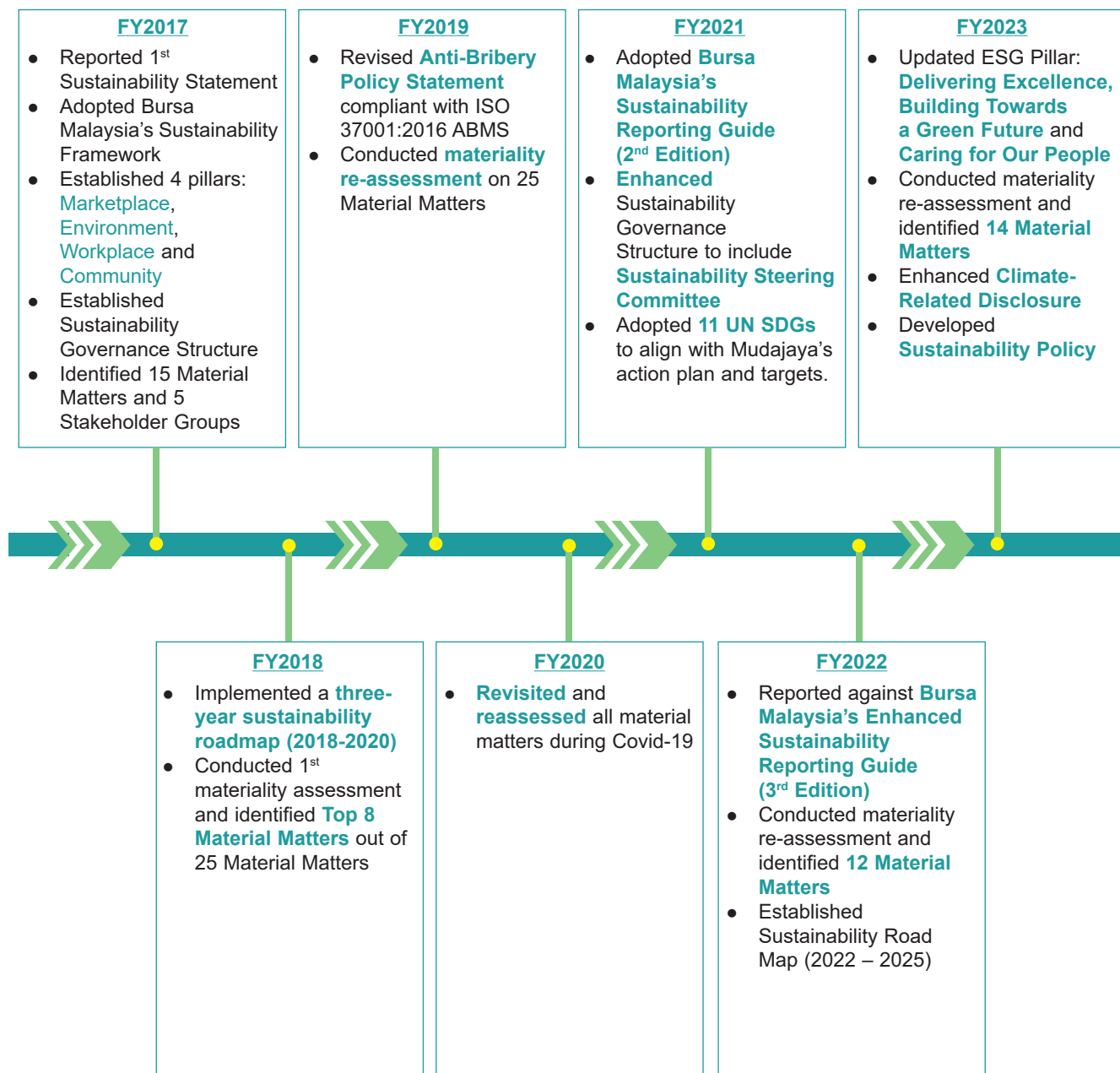
# SUSTAINABILITY STATEMENT

(CONTINUED)

## BUILDING FOR THE FUTURE

### Our Sustainability Journey Thus Far

Committed to 'Advancing the Future Together', Mudajaya focuses on sustainability excellence, building on our achievements towards the global goal of achieving net-zero emissions by 2050.



# SUSTAINABILITY STATEMENT

(CONTINUED)

## APPROACHING SUSTAINABILITY CONSTRUCTIVELY

### ESG Framework

In FY2023, we developed an overarching ESG framework that encompasses our mission, vision and core values. The framework is built on the core pillars of the Group that guide our sustainability initiatives, with each pillar anchored in specific material sustainability matters that are critical for our business operations and stakeholders.

### OUR VISION

To be the preferred leader in the construction and property development industry and to provide good infrastructure and energy requirement to society. We strive to look beyond the expectations and goals to stay ahead by integrating both technical excellence and commitment in building partnerships.

### OUR MISSION

As the preferred leader, the Group seeks to continuously improve on their performance pertaining to providing international quality standards, timely completion of projects, customers' satisfaction and enhancement of shareholders' value.

### OUR SUSTAINABILITY PILLARS AND MATERIAL SUSTAINABILITY MATTERS

#### Delivering Excellence

- Corporate Governance and Anti-Corruption
- Regulatory Compliance
- Technology, Data Security and Privacy
- Supply Chain Management
- Product Quality and Innovation

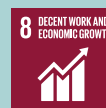
#### Building Towards a Green Future

- Energy, Emissions and Climate Resilience
- Material Consumption
- Waste and Effluent Management
- Water Consumption

#### Caring for Our People

- Occupational Health and Safety
- Human Rights, Labour Practices and Standards
- Talent Attraction and Development
- Diversity and Inclusion
- Community Engagement

### OUR CONTRIBUTION TO THE UN SDGS



### OUR STRATEGIES STAKEHOLDERS



Shareholders & Investors



Government & Regulatory Authorities



Employees



Customers



Suppliers



Communities

### OUR ALIGNMENT WITH RELEVANT FRAMEWORKS AND STANDARDS



# SUSTAINABILITY STATEMENT

(CONTINUED)

## Mudajaya's Sustainability Policy

In FY2023, we established a Board-approved Sustainability Policy encompassing Mudajaya and our subsidiaries. The policy serves as a guiding framework structured around three tenets: Delivering Excellence, Building Towards a Green Future and Caring for Our People. Recognising the urgency of climate resilience, we integrated climate-related disclosures into our policy to drive the transition towards a low-carbon future.

### Tenets of Our Sustainability Policy

#### Delivering Excellence

- Uphold the highest standards of ethical business conduct and act with integrity in all our operations.
- Prevent all forms of bribery and corruption throughout the Group's value chain.
- Comply with regulatory and legal requirements in markets where we operate.
- Protect customer data and privacy against unauthorised access and use.
- Uphold the highest standards of product quality to sustain customer satisfaction and support long-term value creation.
- Support local economic growth by prioritising local suppliers.

#### Building Towards a Green Future

- Continuously improve energy efficiency and actively monitor our carbon footprint across operations.
- Enhance recycling, reduce waste and implement responsible disposal methods to contribute towards a circular economy.
- Minimise the Group's environmental footprint by promoting efficient material consumption.
- Promote water conservation practices throughout the Group.

#### Caring for Our People

- Foster a safe workplace for our employees, prioritising their well-being.
- Allocate resources and organise capacity-building programmes to support employee development and growth.
- Ensure fair labour practices, treating all employees with dignity and fairness.
- Actively engage with and contribute to the communities in which we operate.

## Fulfilling Global Goals

Aligned with the 2030 Agenda for Sustainable Development, Mudajaya has embraced six (6) UN SDGs and their corresponding targets that directly pertain to our operations. It further reaffirms our dedication to the global effort of fostering peace, prosperity and sustainability for both humanity and the environment.



### SDG 7: Affordable and Clean Energy

#### 7.2: Increase substantially the share of renewable energy in the global energy mix

- Installed solar panels on Menara Mudajaya to reduce reliance on purchased electricity.
- Received a Sustainable Development Award for Affordable and Clean Energy from JCI Malaysia for the development of the 49 MW large scale solar PV facility in Perak.

# SUSTAINABILITY STATEMENT

(CONTINUED)

## SDG 8: Decent Work and Economic Growth

### 8.7: Eliminate forced labour, slavery, human trafficking, and child labour

- Maintained zero child labour and human rights violations throughout our value chain.

### 8.8: Protection of labour rights and promotion of safe and secure working environments for all

- Implemented a Health, Safety and Environmental Policy to protect our employees from daily operational hazards.
- Staff undergo safety training in accordance with ISO 45001.



## SDG 10: Reduced Inequalities

### 10.3: Ensure equal opportunities and reduced inequalities of outcome through policies and actions

- Established robust policies to reaffirm our stance against any form of discrimination, be it from a race, age, gender, sexual orientation, marital status or disability perspective.

## SDG 12: Responsible Consumption and Production

### 12.2: Achieve sustainable management and efficient use of natural resources

- Installed an advanced rainwater harvesting system.

### 12.4: Environmentally sound management of chemicals and waste to reduce release to air, water and soil

- Established a designated storage area near LRT3 to store scheduled waste generated from vehicles, machinery and clean-up activities.
- Constructed six silt detention ponds and an Active Treatment System ("ATS") at the LRT3 construction site for sedimentation control.

### 12.5: Reduce waste generation through reduce, reuse, recycling and prevention

- Placed recycling bins throughout Menara Mudajaya to promote convenient recycling options for our employees.

### 12.6: Promote sustainable procurement practices

- Implemented a Supplier Code of Conduct to ensure that our suppliers adhere to sustainable practices.



## SDG 13: Climate Action

### 13.1: Strengthen resilience and adaptive capacity to climate-related hazards

- Enhanced climate-related disclosures
  - o Board oversight on climate-related risks and opportunities
  - o Climate-related risk and opportunity assessment
  - o Mudajaya's management of climate-related risks
  - o Metrics and targets

## SDG 16: Peace, Justice and Strong Institutions

### 16.5: Substantially reduce corruption and bribery in all their forms

- First company in Malaysia to obtain ISO 37001:2016 Anti-Bribery Management System ("ABMS") certification with UKAS Accreditation.
- Established a Whistleblowing Policy and an Anti-Bribery Policy.



## SUSTAINABILITY STATEMENT

(CONTINUED)

### Achieving Sustainable Standards of Excellence

KPIs serve as metrics that evaluate an organisation's capabilities, permitting us to gauge Mudajaya's long-term sustainability performance. By incorporating a data-driven approach, it furnishes us with quantifiable insights, enabling informed strategic decisions and cultivating sustainable operational excellence.

Material Matters	KPIs	FY2023 Progress
<b>DELIVERING EXCELLENCE</b>		
<b>Corporate Governance and Anti-Corruption</b>	<b>Zero</b> cases of bribery and corruption	Achieved <b>zero</b> cases of bribery and non-compliance
<b>Technology, Data Security and Privacy</b>	<b>Zero</b> breaches in data privacy and cybersecurity	Achieved <b>zero</b> breaches in data privacy and cybersecurity
<b>Responsible Procurement</b>	<b>90%</b> expenditure allocated to local suppliers	Achieved <b>99.22%</b> expenditure allocated to local suppliers
<b>ENVIRONMENTAL STEWARDSHIP</b>		
<b>Climate Change and Energy</b>	Achieve a <b>3%</b> reduction of Scope 1 and Scope 2 emissions per annum.	<b>8.2%</b> reduction in Scope 1 GHG emissions <b>10.2%</b> increase in Scope 2 GHG emissions
<b>Waste and Effluent Management</b>	Achieve <b>1%</b> waste diversion from landfill.	In Progress. <b>0.3%</b> of waste diverted from landfill
<b>Water Consumption</b>	Reduce water consumption by at least <b>3%</b> per annum.	In Progress. <b>2.5%</b> reduction of water consumption across all operations
<b>SOCIAL RESPONSIBILITY</b>		
<b>Occupational Health and Safety</b>	Achieve <b>zero</b> fatal accidents and lost time injury rate ("LTIF") below <b>1.0</b>	<b>Zero</b> fatal injuries recorded Lost Time Injury Rate = <b>0</b>
<b>Human Rights, Labour Practices and Standards</b>	Achieve <b>zero</b> cases of human rights violation, discrimination and harassment	<b>Zero</b> cases of human rights violation, discrimination and harassment
<b>Talent Attraction and Development</b>	Achieve <b>4 hours</b> of training per employee	In Progress. <b>3.64</b> hours of training per employee

# SUSTAINABILITY STATEMENT

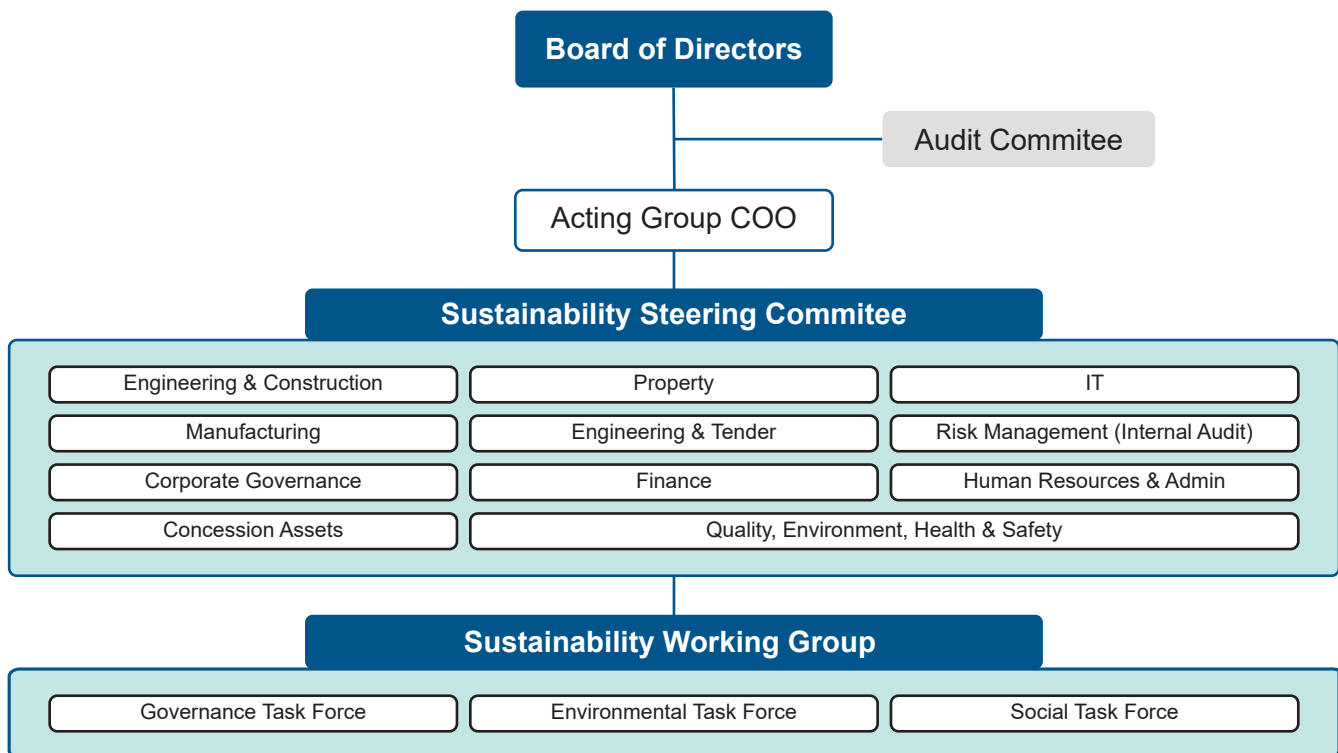
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## Sustainability Governance Structure

Mudajaya's Sustainability Governance Structure establishes clear roles and responsibilities for the development and implementation of sustainable initiatives. It is helmed by the Board of Directors, who provide oversight for ESG strategies, policies and targets.

The Sustainability Steering Committee ("SSC") is responsible for driving our sustainability strategy and ensuring our initiatives align with their objectives and timelines. Headed by the Acting Group Chief Operating Officer ("COO"), the SSC comprises heads of various key departments. On a day-to-day operational level, the Sustainability Working Group ("SWG") implements sustainability initiatives and reports progress to the SSC and the Board.

### Mudajaya's Sustainability Governance Structure



Roles	Responsibilities
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Has strategic oversight on the Group's overall sustainability strategy, including climate-related risks and opportunities.</li> <li>Provides direction on the integration of ESG-related risks and opportunities within the Group's strategy and risk management, including climate-related risks and opportunities.</li> </ul>
<b>Sustainability Steering Committee</b>	<ul style="list-style-type: none"> <li>Develops and recommends sustainability strategies, initiatives and targets to the Board.</li> <li>Responsible for carrying out and assessing the performance of sustainability initiatives.</li> <li>Assesses and manages the Group's ESG and climate-related risks and opportunities.</li> <li>Identifies and proposes changes to sustainability policies, standards and procedures to the Board when required.</li> </ul>
<b>Sustainability Working Group</b>	<ul style="list-style-type: none"> <li>Implements and monitors sustainability initiatives in day-to-day operations.</li> <li>Identifies and proposes material sustainability matters relevant to the Group to the SSC.</li> <li>Track and report ESG-related data to the SSC on a regular basis.</li> </ul>

## SUSTAINABILITY STATEMENT

(CONTINUED)

### STAKEHOLDER ENGAGEMENT

Stakeholder input is valuable in ensuring we meet their requirements and expectations. Thus, we maintain communication channels to effectively facilitate strengthened stakeholder engagement to better understand material issues and address areas of concern.



#### SHAREHOLDERS & INVESTORS

##### Why they matter

Shareholders and investors are essential in providing financial support for Mudajaya's business operations.

Key Areas of Concern	Our Response	Engagement Platforms
<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Good management and corporate governance</li> <li>Mitigation and adaptation to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial results and annual reports</li> <li>Uphold good governance practices</li> <li>Outline carbon reduction strategies</li> <li>Monitor sustainability performance and targets</li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>➤ Investor Relations in corporate website</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>➤ Extraordinary General Meeting</li> </ul> <p><b>Quarterly</b></p> <ul style="list-style-type: none"> <li>➤ Financial results announcements</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>➤ Annual General Meeting</li> </ul>



#### GOVERNMENT & REGULATORY AUTHORITIES

##### Why they matter

Government and regulatory authorities ensure compliance, foster fair business environments and uphold ethical standards.

Key Areas of Concern	Our Response	Engagement Platforms
<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Corporate governance practices</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the Anti-Bribery Management System ("ABMS") requirement under ISO 37001:2016</li> <li>Establishment of Good Corporate Governance and Whistleblowing Policy</li> <li>Full compliance with regulatory requirements</li> </ul>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>➤ Meetings</li> <li>➤ Seminars/Webinars Reporting</li> </ul>

# SUSTAINABILITY STATEMENT

(CONTINUED)



## EMPLOYEES

### Why they matter

Employees are vital to Mudajaya's success, contributing their skills and commitment to drive our operations

Key Areas of Concern	Our Response	Engagement Platforms
<ul style="list-style-type: none"> <li>• Career development and upskilling opportunities</li> <li>• Occupational health and safety</li> <li>• Fair labour practices</li> <li>• Whistleblowing policy/procedures</li> <li>• Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Provide relevant upskilling and development opportunities</li> <li>• Compliant with the Occupational Safety and Health Act 1994</li> <li>• Compliant with laws governing work hours and wages</li> <li>• Maintain safe and hygienic accommodations for workers</li> <li>• Promote transparent communication with employees</li> <li>• Provide mothers with extended maternity leaves and Flexi Work Arrangements</li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>➢ Internal communications</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>➢ Workshops and trainings</li> </ul> <p><b>Monthly</b></p> <ul style="list-style-type: none"> <li>➢ Employee engagement and events</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>➢ Employee appraisals</li> <li>Employee surveys</li> </ul>



## CUSTOMERS

### Why they matter

Customers drive the demand for Mudajaya's products or services, influencing our revenue and growth.

Key Areas of Concern	Our Response	Engagement Platforms
<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Product innovation</li> <li>• Customer data privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Compliant with ISO9001:2015 Quality Management System</li> <li>• Pre-fabrication technologies</li> <li>• Adoption of renewable energy via Corporate Green Power Programme</li> <li>• Green technology in construction</li> <li>• Compliant with Personal Data Protection Act 2010</li> </ul>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>➢ Email</li> <li>➢ Meetings</li> <li>➢ Customer surveys</li> <li>Customer engagement</li> </ul>

# SUSTAINABILITY STATEMENT

(CONTINUED)



## SUPPLIERS

### Why they matter

Suppliers play a key role by providing the necessary resources and materials to support Mudajaya's operations.

Key Areas of Concern	Our Response	Engagement Platforms
<ul style="list-style-type: none"> <li>• Anti-bribery and corruption</li> <li>• Supplier evaluation</li> <li>• Support of local suppliers and products</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement and Supplier Assessment Policy</li> <li>• Supplier Code of Conduct</li> <li>• 99.22% of procurement sourced from local suppliers</li> </ul>	<b>Bi-annually</b> <ul style="list-style-type: none"> <li>➤ Performance reviews</li> <li>➤ Procurement processes</li> </ul>



## COMMUNITIES

### Why they matter

Communities can be positively influenced by Mudajaya through responsible and sustainable practices.

Key Areas of Concern	Our Response	Engagement Platforms
<ul style="list-style-type: none"> <li>• Community development and support</li> </ul>	<ul style="list-style-type: none"> <li>• Community investments</li> <li>• Provision of scholarships</li> <li>• Improving sustainability practices in communities</li> </ul>	<b>As needed</b> <ul style="list-style-type: none"> <li>➤ Community impact programmes</li> </ul>

## SUSTAINABILITY STATEMENT

(CONTINUED)

### DELVING INTO MATTERS OF IMPORTANCE

#### Assessing What Matters

Materiality Assessments are a systematic approach to prioritising sustainability matters, enabling us to determine those of utmost significance for both the Group and stakeholders. The process offers us valuable guidance in formulating effective management strategies.

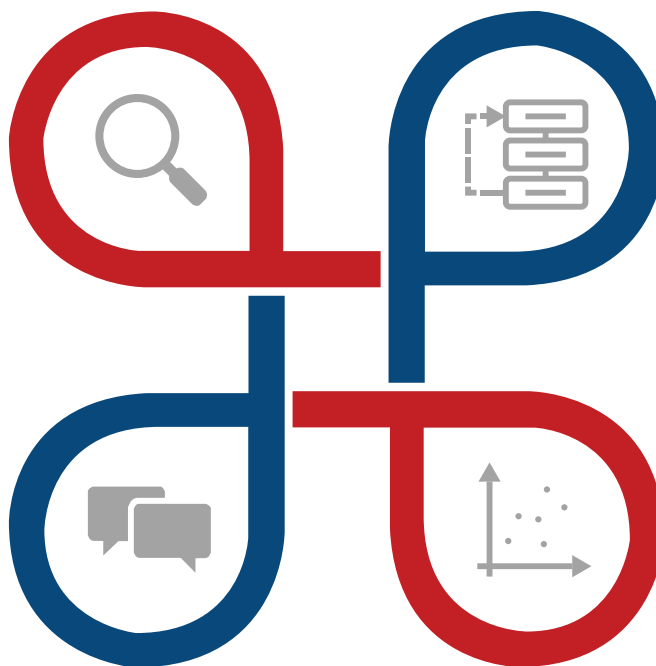
Mudajaya conducts reassessments on an annual basis to align our material matters with the latest Bursa Malaysia enhanced listing requirements and evolving industry best practices. For the reporting year, we identified a total of 14 material matters.

#### 1. Identification

We reviewed our material matters and benchmarked them against Bursa Malaysia's Sustainability Reporting Guide and best industry practices, assessing those that had potential impact in creating and preserving value for our stakeholders.

#### 2. Ranking

A materiality assessment workshop was conducted which involved the participation of various departments. Participants were provided with materiality assessment forms to rank sustainability matters based on their importance to stakeholders and impact on the business.



#### 4. Validation

The materiality matrix was presented to the Senior Management for validation and the Board of Directors for approval.

#### 3. Prioritisation

A materiality matrix was generated to visualise the prioritised material matters.

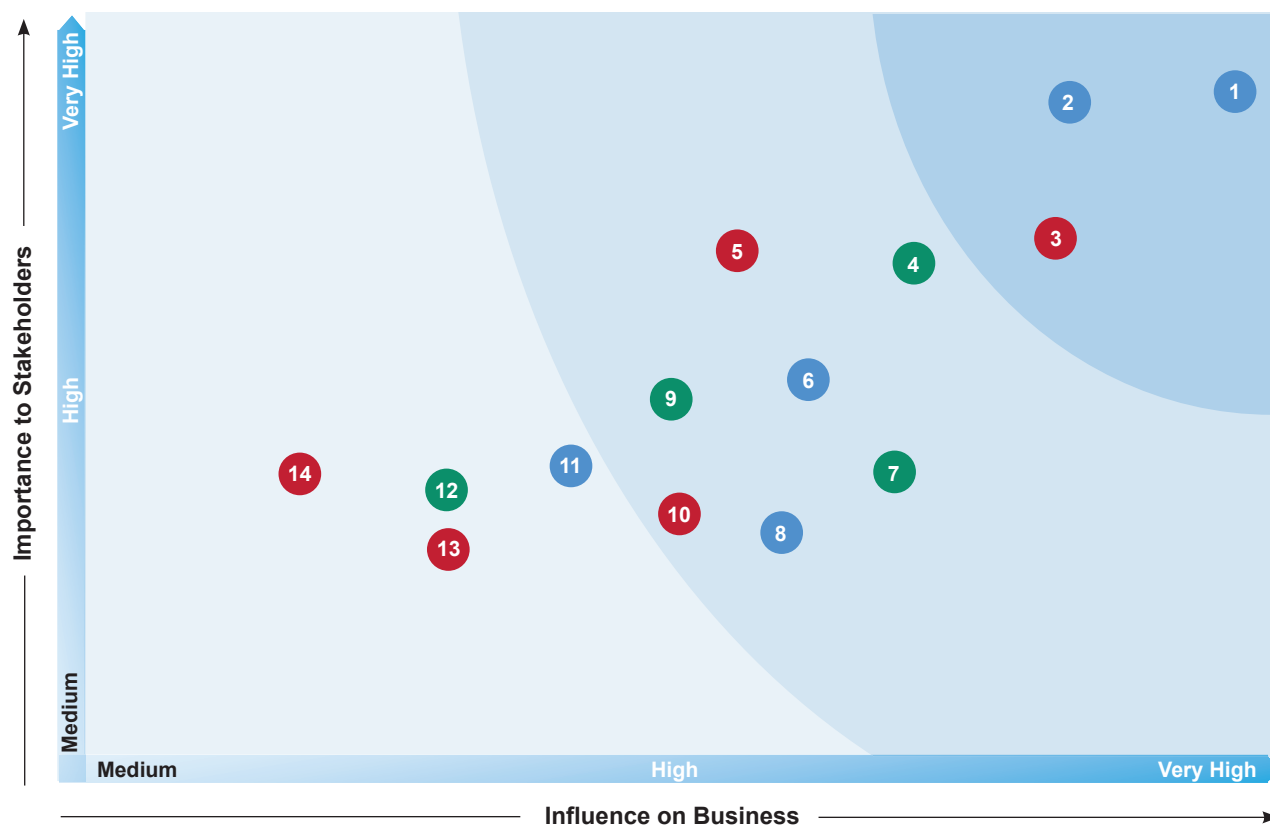
## SUSTAINABILITY STATEMENT

(CONTINUED)

### Evaluating Our Priority Issues

We generated our materiality matrix based on the outcome of the assessment, illustrating the importance of each material matter to stakeholders and their respective influence on our business.

Our top ten material matters include Corporate Governance & Anti-Corruption, Regulatory Compliance, Occupational Health & Safety, and Energy, Emissions & Climate Resilience, Human Rights, Labour Practices & Standards, Technology, Data Security & Privacy, Material Consumption, Supply Chain Management, Waste & Effluent Management and Talent Attraction & Development. These areas represent the most crucial focus points for our Group's sustainability efforts.





Delivering Excellence	Building Towards a Green Future	Caring for our People
1. Corporate Governance & Anti-Corruption	4. Energy, Emissions & Climate Resilience	3. Occupational Health & Safety
2. Regulatory Compliance	7. Material Consumption	5. Human Rights, Labour Practices & Standards
6. Technology, Data Security & Privacy	9. Waste & Effluent Management	10. Talent Attraction & Development
8. Supply Chain Management	12. Water Consumption	13. Diversity & Inclusion
11. Product Quality & Innovation		14. Community Engagement






# SUSTAINABILITY STATEMENT

(CONTINUED)

## Mapping Our Material Sustainability Matters


To demonstrate the integration of our sustainability efforts, we mapped the material sustainability matters with the UN SDGs adopted by the Group, relevant stakeholder groups and GRI indicators.

DELIVERING EXCELLENCE			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Corporate Governance and Anti-Corruption	2: General Disclosures 3: Material Topics 205: Anti-Corruption		<ul style="list-style-type: none"> <li>Shareholders &amp; Investors</li> <li>Government &amp; Regulatory Authorities</li> <li>Customers</li> <li>Employees</li> <li>Suppliers</li> </ul>
Regulatory Compliance	2-27: Compliance with Laws and Regulations 3: Material Topics		<ul style="list-style-type: none"> <li>Government &amp; Regulatory Authorities</li> <li>Customers</li> </ul>
Technology, Data Security and Privacy	2: General Disclosures 3: Material Topics 418: Customer Privacy		<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> </ul>
Supply Chain Management	2: General Disclosures 3: Material Topics 204: Procurement Practices		<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers</li> </ul>
Product Quality and Innovation	3: Material Topics 416: Customer Health and Safety 417: Marketing and Labelling		<ul style="list-style-type: none"> <li>Customers</li> </ul>

BUILDING TOWARDS A GREENER FUTURE			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Energy, Emissions and Climate Resilience	2: General Disclosures 3: Material Topics 302: Energy 305: Emissions	 	<ul style="list-style-type: none"> <li>Shareholders &amp; Investors</li> <li>Government &amp; Regulatory Authorities</li> <li>Communities</li> </ul>
Material Consumption	3: Material Topics 301: Materials		<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers</li> </ul>
Waste and Effluent Management	2: General Disclosures 3: Material Topics 303: Water and Effluents 306: Waste		<ul style="list-style-type: none"> <li>Government &amp; Regulatory Authorities</li> <li>Communities</li> </ul>
Water Consumption	3: Material Topics 303: Water and Effluents		<ul style="list-style-type: none"> <li>Government &amp; Regulatory Authorities</li> <li>Communities</li> </ul>

## SUSTAINABILITY STATEMENT

(CONTINUED)

CARING FOR OUR PEOPLE			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Occupational Health and Safety	2: General Disclosures 3: Material Topics 403: Occupational Health and Safety		<ul style="list-style-type: none"> <li>Government &amp; Regulatory Authorities</li> <li>Employees</li> </ul>
Human Rights, Labour Practices and Standards	2: General Disclosures 3: Material Topics 408: Child Labour 409: Forced or Compulsory Labour		<ul style="list-style-type: none"> <li>Government &amp; Regulatory Authorities</li> <li>Employees`</li> </ul>
Talent Attraction and Development	2: General Disclosures 3: Material Topics 401: Employment 404: Training and Education		<ul style="list-style-type: none"> <li>Employees</li> </ul>
Diversity and Inclusion	2: General Disclosures 3: Material Topics 405: Diversity and Equal Opportunities 406: Non-discrimination	 	<ul style="list-style-type: none"> <li>Employees</li> </ul>
Community Engagement	3: Material Topics 413: Local Communities		<ul style="list-style-type: none"> <li>Communities</li> </ul>

## IMPLEMENTING AN ACTIONABLE AGENDA

Acknowledging the challenge posed by the complexity and scale of climate change, Mudajaya has enhanced our climate-related disclosures through four core elements: governance, strategy, risk management, metrics and targets.

### GOVERNANCE

#### Board's oversight of climate-related risks and opportunities

- Mudajaya's Board of Directors leads the Group's sustainability governance structure and has strategic oversight over ESG-related matters, including climate-related risks and opportunities.
- The Board provides direction for the implementation of sustainability strategies proposed by the SSC.
- The Board reviews sustainability policies, initiatives and KPIs annually.
- In FY2023, the Board attended ESG training sessions, including two (2) programmes focused on climate-related training, to stay informed about climate-related risks and opportunities.
- Board meetings are held quarterly to discuss matters pertinent to the business, including climate-related risks and opportunities.

#### Management's role in assessing and managing climate-related risks and opportunities

- The SSC is led by the Acting Group COO and is supported by selected executives across departments.
- The SSC is responsible for implementing sustainability initiatives and reporting the results to the Board.
- The SSC assesses climate-related risks and opportunities and recommends strategies to the Board.
- The SSC remains updated on climate change regulations through regular training and webinars.

# SUSTAINABILITY STATEMENT

(CONTINUED)

## STRATEGY

Mudajaya's climate-related risks can be divided into two categories: transition risks and physical risks. Transition risks are challenges linked to the shift toward a sustainable, low-carbon economy, driven by regulatory changes and market shifts. Physical risks result from the direct impacts of climate change, such as extreme weather events and rising temperatures, affecting assets and operations. The impacts primarily involve increased costs and revenue fluctuations, as well as the potential for damages and disruptions caused by short-term and long-term climate-related events.

### Physical Risks

Physical Risks	Potential Impact	Opportunities
<b>Acute</b>	<ul style="list-style-type: none"> <li>Property damage and loss due to increased frequency of flooding and landslides.</li> </ul>	<ul style="list-style-type: none"> <li>Implement flood prevention measures</li> <li>Develop disaster recovery plans</li> </ul>
<b>Chronic</b>	<ul style="list-style-type: none"> <li>Rising temperatures and extreme weather increases health risks to Mudajaya's employees</li> <li>Increased cost from internal temperature control</li> </ul>	<ul style="list-style-type: none"> <li>Invest in employee health and safety programmes and training</li> <li>Implement climate-resilient workplace practices</li> <li>Passive cooling building designs</li> </ul>
<b>Policy and Legal</b>	<ul style="list-style-type: none"> <li>Policies and regulatory changes: Monitoring and adapting to evolving greenhouse gas ("GHG") emission reduction policies, including carbon taxation.</li> <li>Legal Liabilities: Mitigating potential legal sanctions related to pollution and emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Tracking GHG emissions and setting emissions reduction targets and initiatives.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Technology Transition: Addressing obsolescence of high-emission technologies, replacing them with low-carbon alternatives.</li> </ul>	<ul style="list-style-type: none"> <li>Utilising low-emissions construction materials and precast manufacturing.</li> <li>Increasing the use of renewable energy systems.</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>Project Cost Challenges: Managing instances where project costs surpass the budget due to expanding scopes for low-carbon compliance and rising material costs associated with higher carbon consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing IBS systems in construction to reduce cost and wastes while maintaining product quality.</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>Stakeholder Concerns: Addressing negative stakeholder perceptions, concerns or feedback related to carbon-intensive practices.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing property value through carbon reduction features such as solar panels and green building designs to appeal to tenants and buyers</li> </ul>

## SUSTAINABILITY STATEMENT

(CONTINUED)

### RISK MANAGEMENT

Mudajaya has established an ongoing process dedicated to identifying, evaluating and managing significant climate-related risks that may impede the achievement of the Group's business objectives. This process involves implementing proactive measures to address climate-related challenges. By integrating climate risk management into the overall risk management framework, the Group strives to enhance resilience and ensure sustainable performance. Regular reviews and adjustments to these processes contribute to adaptive strategies that effectively manage and mitigate climate-related risks.

The Board has instituted robust procedures to review key financial, operational, and compliance controls, acknowledging the significance of integrating climate-related risks into the overall risk management strategy. This integration ensures that climate-related risks are considered alongside other critical aspects of the business.

### METRICS AND TARGETS

#### **Metrics to assess climate-related risks and opportunities in line with its strategy and risk management process**

Mudajaya quantifies carbon emissions, waste, energy and water consumption. We measure carbon emissions in tCO<sub>2</sub>e, electricity in kWh, water in m<sup>3</sup> and waste in tonnes. To determine GHG, energy and water intensity, we calculate the absolute values and divide them by revenue.

#### **Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks**

Mudajaya monitors and reports Scope 1, Scope 2, and limited Scope 3 emissions. Our Scope 3 coverage includes emissions from business travel and employee commute. Additional details regarding our management approach and performance data can be found in the "Energy, Emissions and Climate Resilience", page 96 to 98.

## SUSTAINABILITY STATEMENT

(CONTINUED)

### DELIVERING EXCELLENCE

#### Material Sustainability Matters

- Corporate Governance and Anti-Corruption
- Regulatory Compliance
- Technology, Data Security and Privacy
- Supply Chain Management
- Product Quality and Innovation

#### Key Stakeholder Groups

- Shareholders & Investors
- Government & Regulatory Authorities
- Customers
- Employees
- Suppliers



Good governance sets the tone for our organisational strategy and sustainability direction. As such, a solid framework necessitates the adoption of policies and management systems that enable us to systematically uphold high governance, ethics and integrity standards, fostering sustainable growth and enhancing our corporate reputation.

## SUSTAINABILITY STATEMENT

(CONTINUED)

### Corporate Governance and Anti-Corruption

#### Why is this Important?

To ensure the principles and best practices of good corporate governance are applied throughout the Group's operations, keeping with the prescriptions of the Malaysian Code on Corporate Governance 2021.

#### Our Approach

##### Anti-Bribery and Corruption Policies

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and Bursa Securities' anti-bribery guidelines, the Board endorsed the Anti-Bribery Policy Statement on 27 February 2020. Subsequently, the Anti-Bribery Manual and Anti-Bribery Objectives & Targets were adopted on 3 March 2020. On 10 June 2020, Mudajaya achieved the distinction as the first Malaysian construction company to attain ISO 37001:2016 Anti-Bribery Management System ("ABMS") certification accredited by UKAS.

These policy components collectively establish corruption prevention measures and ensure compliance with anti-corruption laws in the countries where the Group operates. They serve as essential control measures to address fraud, bribery, misconduct and unethical practices, contributing to Mudajaya's long-term success.

All staff, business associates and third parties engaged in work or services on behalf of the Group are expected to adhere to these policies. To ensure compliance with ISO 37001:2016 ABMS, Mudajaya extends these requirements to suppliers and subcontractors through the Anti-Corruption Obligation. Suppliers and subcontractors identified with elevated bribery risks commit to anti-bribery measures via a Vendor Letter of Declaration during prequalification and subsequently on an annual basis. Doing so signifies their pledge to refrain from corrupt activities as mandated by the Malaysian Anti-Corruption Commission Act 2009.

## Zero Reported Cases of Bribery and Corruption Group-Wide in FY2023

The Anti-Bribery Policy Statement is published on Mudajaya's website at [www.mudajaya.com/corporate-governance/](http://www.mudajaya.com/corporate-governance/)

##### Whistleblowing Policy and Procedure

Mudajaya instituted a robust Whistleblowing Policy & Procedure, providing a confidential channel for reporting misconduct associated with fraud, corruption and unethical practices. The channel is assessable to all employees and stakeholders, assuring confidentiality in reporting without the fear of reprisals.

Reports are treated with the utmost discretion and an independent investigative process ensures that the necessary actions are taken. Report handling is entrusted to the Independent Non-Executive Deputy Chairman of Mudajaya and the Integrity Unit of Mudajaya.

In 2020, we enhanced the Whistleblowing Policy & Procedure to align with the ISO 37001:2016 AMBS standards, reinforcing our objective to maintain the highest ethical standards.

## SUSTAINABILITY STATEMENT

(CONTINUED)

## Zero Reported Cases of Whistleblowing Group-wide in FY2023

The Whistleblowing Policy & Procedure is published on Mudajaya's website at [www.mudajaya.com/corporate-governance/](http://www.mudajaya.com/corporate-governance/)

### Code of Ethics and Conduct

Mudajaya's Code of Ethics and Conduct is a formalised document endorsed by the Board, providing clear guidance on business conduct, workplace behaviour, stakeholder interactions and community engagement.

The Code outlines the Group's directives on the disclosure of conflicts of interest, maintenance of confidentiality and information disclosure. It also covers best practices, internal controls, compliance with relevant laws and regulations and the obligation to report any breaches of the Code. For the convenience of our stakeholders, the document is readily accessible on Mudajaya's website at [www.mudajaya.com](http://www.mudajaya.com), reflecting our adherence to transparency and ethical principles.

### Our Performance

#### Corruption Risk Assessment

For FY2023, we conducted a corruption risk assessment covering 100% of our operations.

	FY2021	FY2022	FY2023
Percentage of operations that underwent corruption risk assessments	100%	100%	100%

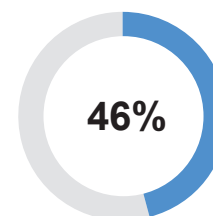
#### Preventing Bribery through Communication and Training

We effectively disseminate our anti-bribery policies to employees through diverse channels, such as the employee handbook, new hire orientation programmes and regular anti-bribery training sessions.

In FY2023, 46% of our staff received anti-corruption training, comprising 16 Senior Management, 32 Management, 70 Executives and 18 Non-Executive employees, ensuring widespread awareness.

No. of Employee who received anti-corruption training	
Employee Category	FY2023
Senior Management	16
Management	32
Executive	70
Non-Executive	18

#### Employees Who Received Anti-Corruption Training



## SUSTAINABILITY STATEMENT

(CONTINUED)

### Corruption and Whistleblowing Incidents

Our Group maintained a track record of zero reported cases of corruption or whistleblowing incidents across the past three financial years, underscoring the effectiveness of our anti-bribery and anti-corruption training initiatives and our grievance mechanism.

	FY2021	FY2022	FY2023
No. of confirmed corruption incidents	-	-	-
No. of incidents of whistleblowing	-	-	-

### Regulatory Compliance

#### Why is this Important?

Ensuring compliance with relevant laws and regulations is essential for maintaining ethical operations and securing long-term success. Through integrating rigorous compliance measures throughout our operating processes, we enhance the resilience of the Group and ensure accountability to responsible business conduct.

#### Our Approach

To align with applicable laws and regulations, we enforced a set of Standard Operating Procedures ("SOP") and robust policies, benchmarking our practices against industry best standards. Our achievements include obtaining ISO 37001:2016 certification for our ABMS, ISO 45001:2018 certification for our OHS Management System, ISO 14001:2015 certification for our Environmental Management System and ISO 9001 Quality Management System.

### Technology, Data Security and Privacy

#### Why is this Important?

In our data-centric global society characterised by ongoing technological advancement, the significance of data security and privacy has surged. Companies entrusted with customer information bear the responsibility of mitigating security risks. Thus, reinforcing our cyber security capabilities minimises the risks of data leaks and breaches of customer confidentiality, cultivating trust among our stakeholders.

## Zero Incidents of Data Privacy and Cybersecurity Breaches in FY2023

#### Our Approach

We align our Management Information System ("MIS") Policy & Procedure with the Personal Data Protection Act of Malaysia 2010 ("PDPA"). Data privacy and cybersecurity are integral components of our internal control and risk management framework. Our information technology system incorporates robust systems and procedures to mitigate cybersecurity risks, prevent unauthorised access and software uses and protect against information loss.

# SUSTAINABILITY STATEMENT

(CONTINUED)

## Our Performance

As of FY2023, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

	FY2021	FY2022	FY2023
No. of substantiated complaints concerning breaches in customer privacy or data loss	-	-	-

## Supply Chain Management

### Why is this Important?

Advocating for sustainable procurement raises sustainability awareness and promotes ethical practices throughout our supply chain. Prioritising local procurement also offers logistical cost advantages, diminishes our carbon footprint, builds positive community relationships and generates job opportunities, contributing to the growth of our domestic economy.

### Our Approach

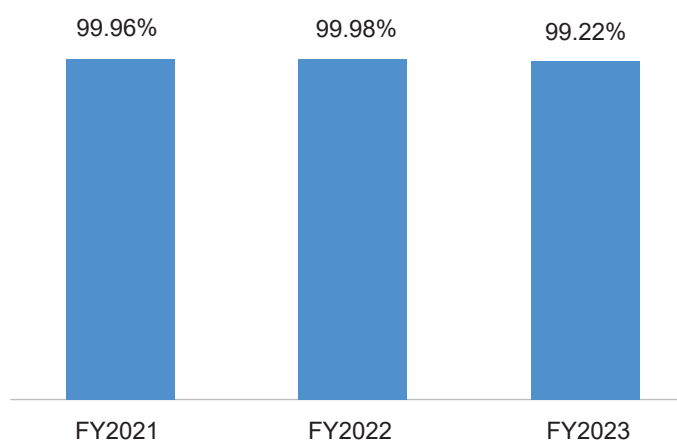
Supported by our Supplier Code of Conduct, our Procurement and Supplier Assessment Policy encourages sustainability and best practices among our suppliers, upholding the integrity of our supply chain and preventing corruption, bribery and human rights violations.

Our progressive procurement and supplier assessment system, embedded in the Supplier Code of Conduct, is compliant with the ABMS. We conduct a biannual review of our suppliers' performance to uphold service quality, ensure policy compliance and safeguard contractual obligations.

### Our Performance

Mudajaya fosters partnerships and engages with a robust network of contractors, suppliers and vendors across the regions in which we conduct our operations. In FY2023, we set an ambitious goal of allocating a minimum of 90% of our procurement budget to support local suppliers. In the same reporting period, 99.22% of our procurement expenditure was directed towards local suppliers.

### Proportion of Procurement Spend on Local Suppliers



## SUSTAINABILITY STATEMENT

(CONTINUED)

### Product Quality and Innovation

#### Why is this Important?

In the sphere of construction, property development, concession assets and manufacturing, the significance of quality cannot be overstated—it serves as the bedrock fortifying brand credibility and trust. Motivated by our aspiration to deliver nothing short of exemplary quality, Mudajaya is driven to innovative construction methods, seeking to reinforce building quality as well as cost and operational efficiency.

#### Our Approach and Performance

Mudajaya established and implemented a Quality Management System (“QMS”) that was initially certified to ISO 9001:2000 standards in July 2002. We subsequently updated our QMS to meet ISO 9001:2008 standards in October 2009 and later ISO 9001:2015 standards in June 2018.

Similarly, MJC Precast attained ISO 9001:2008 Quality Management System Certification in December 2015 and successfully upgraded its QMS to comply with ISO 9001:2015 in August 2018.



On 11th August 2023, MCB received the Master Builders Association Malaysia (“MBAM”) Platinum Service Award for 20 years of service in the Association.

Our construction projects strictly adhere to the ISO 9001 Quality Management System. We have a Group Quality Policy Statement that articulates our pursuit for excellence through our various commitments.

1

Providing cost-effective, innovative and timely delivery of high-quality products

2

Cultivating human capital and fostering a culture of teamwork within our workforce

3

Optimising resource utilisation to enhance efficiency and operational excellence

4

Ensuring total customer satisfaction by not only meeting but surpassing customer expectations

5

Upholding compliance with all relevant legal and other requirements

6

Continually improving the effectiveness of our Quality Management System

## SUSTAINABILITY STATEMENT

(CONTINUED)

### BUILDING TOWARDS A GREENER FUTURE

#### Material Sustainability Matters

- Energy, Emissions and Climate Resilience
- Material Consumption
- Waste and Effluent Management
- Water Consumption

#### Key Stakeholder Groups

- Shareholders & Investors
- Government & Regulatory Authorities
- Customers
- Suppliers
- Communities



Addressing climate change is a collective global responsibility. Acknowledging our contribution to this challenge, Mudajaya is engaged in tackling the indirect environmental implications of our construction activities through initiatives that reduce our resource consumption and enhance waste management. Environmental management stands as a fundamental pillar of our ESG agenda, allowing us to effectively confront these crucial issues, including the effects of climate change, and contribute to a thriving planet for future generations.

# SUSTAINABILITY STATEMENT

(CONTINUED)

## Energy, Emissions and Climate Resilience

### Why is this Important?

Given its substantial emissions production and energy consumption, the construction industry is among the primary contributors to the global carbon footprint. Addressing this challenge through incorporating sustainable building practices is crucial to reducing GHG emissions and waste, contributing to a sustainable approach to resource management as well as net zero by 2050.

### Our Approach

Mudajaya monitors emissions across projects, identifying areas for improvement and implementing targeted carbon reduction measures. We explore and integrate energy-efficient technologies to minimise our energy consumption. For example, we installed solar panels at Menara Mudajaya and deployed solar-powered equipment, including floodlights, lamps, fans and CCTV cameras, at the LRT3 project site.

We plan to install solar panels at the SkyVilla Condominium at our Batu Kawah township. Additionally, we actively integrate green areas into projects and land development plans as part of our tree preservation programme, preserving existing trees on project sites whenever feasible.

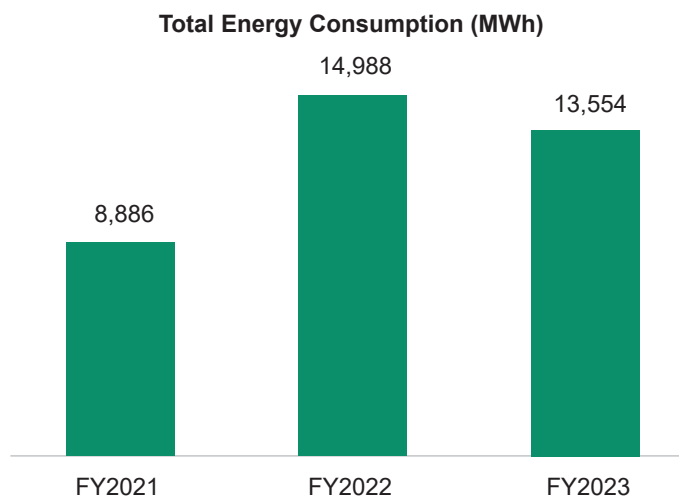


Mudajaya received a Sustainable Development Award for Affordable and Clean Energy in 2022 for our development of the 49MW large scale solar photovoltaic facility in Perak.

### Our Performance

#### Total Energy Consumption

Our Group's total energy consumption, encompassing operational fuel and electricity consumption, amounted to 13,554 MWh in FY2023.

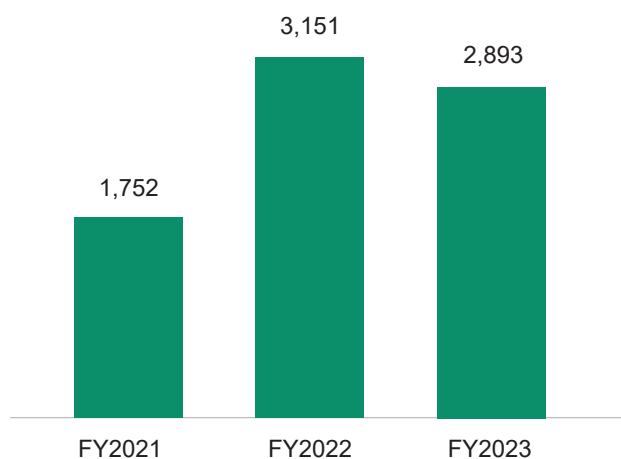


#### Scope 1 GHG Emissions

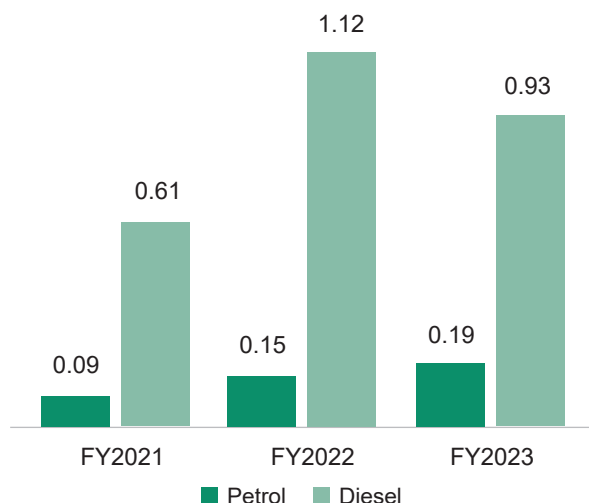
The Scope 1 emissions in this statement encompass the direct GHG emissions resulting from fuel consumption, specifically at MCB projects, MJCP and SKSB. The majority of our fuel consumption was derived from construction-related activities at MCB projects and the manufacturing of precast concrete at MJCP.

## SUSTAINABILITY STATEMENT

(CONTINUED)

Scope 1 GHG Emissions (tCO<sub>2</sub>e)

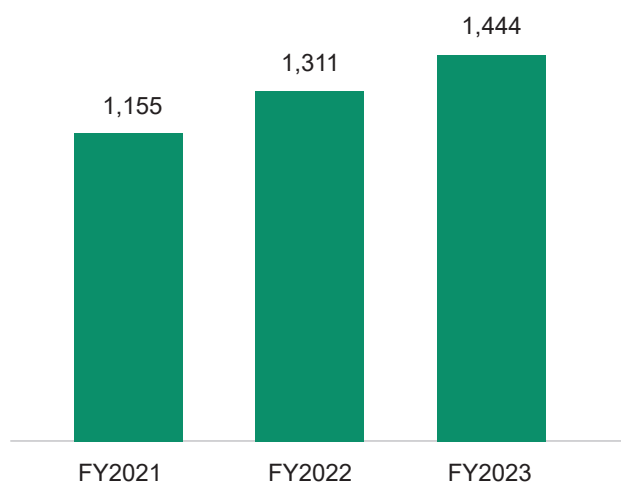
Fuel Consumption (Megalitre)



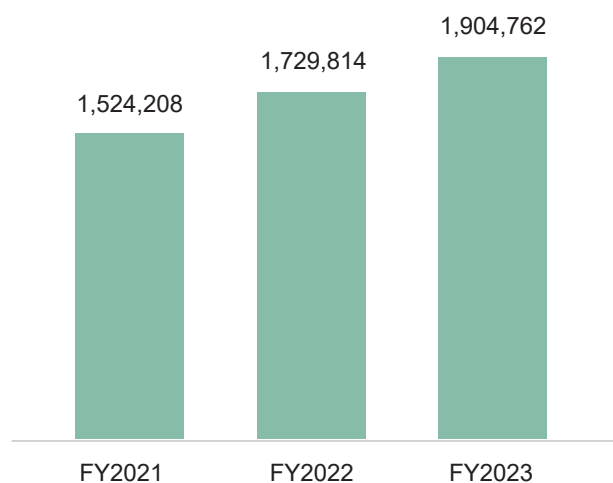
1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards.
2. Scope 1 emissions factors were sourced from the UK Government's GHG Conversion Factor 2023.
3. In FY2023, we started tracking emissions from our company-owned vehicles.

Scope 2 GHG Emissions

Scope 2 emissions are indirect GHG emissions associated with purchased electricity usage for operational activities at MCB projects, MLSB, MJCC, MJCP and SKSB. In FY2023, our electricity consumption and its corresponding Scope 2 emissions increased by 10.2% compared to the previous year.

Scope 2 GHG Emissions (tCO<sub>2</sub>e)

Electricity Consumption (kWh)



1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards
2. Scope 2 emissions factor were sourced from the National Energy Commission: Grid Emissions Factor 2021.

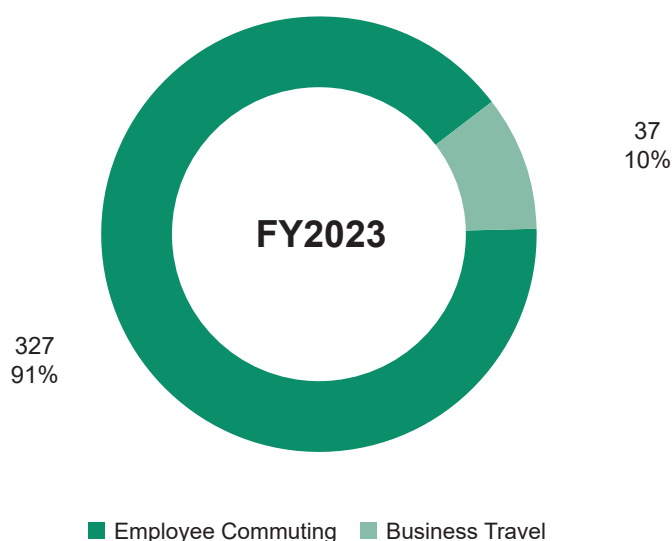
## SUSTAINABILITY STATEMENT

(CONTINUED)

### Scope 3 GHG Emissions

In FY2023, we commenced monitoring our Scope 3 emissions Group-wide, focusing specifically on employee commuting and business travel. During this period, our Scope 3 emissions totalled 364 tCO<sub>2</sub>e, with 90% attributed to employee commuting and 10% to business travels.

Scope 3 GHG Emissions (tCO<sub>2</sub>e)



1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards
2. Scope 1 and 3 emissions factors were sourced from the UK Government's GHG Conversion Factor 2023.

### Material Consumption

#### Why is this Important?

With the global population on the rise and accelerating urbanisation, the demand for buildings and infrastructure has increased exponentially, placing substantial stress on natural resources. However, the construction industry's environmental impact is not limited to resource extraction; material shipping and fabrication significantly contribute to carbon emissions.

#### Our Approach

We minimise our ecological footprint by leveraging pre-fabrication technologies, with a particular focus on Industrialised Building Systems ("IBS"). Through IBS, we conduct off-site manufacturing of building components, resulting in more efficient raw material usage that drastically reduces on-site waste and optimises our construction processes.

#### Our Performance

Material consumption data was recorded specifically for the LRT3 GS01 project. In FY2023, the three primary materials consumed were steel bars, ready-mixed concrete and tiles. The project consumed 40.5 tonnes of steel bars, 844 m<sup>3</sup> of ready-mixed concrete and 17,516 tiles during the year.

## SUSTAINABILITY STATEMENT

(CONTINUED)

Construction materials for other projects are managed through subcontractor contracts. Therefore, there is no available data on material consumption for these projects.

Type of Materials	Units	LRT3 GS01 Material Consumption		
		FY2021	FY2022	FY2023
Steel Bars	tonnes	50.5	220.8	40.5
Hollow Section	pcs	1,708	-	-
Ready Mixed Concrete	m <sup>3</sup>	331	650	844
Tiles	pcs	-	-	17,516

### Waste and Effluent Management

#### Why is this Important?

Improper waste disposal can pose significant risks to both the environment and human health. To address this, Mudajaya is dedicated to the enforcement of waste reduction and diversion strategies, minimising its adverse environmental impact while ensuring our alignment with the relevant laws and regulations. Such management practices also safeguard nearby ecosystems and communities, enhancing their health and well-being.

#### Our Approach



##### Waste Management Plan at Construction Sites

As part of our waste management plan, we demarcated specific areas exclusively for scheduled waste storage and placed recycling bins throughout our construction sites. Licensed contractors were appointed to handle all the waste generated, ensuring compliance with our environmental management plan and the Department of Environment's scheduled waste regulation and guideline.



##### Effluent Management at Construction Sites

For effluent management, silt detention ponds were constructed at the LRT3 site for effective sedimentation control before being discharged into the river near the site. Water from the silt retention ponds was reused for vehicle cleaning, while stockpiles of sand were repurposed for flood mitigation fencing (sandbags) along the riverbank. Our construction sites are also equipped with an Active Treatment System ("ATS") designed to trap and filter particles from water, ensuring that the treated water meets the standards set by the Department of Environment before its release into the river.



##### Collaboration with Ikano Power Centre ("IPC") Recycling Team

In FY2022, we collaborated with the IPC Recycling Team to strategically position recycling bins within Menara Mudajaya, facilitating convenient disposal of recyclable items for our employees and tenants. We successfully collected a total of 13.8 kg of recyclables in FY2022, and this figure has increased to 126.3 kg in FY2023.

## SUSTAINABILITY STATEMENT

(CONTINUED)

### Our Performance

#### Scheduled Waste

In FY2023, the total scheduled waste generated from our four active project sites (LRT3, GEK, KPM and ECRL) amounted to 1.94 tonnes. All scheduled waste was handled and disposed of by licensed contractors accordingly.

Type of Waste	MCB Projects Scheduled Waste Generated (Tonnes)		
	FY2021	FY2022	FY2023
SW 305 Spent lubricating oil	0.27	0.38	1.16
SW 408 Pathogenic waste, clinical waste or quarantined materials	0.24	0.19	0.35
SW 409 Contaminated soil	0.19	0.14	0.23
SW 410 Used chemical container	0.11	0.18	0.20
SW 404 Contaminated rag, paper, plastic, absorbent pad, used oil filter	0.00	0.02	0.00
<b>Total</b>	<b>0.81</b>	<b>0.91</b>	<b>1.94</b>

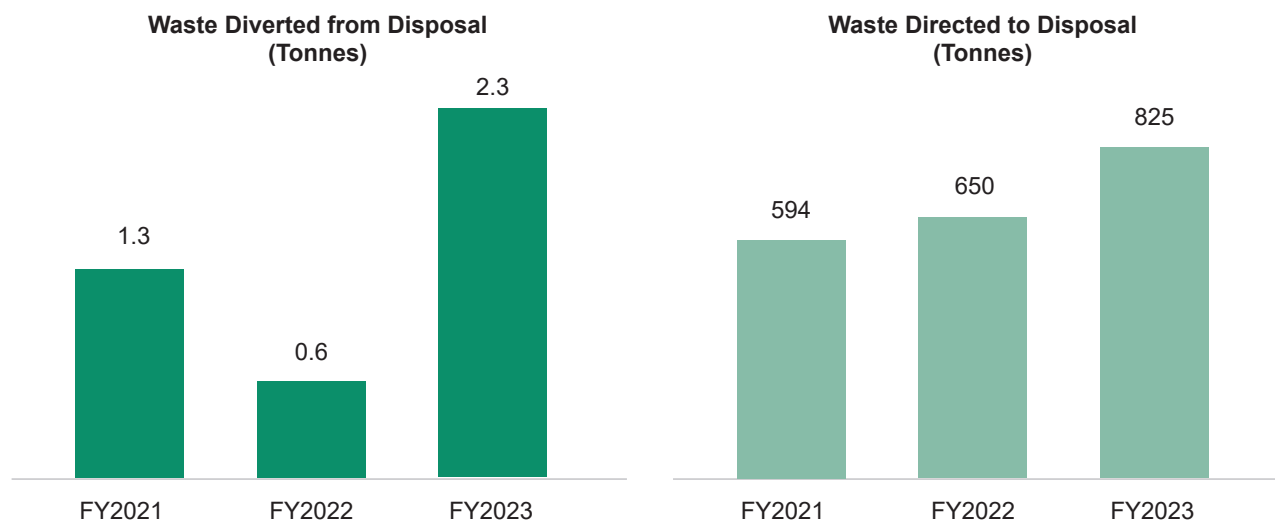
#### Non-Scheduled Waste

We monitor non-scheduled waste generation at both MCB Projects, MJCP and Menara Mudajaya. In FY2023, our total non-scheduled waste increased to 827 tonnes due to the addition of the KPM and ECRL projects under MCB.

Type of Waste	Non-Scheduled Waste Generated (Tonnes)		
	FY2021	FY2022	FY2023
Domestic Waste	242	266	309
Construction Waste	352	392	518
<b>Total</b>	<b>594</b>	<b>658</b>	<b>827</b>

#### Waste Disposal Methods

In FY2023, a total of 2.2 tonnes were recovered or recycled and 576 tonnes were directed to disposal.



## SUSTAINABILITY STATEMENT

(CONTINUED)

### Effluents

We regularly perform water quality sampling on the effluent discharged at our LRT3 and GEK project sites to ensure compliance with standards set by the Department of Environment. Monitoring results indicate that most parameters fall below or within their limits. Occasional parameter exceedances are observed, likely influenced by external factors such as discharges and surface runoff from neighbouring industrial, commercial or residential areas near the project sites.

### Water Consumption

#### Why is this Important?

Evaluating daily water consumption is a crucial aspect of efficient water management. Through close monitoring of our consumption patterns, we can identify opportunities to introduce water-efficient strategies into our development projects, contributing to our operational efficiency and minimising waste. Implementing these strategies also enhances our capacity to navigate potential water scarcity issues in the future, improving the resilience of our business.

#### Our Approach

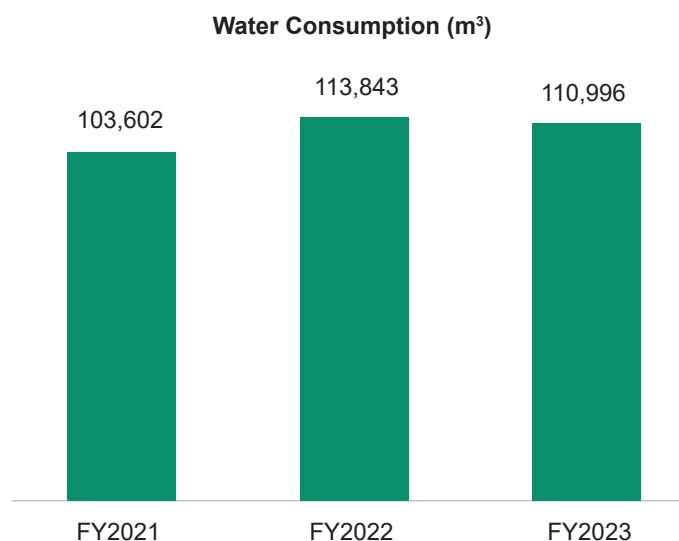
We established a rainwater harvesting system at Menara Mudajaya. Rainwater harvesting systems capture rainwater and store it for later use, reducing the demand for municipal water and generating cost savings.

In FY2023, Menara Mudajaya successfully collected an average of approximately 11,000 litres of rainwater per day, resulting in cost-savings of over RM 9,000. The success of this system has encouraged us to install the same system at SkyVilla Condominium in the foreseeable future.

#### Our Performance

We monitor our water consumption at MCB Projects, MLSB, MJCC, MJCP and SKSB. Immediate action will be taken to identify the causes and check for leaks in the water pipes if an increase in water consumption is noticed.

In FY2023, tracking revealed a total water consumption of 110,996 m<sup>3</sup>, reflecting a 2.5% decrease compared to FY2022.



# SUSTAINABILITY STATEMENT

(CONTINUED)

## CARING FOR OUR PEOPLE

### Material Sustainability Matters

- Occupational Health and Safety
- Human Rights, Labour Practices and Standards
- Talent Attraction and Development
- Diversity and Inclusion
- Community Engagement

### Key Stakeholder Groups

- Government & Regulatory Authorities
- Employees
- Communities

People are an organisation's greatest asset, embodying its resilience, success and sustainability performance. At Mudajaya, we create a diverse workplace culture invested in their abilities and well-being, motivating them to perform to their optimal professional capacity. Beyond keeping us competitive in the construction sector, this better equips us to drive positive change in the communities we serve.



# SUSTAINABILITY STATEMENT

(CONTINUED)

## Occupational Health and Safety

### Why is this Important?

The construction sector is inherently high-risk, with work activities and environments that expose workers to potential accidents, injuries and illnesses. OHS practices are crucial as they serve safeguard the health and safety of our workers at the workplace.

### Our Approach

We instituted the Group Health, Safety, and Environment Committee to drive a coordinated approach to managing health, safety and environmental aspects across our operations. In addition, we established a robust Health, Safety, and Environmental Policy that serves as a protective framework, addressing daily operational hazards to safeguard our employees and contribute to environmental conservation.

Under the policy, personnel and contractors involved in tasks with significant environmental and occupational health risks are mandated to undergo proper training in accordance with our ISO 45001 Occupational Health and Safety Management System. The approach aims to minimise injuries and workplace accidents. Through training and adherence to international standards, we strive to create a secure working environment for all.



On 19th September 2023, MCB was awarded the Safety & Health Assessment System in Construction ("SHASSIC") *Anugerah Kecemerlangan* (Excellence Award) as the contractor for the LRT3 GS01 project.

### Our Performance

In the current reporting period, MCB Projects and MJCP collectively recorded 1,874,713 work hours, with no work-related incidents reported this year. Our ongoing training initiatives also resulted in a consistent track record of zero lost-time injuries among our workers, attesting to our determination to maintain the highest safety standards.

	FY2021	FY2022	FY2023
Total number of hours worked	1,545,582	1,774,500	1,874,713
Total number of work-related fatalities	-	-	-
Total number of recordable work-related injuries	2	2	-
Total number of work-related ill health	-	-	-
Lost Time Incident Rate ("LTIR")	0.26	0.23	-

We commit to keeping our employees informed on the latest OSH best practices and industry standards. Our various training programmes equip our team with the essential knowledge and skills for workplace safety, creating a culture where adherence to OHS standards is a shared priority among team members. In FY2023, we organised 181 health and safety training programmes with a total of 15,434 attendees and 269 total training hours.

	Total No. of Training Programme	Total No. of Attendees	Total Training Hours
MCB Projects	181	15,434	269

## SUSTAINABILITY STATEMENT

(CONTINUED)



# 181

## HEALTH AND SAFETY TRAINING PROGRAMMES

# 15,434

## EMPLOYEES TRAINED ON HEALTH AND SAFETY



# 269

## TOTAL TRAINING HOURS ON HEALTH AND SAFETY

### Human Rights, Labour Practices and Standards

#### Why is this Important?

Active monitoring and continual improvement of labour practices and performance is paramount to protect the well-being of our workers, including particularly vulnerable groups of migrant workers. Upholding high standards of labour and human rights within our operations safeguards the rights and dignity of all individuals involved.

## SUSTAINABILITY STATEMENT

(CONTINUED)

### Our Approach

#### Safe and Compliant Worker's Accommodation

We provide safe, hygienic and clean accommodation for our workers, ensuring they are housed in safe and clean conditions. Our facilities, amenities and accommodation for foreign workers align with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446). We prioritise the creation of a safe and healthy environment in our Centralised Labour Quarters ("CLQs") by providing living essentials such as beds, filtered water dispensers, dustbins, fans, lockers, kitchens, clothes drying areas, dining areas, prayer rooms, washrooms and transportation services for our workers. These CLQs undergo daily checks by our CLQ Supervisors and annual inspections by the Department of Labour to ensure the proper management of foreign labour.

### Zero Cases of Human Rights Violation in FY2023

#### Employee Benefits

We provide our employees with a diverse range of benefits, including healthcare, insurance, flexible work options and professional development opportunities, emphasising their well-being and growth.



Life Insurance



Health Insurance



Disability and Invalidity Coverage ("SOC SO")



Parental Leave



Retirement Provision ("KWSP")



Annual Leave

### Our Performance

#### Upholding Human Rights

For three consecutive years, Mudajaya maintained a record of zero substantiated cases of human rights complaints. It underscores our dedication to fostering a workplace that adheres to the highest labour standards, actively safeguarding the rights and dignity of every individual involved.

	FY2021	FY2022	FY2023
No. of substantiated complaints concerning human rights violation	-	-	-

# SUSTAINABILITY STATEMENT

(CONTINUED)

## Talent Attraction and Development

### Why is this Important?

Investing into the growth and development of our employees is a strategic imperative that fuels a continuously evolving workforce, ensuring they remain competitive within the industry and are equipped to navigate emerging risks. Prioritising our employee's career progression also improves their engagement, productivity and retention, contributing to our future success.

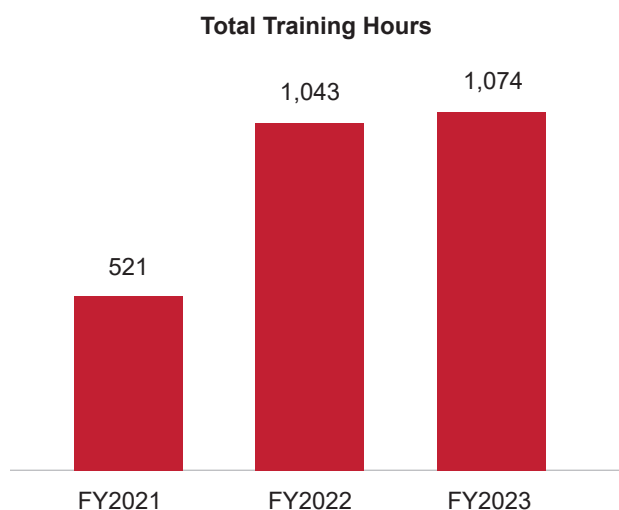
### Our Approach

We nurture a positive workplace culture by organising diverse engagement activities such as festivals, sports events and blood donation drives, cultivating a supportive environment. In talent management, our emphasis is on providing a thorough onboarding experience and competitive salary adjustments. Our investment in employee growth includes internal training for skill enhancement and knowledge-sharing, along with external opportunities for specialised courses. These initiatives encourage employee engagement, development and overall well-being.

### Our Performance

#### Employee Training and Development

In FY2023, our employees received a total of 1,074 training hours, averaging 3.64 hours per employee.

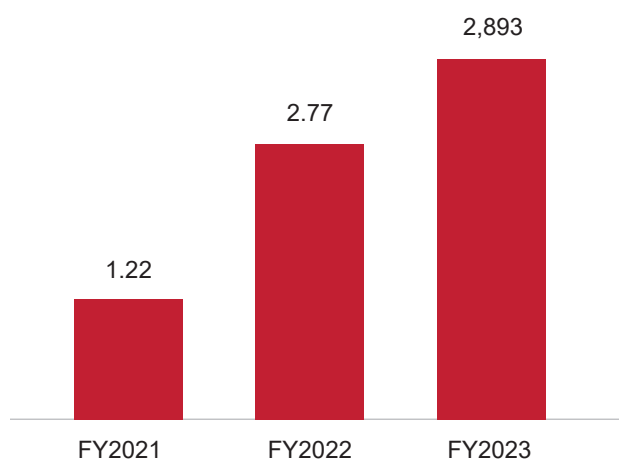


Employee Category	Total Training Hours		
	FY2021	FY2022	FY2023
Senior Management	29	124	156
Management	154	312	482
Executive	216	399	364
Non-Executive	123	209	72

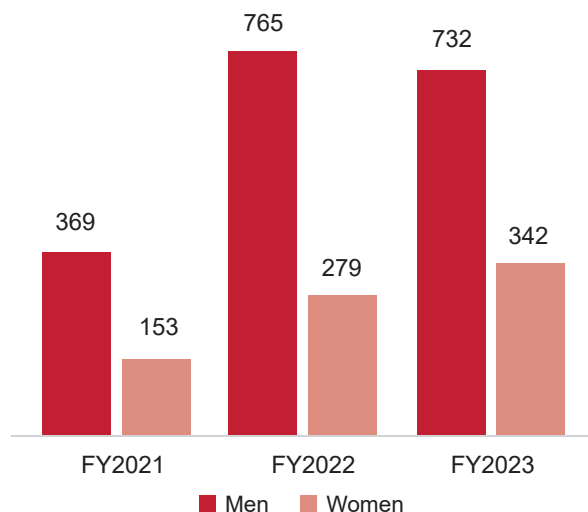
## SUSTAINABILITY STATEMENT

(CONTINUED)

Average Training Hours per Employee

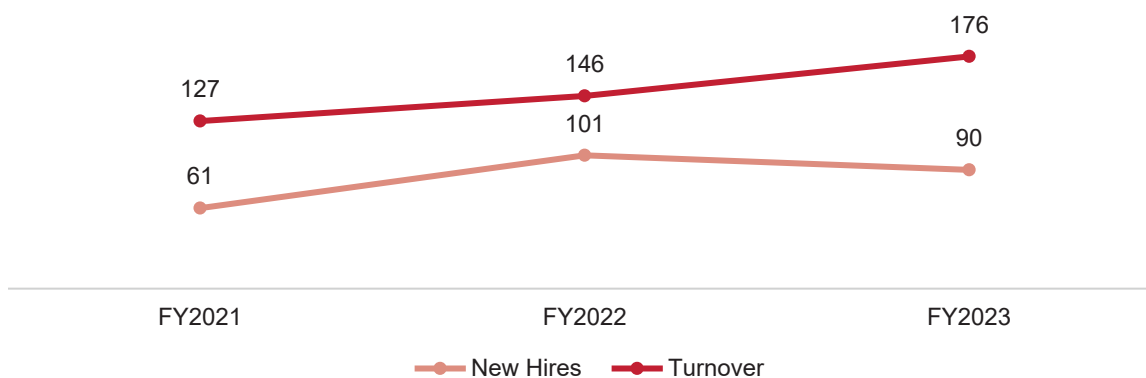


Training Hours by Gender

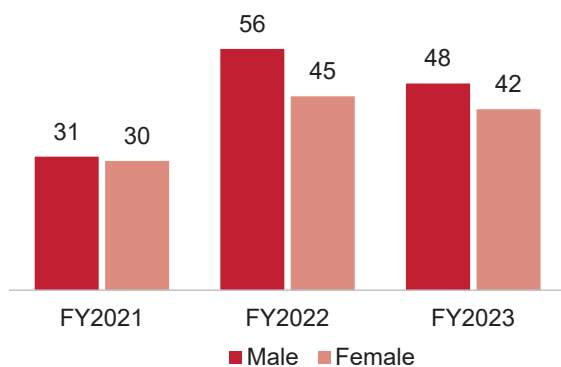
Employee New Hires and Turnover

In FY2023, the Group recorded 90 new hires and 176 turnovers.

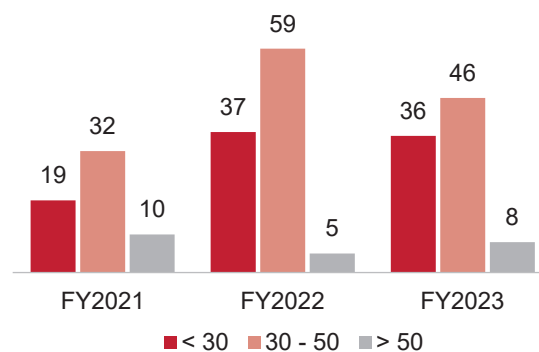
Total New Hires and Turnover



New Hires by Gender



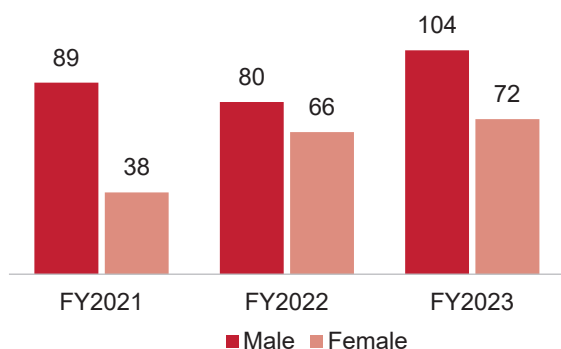
New Hires by Age



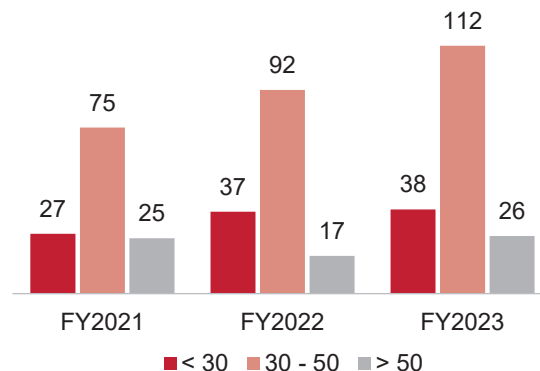
## SUSTAINABILITY STATEMENT

(CONTINUED)

Turnover by Gender



Turnover by Age



Employee Category	Total no. of employee turnover		
	FY2021	FY2022	FY2023
Senior Management	3	2	2
Management	21	19	21
Executive	51	61	56
Non-Executive	52	64	97

### Employee Engagement Pogrammes

We encourage our employees to maintain a healthy lifestyle. The Group arranged weekly sports activities such as badminton, zumba and yoga for employees to participate.



## SUSTAINABILITY STATEMENT

(CONTINUED)

On 7th October 2023, Mudajaya participated in the MBAM Hiking Event to explore nature together with other MBAM member companies at the Kota Damansara Community Forest.



Hiking Events



Futsal Tournament

On 28th October 2023, Mudajaya participated in the MBAM Futsal Tournament at the Sports Arena Sentosa in Kuala Lumpur.

### Diversity and Inclusion

#### Why is this Important?

Fostering workplace diversity plays a crucial role in driving our business growth by cultivating a workforce enriched with diverse talents, skills and perspectives. Inclusive workplace cultures are conducive to information sharing and the generation of innovative ideas, ultimately contributing to organisational success.

#### Our Approach

To foster an inclusive workplace culture, we have implemented rigorous policies aimed at eradicating any form of discrimination. It includes fair hiring practices and a merit-based promotion system that actively promotes equal opportunity and non-discriminatory practices within our operations. Our Group stands firm against all forms of discrimination, be it with regard to race, age, gender, sexual orientation, marital status or disability, supporting equal employment opportunity for all employees.

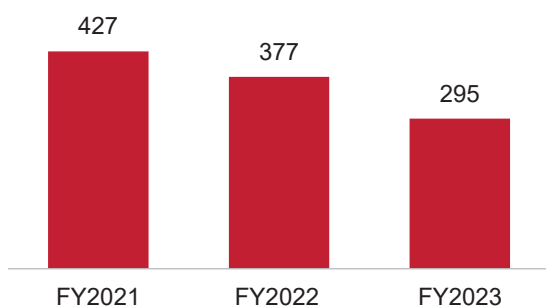
#### Our Performance

The Group employed a workforce totalling 295 employees in FY2023, with 59% comprising contractors or permanent staff. A majority of our workforce fell within the age bracket of 30 to 50 years old, with female staff constituting 36% of the total workforce.

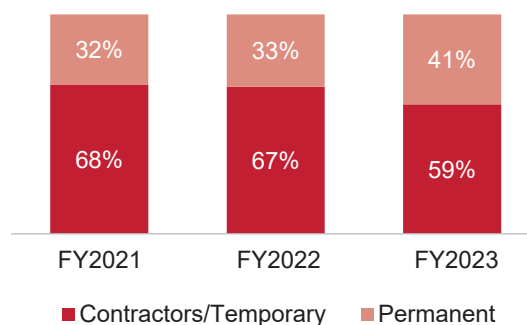
## SUSTAINABILITY STATEMENT

(CONTINUED)

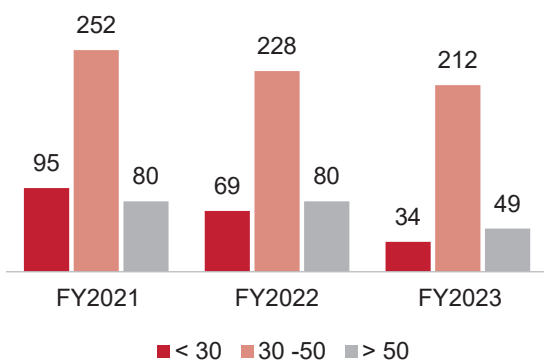
**Total Employees**



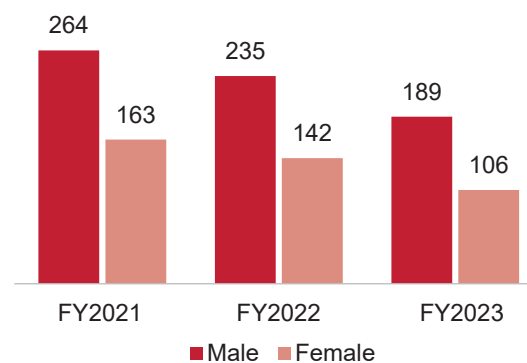
**Employee Composition**



**Employee Age Diversity**



**Employee Gender Diversity**



**Employee Gender Diversity by Employee Category (%)**

Employee Category	Gender	FY2021	FY2022	FY2023
Senior Management	Men	76	87	84
	Women	24	13	16
Management	Men	72	71	67
	Women	28	29	33
Executive	Men	52	53	54
	Women	48	47	46
Non-Executive	Men	63	63	69
	Women	37	37	31

# SUSTAINABILITY STATEMENT

(CONTINUED)

Employee Age Diversity by Employee Category (%)				
Employee Category	Age	FY2021	FY2022	FY2023
Senior Management	<30	0	0	0
	30-50	24	27	47
	>50	76	73	53
Management	<30	0	0	2
	30-50	65	57	74
	>50	35	43	24
Executive	<30	23	22	13
	30-50	67	66	76
	>50	10	11	12
Non-Executive	<30	31	23	17
	30-50	55	61	71
	>50	14	16	12

## Community Engagement

### Why is this Important?

Implementing impactful corporate social responsibility (“CSR”) initiatives enables us to uplift the quality of life for the communities we serve. By reinvesting our corporate resources into these communities, we drive tangible societal progress, elevate lives and build long-term relationships, strengthening our position as responsible corporate citizens.

### Our Approach and Performance

In FY2023, Mudajaya collaborated with various organisations and local authorities, investing in and supporting six programmes that uplift the local communities we serve.

#### Keeping Our Neighbourhood Clean

**Date: Weekly (Every Saturdays)**



Each week, we actively participate in a collaborative community cleanup initiative with the Damansara Utama Residents and Owners Association (“DUROA”). Our dedicated team contributes by providing both manpower and tools to ensure the cleanliness of the environment surrounding our site office and the neighbouring areas.

#### Dengue Prevention Campaign

**Date: 5 February 2023**



We assisted Masjid Al'Makmuriah in Kampung Sungai Kayu Ara with a sky-lift and manpower for a clean-up campaign. Our proactive approach helps prevent dengue outbreaks, contributing to a healthier environment for residents.

## SUSTAINABILITY STATEMENT

(CONTINUED)

### Back to School Programme

Date: 4 March 2023



We donated up to RM 2,000 to the Kampung Sungai Kayu Ara Community Council's ("MPKK") Back-to-School Programme, supporting over 70 students with essential school supplies.

### Enhancing Water Storage

Date: 12 April 2023



Contributed two 500-gallon water tanks valued at RM 1,200 to improve water storage facilities for the women's lockup at the Damansara Utama Police Station.

### Brightening Festive Nights

Date: 22 May 2023



Supplied spotlights, gensets and equipment for the Hari Raya Aidilfitri celebration in Kampung Sungai Kayu Ara, organised by MPKK.

### Machinery Support

Date: 28 June 2023



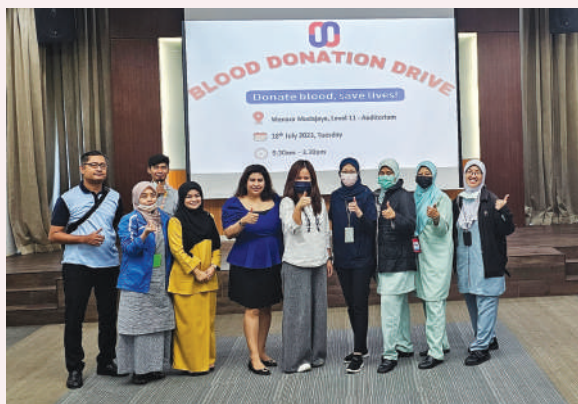
During Hari Raya Korban, we provided machinery support, including a backhoe, for MPKK's initiatives.

## SUSTAINABILITY STATEMENT

(CONTINUED)

### Blood Donation Drive

Date: 18 July 2023



Mudajaya collaborated with the Universiti Malaya Blood Bank for a blood donation drive at our Head Office as part of our life-saving campaign. We surpassed collection targets with overwhelming support from all.

### CSR Computer Donation

Date: 15 December 2023



Mudajaya donated 11 computers to two schools in Negeri Sembilan in collaboration with the Medical Awareness Camp Outreach ("MACO"). This initiative has been ongoing for 3 years to support underprivileged children.

## LOOKING FORWARD ON OUR SUSTAINABILITY JOURNEY

At Mudajaya, ethical and responsible business practices rank among our top priorities, upheld through the implementation of a comprehensive governance framework, policies and procedures. As we advance on our sustainability journey, we pledge to maintain environmental sustainability, striving for efficient and innovative resource, energy, waste and effluent management solutions. Our efforts extend beyond environmental concerns – we also aspire to the highest standards of human rights, prioritising the welfare of our employees, customers, supply chain and local communities in all our operations.

Recognising the dynamic and intricate nature of sustainability, we, as a responsible corporate citizen, remain unwavering in our advocacy of sustainability and ethical business practices. Our aim is to elevate the community around us for a brighter future for generations to come.

# SUSTAINABILITY STATEMENT

(CONTINUED)

## Performance Data Table from ESG Reporting Platform

This performance data table was generated from the ESG Reporting Platform and included in this Sustainability Statement, as mandated by the enhance sustainability reporting requirements of Bursa Securities.

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00	0.00	84.00
Management	Percentage	0.00	0.00	59.00
Executive	Percentage	0.00	0.00	63.00
Non-Executive	Percentage	0.00	0.00	16.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Technology, Data privacy and Security</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.96	99.98	99.22
<b>Energy, Emissions and Climate Resilience</b>				
Bursa C4(a) Total energy consumption	Megawatt	8,886.11	14,987.78	13,554.44
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,752.00	3,151.00	2,893.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,155.00	1,311.00	1,444.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	0.00	364.00
<b>Material Consumption</b>				
Bursa S5(a) Total weight or volume of materials that are used to produce products (Steel Bars)	Tonnes	50.50	220.80	40.50
<b>Waste and Effluent Management</b>				
Bursa C10(a) Total waste generated	Metric tonnes	594.50	659.20	829.20
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1.30	0.60	2.30
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	593.70	649.90	825.40
Bursa S8(a) Total volume of water (effluent) discharge over the reporting period	Cubic meters	0.00	0.00	0.00
<b>Water Consumption</b>				
Bursa C9(a) Total volume of water used	Megalitres	103.602000	113.843000	110.996000
<b>Occupational Health and Safety</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.26	0.23	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	0	15,434
<b>Human Rights, Labour Practices and Standards</b>				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

Internal assurance

External assurance

No assurance

(\*)Restated

# SUSTAINABILITY STATEMENT

(CONTINUED)

Indicator	Measurement Unit	2021	2022	2023
<b>Talent Attraction and Development</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	29	124	156
Management	Hours	154	312	482
Executive	Hours	216	399	364
Non-Executive	Hours	123	209	72
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	3	2	2
Management	Number	21	19	21
Executive	Number	51	61	56
Non-Executive	Number	52	64	97
<b>Diversity and Inclusion</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	24.00	27.00	47.00
Senior Management Above 50	Percentage	76.00	73.00	53.00
Management Under 30	Percentage	0.00	0.00	2.00
Management Between 30-50	Percentage	65.00	57.00	74.00
Management Above 50	Percentage	35.00	43.00	24.00
Executive Under 30	Percentage	23.00	22.00	13.00
Executive Between 30-50	Percentage	67.00	66.00	76.00
Executive Above 50	Percentage	10.00	11.00	12.00
Non-Executive Under 30	Percentage	31.00	23.00	17.00
Non-Executive Between 30-50	Percentage	55.00	61.00	71.00
Non-Executive Above 50	Percentage	14.00	16.00	12.00
Gender Group by Employee Category				
Senior Management Male	Percentage	76.00	87.00	84.00
Senior Management Female	Percentage	24.00	13.00	16.00
Management Male	Percentage	72.00	71.00	67.00
Management Female	Percentage	28.00	29.00	33.00

# SUSTAINABILITY STATEMENT

(CONTINUED)

Indicator	Measurement Unit	2021	2022	2023
Executive Male	Percentage	52.00	53.00	54.00
Executive Female	Percentage	48.00	47.00	46.00
Non-Executive Male	Percentage	63.00	63.00	69.00
Non-Executive Female	Percentage	37.00	37.00	31.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80.00	80.00	67.00
Female	Percentage	20.00	20.00	33.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	68.00	67.00	59.00
<b>Community Engagement</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	3,200.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	0

Internal assurance External assurance No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT

(CONTINUED)

## GRI CONTENT INDEX

Statement of use	Mudajaya Group Bhd has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	70
	2-2 Entities included in the organisation's sustainability reporting	71
	2-3 Reporting period, frequency and contact point	71
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	80 - 82
	2-7 Employees	108 - 109
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	79
	2-10 Nomination and selection of the highest governance body	-
	2-11 Chair of the highest governance body	-
	2-12 Role of the highest governance body in overseeing the management of impacts	76
	2-13 Delegation of responsibility for managing impacts	86 - 88
	2-14 Role of the highest governance body in sustainability reporting	79
	2-16 Communication of critical concerns	80 - 82
	2-17 Collective knowledge of the highest governance body	-
	2-18 Evaluation of the performance of the highest governance body	-
	2-19 Remuneration policies	-
	2-20 Process to determine remuneration	-
	2-22 Statement on sustainable development strategy	-
	2-23 Policy commitments	76
	2-24 Embedding policy commitments	76
	2-25 Processes to remediate negative impacts	86 - 88
	2-26 Mechanisms for seeking advice and raising concerns	90 - 91
	2-27 Compliance with laws and regulations	92
	2-28 Membership associations	72
	2-29 Approach to stakeholder engagement	80 - 82
	2-30 Collective bargaining agreements	-
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	83
	3-2 List of material topics	84
	3-3 Management of material topics	Throughout
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	86 - 88
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	93

## SUSTAINABILITY STATEMENT

(CONTINUED)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	91
	205-2 Communication and training about anti-corruption policies and procedures	92
	205-3 Confirmed incidents of corruption and actions taken	92
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	98
	301-2 Recycled input materials used	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	96
	302-2 Energy consumption outside of the organisation	-
	302-3 Energy intensity	-
	302-4 Reduction of energy consumption	96
	302-5 Reductions in energy requirements of products and services	-
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	101
	303-2 Management of water discharge-related impacts	-
	303-3 Water withdrawal	-
	303-4 Water discharge	-
	303-5 Water consumption	101
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	96 – 97
	305-2 Energy indirect (Scope 2) GHG emissions	97
	305-3 Other indirect (Scope 3) GHG emissions	98
	305-4 GHG emissions intensity	-
	305-5 Reduction of GHG emissions	97
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	99 – 101
	306-2 Management of significant waste-related impacts	99 – 101
	306-3 Waste generated	99 – 101
	306-4 Waste diverted from disposal	100
	306-5 Waste directed to disposal	100
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	107
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	104
	401-3 Parental leave	-

# SUSTAINABILITY STATEMENT

(CONTINUED)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	103
	403-2 Hazard identification, risk assessment, and incident investigation	-
	403-3 Occupational health services	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	103
	403-5 Worker training on occupational health and safety	104
	403-6 Promotion of worker health	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-
	403-8 Workers covered by an occupational health and safety management system	-
	403-9 Work-related injuries	103
	403-10 Work-related ill health	103
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	106
	404-2 Programmes for upgrading employee skills and transition assistance programs	-
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	108
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	-
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>GRI 408: Child Labour 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	-
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	-
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	111 – 112
	413-2 Operations with significant actual and potential negative impacts on local communities	-
<b>GRI 417: Marketing and Labelling 2016</b>	417-2 Incidents of non-compliance concerning product and service information and labelling	-
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	92

# FINANCIALS

## FINANCIAL STATEMENTS

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228	Declaration by the Officer Primarily Responsible for the Financial Management of the Company



# DIRECTORS' REPORT

The Directors of **MUDAJAYA GROUP BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in the subsidiaries are disclosed in Note 19 to the financial statements.

## RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the year are as follows:

	Group RM'000	Company RM'000
Loss before tax	(21,041)	(29,695)
Income tax expense	(10,212)	-
<b>Loss for the year</b>	<b>(31,253)</b>	<b>(29,695)</b>
<b>Attributable to:</b>		
Owners of the Company	(48,524)	(29,695)
Non-controlling interests	17,271	-
	<b>(31,253)</b>	<b>(29,695)</b>

In the opinion of the Directors, the results of operations of the Group and of the Company during the year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the impairment loss on investment in a subsidiary as disclosed in Note 9 to the financial statements.

## DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous year. The Directors also do not recommend any dividend payment in respect of the current year.

## RESERVES AND PROVISIONS

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

## DIRECTORS' REPORT

(CONTINUED)

### ISSUE OF SHARES AND DEBENTURES

During the year, the Company increased its issued and paid up ordinary share capital of RM38,000 comprising 174,000 ordinary shares pursuant to the exercise of warrants.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any new debentures during the year.

### SHARE OPTIONS

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

No shares have been issued during the year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the year, there were no unissued shares of the Company under options.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) 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.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the year.

# DIRECTORS' REPORT

(CONTINUED)

## OTHER STATUTORY INFORMATION (cont'd)

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the year in which this report is made.

## DIRECTORS

The Directors of the Company in office during the year and during the period from the end of the year to the date of this report are:

James Wong Tet Foh\*  
 Dato' Amin Rafie bin Othman  
 Chew Hoy Ping  
 Oei Su Lee  
 Lee Eng Leong\* (resigned on 1 April 2024)

\* The Director is also director of the Company's Malaysian and foreign subsidiaries.

The Directors of the Company's subsidiaries in office during the year and during the period from the end of the year to the date of this report are (not including those Directors listed above):

### Directors of Malaysian subsidiaries

Ahmad Badri bin Ramli  
 Chai Kun Seng  
 Chai Min Hon  
 Law Chin Wat  
 Hamyzar bin Toha  
 Lee Tze Liu  
 Liu Ning  
 Ong Ah Hwa  
 Ong Kah Joon  
 Sim Hee Pang  
 Tan Tong Lai  
 Wu Zhou Yue  
 Yam Keong Chee  
 Tan Chin Boo (appointed on 28 February 2023)  
 Chew Chee Wai (appointed on 16 October 2023)  
 Teoh Teik Thiam (resigned on 28 February 2023)

## DIRECTORS' REPORT

(CONTINUED)

### DIRECTORS (cont'd)

Directors of foreign subsidiaries	Subsidiaries' country of incorporation
Abdul Hafiz Al-Shedokhi	- Kingdom of Saudi Arabia
Anto SF Joseph	- Kingdom of Saudi Arabia
Chan Chun Hong	- China
Fan Yi Bin	- China
Huang Wu Hu	- China
Huang Xunhao	- China
Jin Hui Chi	- China
Jayasree S. Kumar	- India
Koichi Urakawa	- British Virgin Islands and China
Li Beibei	- China
Li Chao	- China
Li Ying	- China
Mohammad Abdullah Abdul Rahman Al-Shoail	- Kingdom of Saudi Arabia
Mudajaya Corporation Berhad <sup>#</sup>	- British Virgin Islands
Ng Chee Kin	- Kingdom of Saudi Arabia
Ng Jing Sheng	- China
Ng Qing Hai	- British Virgin Islands, China and Hong Kong
Song Hua	- China
Turima Heri Purwanto	- Indonesia
Yan Bin	- China
Yang Hong	- China
Yong Yee Coi	- Kingdom of Saudi Arabia
Yu Zhong	- China
Zhou Bin	- China

<sup>#</sup> Corporate director of Mudajaya International Investment Ltd.

### DIRECTORS' INTERESTS

The interests in shares in the Company of those who were Directors of the Company at the end of the year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

		Number of ordinary shares			
		As at 1.1.2023	Bought	Sold	As at 31.12.2023
Shares in the Company:					
Lee Eng Leong		1,500,000	205,100	-	1,705,100

None of the other Directors in office at the end of the year held shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the year.

### DIRECTORS' BENEFITS

Since the end of the previous year, none of the Directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by Directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related company 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.

# DIRECTORS' REPORT

(CONTINUED)

## DIRECTORS' BENEFITS (cont'd)

The Directors' remuneration is as follows:

	Group RM'000	Company RM'000
- Directors' fees	240	240
- Salaries and other emoluments	3,035	1,576
	3,275	1,816

During and at the end of the year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains Directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the Directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM32,000.

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

## AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

## AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors of the Group and the Company amounting to RM1,701,000 and RM296,000, respectively.

Further details of auditors' remuneration are set out in Note 9 to the financial statements.

Signed on behalf of the Board, as approved by the Board  
in accordance with a resolution of the Directors,

**JAMES WONG TET FOH**

**DATO' AMIN RAFIE BIN OTHMAN**

26 April 2024

# INDEPENDENT AUDITORS' REPORT

To the members of Mudajaya Group Berhad

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of **MUDAJAYA GROUP BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 130 to 227.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their 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.

### 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.

Key audit matter	Our audit performed and responses thereon
<p><u>The Group</u></p> <p><b>Revenue from construction contracts</b></p> <p>Revenue from construction contracts during the year as disclosed in Note 5 to the financial statements amounted to RM158,384,000, representing 34% of the Group's total revenue.</p> <p>The Group recognises the revenue for construction contracts over time using input method as per the requirements under MFRS 15 <i>Revenue from Contracts with Customer</i> on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.</p> <p>In determining the total expected construction contracts costs, significant management estimates and judgements are involved, which include relying on the opinion or service of experts, past experiences and continuous monitoring of the budgeting process.</p>	<p>The procedures that we have performed to address the matter include the following:</p> <ul style="list-style-type: none"> <li>We have read and evaluated the key terms and conditions of major sales transactions to determine that revenue recognised conforms with the Group's policies and the requirements of MFRS 15 <i>Revenue from Contracts with Customers</i>.</li> <li>We have obtained understanding of the revenue recognition process, performed walkthrough procedures, evaluated the design and implementation and performed tests of the effectiveness of relevant controls surrounding revenue recognition.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Mudajaya Group Berhad  
(CONTINUED)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

### Key Audit Matters (cont'd)

Key audit matter	Our audit performed and responses thereon
<p><u>The Group</u> (cont'd)</p> <p>These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.</p> <p>Refer to “Key sources of estimation uncertainty” in Note 4.</p>	<p>The procedures that we have performed to address the matter include the following: (cont'd)</p> <ul style="list-style-type: none"> <li>• We have evaluated the appropriateness of the estimates made and assessed whether these estimates showed any evidence of management bias, based on historical accuracy of management's estimates in prior years. Discussed the changes in total budgeted costs of individually significant construction projects from prior years with management.</li> <li>• We have interviewed management's project team on the reasonableness of the budgeted costs to the completion of individually significant construction projects.</li> <li>• We have challenged the stage of completion taking into account the construction costs recognised during the year and the budgeted costs by testing samples of costs incurred to date to the relevant supporting documentation. We have also performed site-visits for individually significant on-going projects to arrive at an overall assessment as to whether percentage of completion determined on a cost-to-cost basis was reasonable.</li> <li>• We have reviewed updated management-prepared budgets for on-going projects, ensuring the budgets are not understated, percentage of completion is not overstated and adequate allowance for foreseeable loss is properly provided, if necessary.</li> <li>• We have reviewed provision made in respect of work performed by subcontractors of which invoice/progress claim has yet to be received to ensure compliance with MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.</li> <li>• We have assessed the exposures to liquidated damages for late delivery of the construction works by making enquiries with management and read correspondences and minutes of meetings with contract customers on the expected delivery date and the ability of the Group to deliver on time based on historical progress of the construction works.</li> <li>• We have checked the mathematical accuracy of the revenue and profit based on percentage of completion calculations and considered the implications of any changes in estimates.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Mudajaya Group Berhad

(CONTINUED)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

### Key Audit Matters (cont'd)

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

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

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

## INDEPENDENT AUDITORS' REPORT

To the members of Mudajaya Group Berhad  
(CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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

- 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.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 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 towards any other person for the content of this report.

**DELOITTE PLT (LLP0010145-LCA)**  
Chartered Accountants (AF 0080)

26 April 2024

**WONG YEW CHOONG**  
Partner - 03195/06/2025 J  
Chartered Accountant

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Revenue	5	460,701	305,192	-	-
Cost of sales	6	(421,668)	(257,022)	-	-
<b>Gross profit</b>		<b>39,033</b>	<b>48,170</b>	<b>-</b>	<b>-</b>
Other income	7	60,282	50,969	13,829	8,287
Distribution and selling expenses		(1,884)	(365)	-	-
Administrative expenses		(64,970)	(42,913)	(9,538)	(3,289)
Other expenses		(4,144)	(2,344)	(26,616)	(2,885)
Finance costs	8	(52,418)	(31,683)	(7,370)	(7,205)
Share of profit of equity accounted associates, net of tax		3,060	4,917	-	-
(Loss)/Profit before tax	9	(21,041)	26,751	(29,695)	(5,092)
Income tax (expense)/credit	11	(10,212)	(5,424)	-	1
<b>(Loss)/Profit for the year</b>		<b>(31,253)</b>	<b>21,327</b>	<b>(29,695)</b>	<b>(5,091)</b>
<b>Other comprehensive income for the year</b>					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		(7,451)	(15,211)	-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(38,704)</b>	<b>6,116</b>	<b>(29,695)</b>	<b>(5,091)</b>
<b>(Loss)/Profit for the year attributable to:</b>					
Owners of the Company		(48,524)	14,455	(29,695)	(5,091)
Non-controlling interests		17,271	6,872	-	-
		(31,253)	21,327	(29,695)	(5,091)
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		(62,511)	9,128	(29,695)	(5,091)
Non-controlling interests		23,807	(3,012)	-	-
		(38,704)	6,116	(29,695)	(5,091)
<b>Earnings per ordinary share (sen):</b>					
Basic	12	(2.59)	0.77		
Diluted	12	(2.59)	0.74		

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000 Restated	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	166,573	168,424	2	68
Right-of-use assets	15	38,298	41,790	-	-
Investment properties	16	50,673	49,918	-	-
Intangible assets	17	10,934	11,604	-	-
Service concession assets	18	262,325	278,354	-	-
Investments in subsidiaries	19	-	-	186,450	211,749
Investments in associates	20	25,672	22,612	-	-
Other investments	21	29,283	28,436	-	-
Land held for property development	23	20,004	11,121	-	-
Trade and other receivables	27	29,945	17,554	-	-
Deferred tax assets	22	8,743	1,925	-	-
Total Non-Current Assets		642,450	631,738	186,452	211,817
Current Assets					
Service concession assets	18	14,996	12,565	-	-
Inventories	24	95,341	110,635	-	-
Other current assets	25	151,100	156,145	-	-
Contract assets	26	18,347	65,610	-	-
Trade and other receivables	27	900,175	683,723	320,292	321,930
Loan receivables	28	23,487	29,130	-	-
Tax recoverable		1,087	2,922	164	173
Structured deposits	29	26,358	-	-	-
Cash and bank balances	30	306,956	231,294	28	151
Total Current Assets		1,537,847	1,292,024	320,484	322,254
TOTAL ASSETS		2,180,297	1,923,762	506,936	534,071

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

(CONTINUED)

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
			Restated		
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	31	667,683	663,450	667,683	663,450
Warrant reserve	31	-	4,195	-	4,195
Foreign currency translation reserve	31	(17,219)	(3,232)	-	-
Accumulated losses		(311,931)	(263,407)	(258,265)	(228,570)
Equity attributable to owners of the Company		338,533	401,006	409,418	439,075
Non-controlling interests		283,144	274,844	-	-
<b>Total Equity</b>		<b>621,677</b>	<b>675,850</b>	<b>409,418</b>	<b>439,075</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Loans and borrowings	32	307,197	473,502	96,547	-
Lease liabilities	34	39,880	41,868	-	-
Refundable deposits	33	1,500	2,695	-	-
Deferred tax liabilities	22	34,884	36,448	-	-
<b>Total Non-Current Liabilities</b>		<b>383,461</b>	<b>554,513</b>	<b>96,547</b>	<b>-</b>
<b>Current Liabilities</b>					
Loans and borrowings	32	577,145	256,359	-	88,312
Refundable deposits, trade and other payables	33	530,032	379,854	971	6,684
Lease liabilities	34	2,007	2,655	-	-
Contract liabilities	26	17,922	6,248	-	-
Tax liabilities		48,053	48,283	-	-
<b>Total Current Liabilities</b>		<b>1,175,159</b>	<b>693,399</b>	<b>971</b>	<b>94,996</b>
<b>Total Liabilities</b>		<b>1,558,620</b>	<b>1,247,912</b>	<b>97,518</b>	<b>94,996</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,180,297</b>	<b>1,923,762</b>	<b>506,936</b>	<b>534,071</b>

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

# STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2023

Attributable to owners of the Company  
Non-distributable

Group	Note	Share capital	Warrant reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022		502,054	38,426	2,095	(277,862)	264,713	38,088	302,801
Contribution by/(Distributions to) owners of the Company								
Issuance of ordinary shares pursuant to exercise of warrants	31(a)	127,165	-	-	-	127,165	-	127,165
Transferred from warrant reserve to share capital	31(b)	34,231	(34,231)	-	-	-	-	-
Dividends to non-controlling interest		-	-	-	-	-	(13,349)	(13,349)
Total transactions with owners of the Company		161,396	(34,231)	-	-	127,165	(13,349)	113,816
Profit for the year:								
As previously reported		-	-	-	17,593	17,593	6,872	24,465
Restatement of comparatives	38	-	-	-	(3,138)	(3,138)	-	(3,138)
As restated		-	-	-	14,455	14,455	6,872	21,327
Other comprehensive loss		-	-	(5,327)	-	(5,327)	(9,884)	(15,211)
Acquisition of subsidiaries	19.1	-	-	-	-	-	253,112	253,112
Disposal of a subsidiary	19.2	-	-	-	-	-	5	5
As at 31 December 2022 (restated)		663,450	4,195	(3,232)	(263,407)	401,006	274,844	675,850

## STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2023

(CONTINUED)

$\longleftrightarrow$  Attributable to owners of the Company  $\longleftrightarrow$   
 $\longleftrightarrow$  Non-distributable  $\longleftrightarrow$

		Share capital	Warrant reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023		663,450	4,195	(3,232)	(263,407)	401,006	274,844	675,850
Contribution by/(Distributions to) owners of the Company								
Issuance of ordinary shares pursuant to exercise of warrants	31(a)	38	-	-	-	38	-	38
Transferred from warrant reserve to share capital	31(b)	4,195	(4,195)	-	-	-	-	-
Dividends to non-controlling interest		-	-	-	-	-	(15,507)	(15,507)
Total transactions with owners of the Company (Loss)/Profit for the year		4,233	(4,195)	-	-	38	(15,507)	(15,469)
Other comprehensive (loss)/income		-	-	-	(48,524)	(48,524)	17,271	(31,253)
		-	-	(13,987)	-	(13,987)	6,536	(7,451)
As at 31 December 2023		667,683	-	(17,219)	(311,931)	338,533	283,144	621,677

## STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2023

(CONTINUED)

Company	Note	Attributable to owners of the Company			Total equity
		Share capital	Warrant reserve	Accumulated losses	
		RM'000	RM'000	RM'000	RM'000
As at 1 January 2022		502,054	38,426	(223,479)	317,001
Contribution by/(Distributions to) owners of the Company					
Issuance of ordinary shares pursuant to exercise of warrants	31(a)	127,165	-	-	127,165
Transferred from warrant reserve to share capital	31(b)	34,231	(34,231)	-	-
Total transactions with owners of the Company		161,396	(34,231)	-	127,165
Total comprehensive loss for the year		-	-	(5,091)	(5,091)
As at 31 December 2022/1 January 2023		663,450	4,195	(228,570)	439,075
Contribution by/(Distributions to) owners of the Company					
Issuance of ordinary shares pursuant to exercise of warrants	31(a)	38	-	-	38
Transferred from warrant reserve to share capital	31(b)	4,195	(4,195)	-	-
Total transactions with owners of the Company		4,233	(4,195)	-	38
Total comprehensive loss for the year		-	-	(29,695)	(29,695)
As at 31 December 2023		667,683	-	(258,265)	409,418

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

# STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	(21,041)	26,751	(29,695)	(5,092)
Adjustments for:				
Amortisation of intangible assets	784	646	-	-
Interest income	(31,768)	(29,522)	(2)	-
Interest expense	52,418	31,683	7,370	7,205
Depreciation of property, plant and equipment	10,883	5,880	66	109
Depreciation of investment properties	925	925	-	-
Depreciation of right-of-use assets	3,763	2,766	-	-
Fair value (gain)/loss on structured deposits	(482)	995	-	-
Fair value gain on other investments	-	(6,500)	-	-
Impairment loss on investment in a subsidiary	-	-	25,000	-
Gain on disposal of property, plant and equipment	(1,233)	(629)	-	-
Gain on disposal of right-of-use assets	(71)	(2)	-	-
Gain on disposal of a subsidiary	-	(16)	-	-
Property, plant and equipment written off	1,349	1,782	-	-
Allowance for doubtful debts on:				
- trade and other receivables	-	661	1,616	2,885
- loan receivables	3,697	50	-	-
Allowance for doubtful debts on trade and other receivables no longer required	(5,136)	-	-	-
Inventories written down to net realisable value	1,239	587	-	-
Provision for foreseeable loss	2,773	-	-	-
Negative goodwill from business combination	-	(3,110)	-	-
Net unrealised (gain)/loss on foreign exchange	(1,912)	(3,346)	(5,416)	468
Other current assets written down	1,261	-	-	-
Share of profit of equity accounted associates	(3,060)	(4,917)	-	-
Operating Profit/(Loss) Before Working Capital Changes	14,389	24,684	(1,061)	5,575
Decrease/(Increase) in:				
Service concession assets	39,487	36,159	-	-
Inventories	8,987	23,353	-	-
Other current assets	-	(2,559)	-	-
Contract assets	47,263	(46,328)	-	-
Trade and other receivables	(225,222)	37,268	3,285	(38)
Increase/(Decrease) in:				
Refundable deposits	79	330	-	-
Trade and other payables	151,585	(77,922)	(5,713)	2,978
Contract liabilities	11,674	(19,039)	-	-

# STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

(CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES (cont'd)</b>				
Cash Generated From/(Used In) Operations	48,242	(24,054)	(3,489)	8,515
Income tax paid	(17,374)	(7,256)	(11)	(39)
Income tax refunded	-	1,142	20	-
Net Cash From/(Used In) Operating Activities	30,868	(30,168)	(3,480)	8,476
<b>CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(6,385)	(2,477)	-	(4)
Acquisition of subsidiaries, net of cash and cash equivalent acquired	-	(15,898)	-	-
Proceeds from disposal of property, plant and equipment	1,235	773	-	-
Addition to intangible assets	(5)	-	-	-
Additional investments in associate	-	(240)	-	-
Additional expenditure in investment property	(1,680)	-	-	-
Purchase of quoted shares	(847)	-	-	-
Repayment from an associate	2,245	4,983	-	-
Repayment from/(Advances to) subsidiaries	-	-	1,179	(116,262)
Increase in investment in subsidiaries	-	-	(880)	-
Interest received	5,879	2,928	2	-
Proceeds from redemption of:				
- loan receivables	18,815	29,958	-	-
- structured deposits	-	59,658	-	-
Investment in structured deposits	(40,584)	-	-	-
Change in pledged deposits	(91,581)	26,700	-	-
Net Cash (Used In)/From Investing Activities	(112,908)	106,385	301	(116,266)
<b>CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>				
Dividends paid to non-controlling interests	(15,507)	(13,349)	-	-
(Repayment to)/Advance from non-controlling interests	(3,945)	29	-	-
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	38	127,165	38	127,165
Repayment of loans and borrowings	(169,218)	(122,536)	(88,312)	(15,500)
Drawdown of loans and borrowings	291,564	97,423	98,700	-
Repayment for lease liabilities	(2,767)	(1,494)	-	-
Interest paid	(52,418)	(31,683)	(7,370)	(7,205)
Net Cash From Financing Activities	47,747	55,555	3,056	104,460

## STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

(CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(34,293)	131,772	(123)	(3,330)
Effect of foreign exchange translation	18,374	(20,504)	-	-
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	168,369	57,101	151	3,481
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	152,450	168,369	28	151

### (i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	116,257	131,651	28	151
Deposits placed with financial institutions	190,699	99,643	-	-
	306,956	231,294	28	151
Less: Pledged deposits	(154,506)	(62,925)	-	-
	152,450	168,369	28	151

### (ii) Cash outflows for leases as a lessee

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Included in net cash from/(used in) operating activities:</b>				
Payment relating to short-term leases	(7,309)	(4,238)	(77)	(77)
<b>Included in net cash from financing activities:</b>				
Interest in relation to lease liabilities	(2,365)	(2,371)	-	-
Repayment of lease liabilities	(2,767)	(1,494)	-	-
<b>Total cash outflows for leases</b>	<b>(12,441)</b>	<b>(8,103)</b>	<b>(77)</b>	<b>(77)</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is an investment holding company. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in the subsidiaries are disclosed in Note 19.

The registered office and principal place of business of the Company are both located at PH1 of Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All information presented in RM has been rounded to the nearest thousand (RM'000), unless otherwise stated.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the Directors on 26 April 2024.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

### Adoption of Amendments to MFRSs

In the current year, the Group and the Company have adopted all the Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 January 2023:

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Disclosure of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of these Amendments to MFRSs did not result in significant changes to the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company except as below.

### Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Group and the Company have adopted the amendments to MFRS 101 for the first time in the current year. The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

### Adoption of Amendments to MFRSs (cont'd)

#### Amendments to MFRS 101 *Disclosure of Accounting Policies* (cont'd)

The Group and the Company have applied materiality guidance in MFRS Practice Statement 2 *Making Materiality Judgements* in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

#### Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*

The Group has adopted the amendments to MFRS 112 for the first time in the current year. The scope of MFRS 112 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in MFRS 112, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The amendments have no impact on the Group in the current year as management has determined that the Group is not in scope of the Pillar Two model rules.

### Amendments to MFRSs in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs relevant to the Group and the Company, which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current <sup>1</sup>
Amendments to MFRS 101	Non-Current Liabilities with Covenants <sup>1</sup>
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to MFRS 121	Lack of Exchangeability <sup>2</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective date deferred to a date to be determined and announced by MASB.

The Directors anticipate that the abovementioned Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as further discussed below.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

### Amendments to MFRSs in Issue But Not Yet Effective (cont'd)

#### Amendments to MFRS 101 Non-Current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The Directors anticipate that the application of the Amendments may have an impact on the amounts reported and disclosures made in the financial statements of the Group. However, it is not practical to provide a reasonable estimate of the effect of the Amendments until the Group completes a detailed review.

#### Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

The Amendments add a disclosure objective to MFRS 107 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, MFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the Amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The Directors anticipate that the application of the Amendments may have an impact on the amounts reported and disclosures made in the financial statements of the Group. However, it is not practical to provide a reasonable estimate of the effect of the Amendments until the Group completes a detailed review.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis, unless otherwise indicated in the accounting policies stated below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Foreign Currencies

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and presentation currency of the financial statements.

##### (b) Transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

#### Foreign Currencies (cont'd)

##### (b) Transactions and balances (cont'd)

In the consolidated financial statements, 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, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the foreign currency translation reserve in equity.

##### (c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at exchange rate prevailing on the reporting date. The income and expense items of foreign operations are translated into RM at the exchange rates at the dates of the transactions.

The exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

#### Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

#### Business Combinations (cont'd)

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

#### Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised immediately in profit or loss.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

#### Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit or loss ("FVTPL") based on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

#### Financial Assets (cont'd)

##### Classification of financial assets (cont'd)

The Group and the Company classify its financial assets in the following measurement categories.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.	<ul style="list-style-type: none"> <li>- Service concession assets (Note 18)</li> <li>- Trade and other receivables (Note 27)</li> <li>- Loan receivables (Note 28)</li> <li>- Cash and bank balances (Note 30)</li> </ul>
Financial assets at FVTPL	Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVTPL.	<ul style="list-style-type: none"> <li>- Other investments (Note 21)</li> <li>- Structured deposits (Note 29)</li> <li>- Cash and bank balances (Note 30)</li> </ul>

##### Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on trade receivables and other receivables, contract assets and other debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate. Details about the Group's and the Company's credit risk management and impairment policies are disclosed in Note 36.

#### Financial Liabilities and Equity

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, the Directors are of the opinion that there are no instances of application of judgement, which are expected to have a significant effect on the amount recognised in the financial statements.

### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next year are discussed in respective notes:

- Note 5 'Revenue': *Construction contracts*
- Note 17 'Intangible assets': *Impairment of mining right*
- Note 19 'Investments in subsidiaries': *Impairment of investments in subsidiaries*
- Note 19 'Investments in subsidiaries': *Acquisition of subsidiaries*
- Note 21 'Other investments': *Fair value of other investments*
- Note 22 'Deferred tax assets/(liabilities)': *Recognition of deferred tax assets*
- Note 23 'Land held for property development': *Net realisable value ("NRV") of land held for property development*
- Note 24 'Inventories': *NRV of properties held for sale*
- Note 25 'Other current assets': *NRV of contra properties*
- Note 27 'Trade and other receivables': *Expected credit loss ("ECL")*

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 5. REVENUE

### 5.1 Disaggregation of revenue

		Group	
		2023	2022
	Note	RM'000	RM'000
<b>Revenue from contracts with customers</b>			
Construction contracts		158,384	215,620
Sale of completed properties			
- properties		9,453	12,816
- car park		54	79
- furniture and fittings		80	11
Sale of construction materials		257,978	61,104
Operation and maintenance revenue from service concession assets		7,219	7,585
Provision of service on environmental protection and energy conservation		21,977	2,531
	(a)	455,145	299,746
<b>Other revenue</b>			
Rental of office space		5,556	5,446
		460,701	305,192

(a) Timing and recognition of revenue

	Group	
	2023	2022
	RM'000	RM'000
At a point in time	267,565	74,010
Over time	187,580	225,736
	455,145	299,746

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 5. REVENUE (cont'd)

#### 5.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Construction contracts	Revenue is recognised progressively over time using input method on the basis of the actual construction costs incurred relative to the estimated total construction costs.	Based on agreed milestones. Credit period of 30-40 days from invoice date.	Promised consideration may vary if change of scope of work.	Defect liability period of 12 - 24 calendar months from certificate of practical completion/ certificate of completion and compliance as per construction contracts.
Sale of completed properties	Revenue is recognised at a point in time upon delivery of vacant possession.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.
Sale of car park	Revenue is recognised at a point in time upon delivery of vacant possession.	Credit period of 14 days from invoice date.	Not applicable.	Not applicable.
Sale of furniture and fittings	Revenue is recognised at a point in time upon delivery of furniture and fittings.	Credit period of 14 days from invoice date.	Not applicable.	Not applicable.
Sale of construction materials	Revenue is recognised at a point in time when the construction materials are certified by the customers or delivered and accepted by the customers at their premises.	Cash term/Credit period of 30 days from invoice date.	Not applicable.	Not applicable.
Operation and maintenance revenue from service concession assets	The Group constructs or upgrades an existing infrastructure to provide services to operate and maintain the infrastructure (operation services) for a specified period of time. The Group recognises revenue to which the Group has a right to invoice if it corresponds directly with the value to customer of the Group's performance that is completed to date.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 5. REVENUE (cont'd)

### 5.2 Nature of goods and services (cont'd)

The following information reflects the typical transactions of the Group: (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Provision of service on environmental protection and energy conservation	The revenue is recognised over time based on output method.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.

### 5.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2023 RM'000	2024 RM'000	Group 2025 RM'000	After 2025 RM'000	Total RM'000
<b>2023</b>					
Construction contracts	-	122,266	52,763	123,276	298,305
Operation and maintenance revenue from service concession assets	-	7,585	7,813	127,251	142,649
	-	129,851	60,576	250,527	440,954
<b>2022</b>					
Construction contracts	273,286	50,598	-	-	323,884
Operation and maintenance revenue from service concession assets	7,364	7,585	7,813	127,251	150,013
	280,650	58,183	7,813	127,251	473,897

The Group applies the practical expedients for exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

### Key sources of estimation uncertainty

#### Construction contracts

The Group recognises construction contracts revenue and expenses in the profit or loss by using input method on the basis of the actual costs incurred relative to the estimated total costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligations, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development and construction contracts costs. In making the judgement, the Group evaluates based on past experience and external economic factors.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 6. COST OF SALES

	Group	
	2023	2022
	RM'000	RM'000
Cost of inventories sold	232,708	80,577
Contract fulfilment costs	181,204	172,376
Property maintenance cost	3,744	3,482
Inventories written down to net realisable value	1,239	587
Provision for foreseeable loss	2,773	-
	421,668	257,022

### 7. OTHER INCOME

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
Corporate guarantee income from:				
- an associate	299	299	-	-
- subsidiaries	-	-	1,129	1,071
Fair value gain on:				
- structured deposits	482	202	-	-
- other investments	-	6,500	-	-
Funding income from a subsidiary	-	-	7,282	7,216
Gain on disposal of:				
- property, plant and equipment	1,233	629	-	-
- right-of-use assets	71	2	-	-
- a subsidiary	-	16	-	-
Income from legal settlement	4,074	-	-	-
Interest income from:				
- deposits with financial institutions	4,505	2,034	2	-
- amount due from an associate	680	850	-	-
- loan receivables	694	44	-	-
- service concession assets	25,889	26,594	-	-
Negative goodwill arising from business combination	-	3,110	-	-
Foreign exchange gain:				
- realised	2	-	-	-
- unrealised	5,752	3,346	5,416	-

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 7. OTHER INCOME (cont'd)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
Rental income from:				
- investment properties	124	136	-	-
- residential units	1,677	1,357	-	-
- others	2,056	586	-	-
Secondment fees receivable	213	189	-	-
Subsidy from government	2,471	1,238	-	-
Net reversal of allowance for doubtful debts:				
- trade receivables	-	213	-	-
- other receivables	5,338	1,420	-	-
- amount due from an associate	245	-	-	-
Miscellaneous	4,477	2,204	-	-
	60,282	50,969	13,829	8,287

Funding income from a subsidiary consists of income receivable from a subsidiary when loan facility is entered on behalf of the subsidiary.

### 8. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- bank borrowings	50,045	29,296	7,370	7,205
- lease liabilities	2,365	2,371	-	-
Others	8	16	-	-
	52,418	31,683	7,370	7,205

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 9. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at after the following charges:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Audit fees				
Auditors of the Company	1,701	1,745	296	240
Other auditors	53	48	-	-
- Non-audit fees				
Auditors of the Company	15	15	15	15
Amortisation of intangible assets	784	646	-	-
Depreciation of:				
- property, plant and equipment	10,883	5,880	66	109
- investment properties	925	925	-	-
- right-of-use assets	3,763	2,766	-	-
Property, plant and equipment written off	1,349	1,782	-	-
Impairment loss on investment in a subsidiary	-	-	25,000	-
Employee benefits expenses (Note 10)	32,875	20,616	1,866	1,226
Fair value loss on structured deposits	-	1,197	-	-
Foreign exchange losses:				
- realised	6,622	731	6,009	-
- unrealised	3,840	-	-	468
Executive Directors' remuneration (Note 10)	2,799	2,491	1,405	1,188
Non-executive Directors' remuneration (Note 10)	411	404	411	404
Expenses relating to short-term leases	7,309	4,238	77	77
Net allowance for doubtful debts:				
- trade receivables	447	494	-	-
- other receivables	-	1,800	-	-
- amount due from subsidiaries	-	-	1,616	2,885
- loan receivables	3,697	50	-	-
Other current assets written down	1,261	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 10. EMPLOYEE BENEFITS EXPENSES AND KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	27,574	18,344	1,296	1,133
Social security contributions	117	115	1	1
Contributions to defined contribution plan	1,479	1,739	112	92
Other benefits	3,705	418	457	-
	32,875	20,616	1,866	1,226

Included in employee benefits expenses of the Group and the Company are executive Directors' and other key management personnel remuneration amounting to RM8,008,000\* (2022: RM5,113,000\*) and RM1,405,000\*\* (2022: RM1,188,000\*\*) as disclosed below.

The key management personnel compensations are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive Directors:				
Salaries and other emoluments	2,592	2,309	1,296	1,099
Defined contribution plan	207	182	109	89
	2,799*	2,491*	1,405**	1,188**
Non-executive Directors:				
Fees	240	254	240	254
Other emoluments	171	150	171	150
	411	404	411	404
	3,210	2,895	1,816	1,592
Estimated money value of benefits-in-kind	65	59	-	-
Total Directors' remuneration	3,275	2,954	1,816	1,592
Other key management personnel:				
Salaries and other emoluments	4,923	2,364	-	-
Defined contribution plan	286	258	-	-
	5,209*	2,622*	-	-
Estimated money value of benefits-in-kind	29	50	-	-
Total other key management personnel compensation	5,238	2,672	-	-

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 11. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
Estimated tax payable:				
- current year	18,297	5,597	-	-
- under/(over)provision in prior years	682	(398)	-	(1)
	18,979	5,199	-	(1)
Deferred tax (Note 22):				
- current year	(10,609)	(2,328)	-	-
- underprovision in prior years	1,842	2,553	-	-
	(8,767)	225	-	-
	10,212	5,424	-	(1)

A reconciliation of income tax (credit)/expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		
(Loss)/Profit before tax	(21,041)	26,751	(29,695)	(5,092)
Tax at statutory tax rate of 24%	(5,050)	6,420	(7,127)	(1,222)
Tax effects of:				
- non-deductible expenses	10,990	7,217	3,146	3,211
- non-taxable income	(10,186)	(12,394)	(2,019)	(1,989)
Effect of share of associates' profit	(734)	(1,180)	-	-
Effect of tax losses incurred in tax exempt jurisdiction	-	1,116	-	-
Different tax rates in other tax jurisdiction	578	11	-	-
Utilisation of deferred tax assets previously not recognised	(5,612)	(983)	-	-
Effect of deferred tax assets not recognised	17,702	3,062	6,000	-
Under/(Over)provision in prior years:				
- current tax	682	(398)	-	(1)
- deferred tax	1,842	2,553	-	-
	10,212	5,424	-	(1)

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 11. INCOME TAX EXPENSE/(CREDIT) (cont'd)

### Material accounting policy information

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefits will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity, or different entities, where there is an intention to settle the balance on a net basis.

## 12. EARNINGS PER ORDINARY SHARE

### Basic and diluted earnings per ordinary share

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders over weighted average number of ordinary shares outstanding as at 31 December, as follows:

	Group	
	2023	2022
	RM'000	RM'000
		Restated
(Loss)/Profit for the year attributable to owners of the Company	(48,524)	14,455
	Group	
	2023	2022
<b>Basic earnings per ordinary shares</b>		
Weighted average number of ordinary shares as at 31 December ('000)	1,875,921	1,875,747
Basic earnings per ordinary share (sen)	(2.59)	0.77
<b>Diluted earnings per ordinary shares</b>		
Weighted average number of ordinary shares as at 31 December ('000)	1,875,921	1,875,747
Effect of dilution from exercise of warrants ('000)	-	70,839
	1,875,921	1,946,586
Diluted earnings per ordinary share (sen)	(2.59)	0.74

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 13. OPERATING SEGMENTS

### Segment information

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group Managing Director & Chief Executive Officer reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- |                               |  |
|-------------------------------|--|
| (a) Construction              | - undertaking engineering, constructions works, and equipment and construction materials procurement |
| (b) Trading and manufacturing | - trading in construction materials and manufacturing of construction related products               |
| (c) Property                  | - the development of residential and commercial properties plus rental                               |
| (d) Power                     | - sale of power energy and facilities management   |
| (e) Investment and others     | - Investment holding and others  |

The management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments have been entered into in normal course of business and have been established on mutually agreed terms and conditions.

### Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director & Chief Executive Officer. Segment total asset is used to measure the return on assets of each segment.

### Segment liabilities

Segment liabilities information is based on the liabilities of a segment as included in the internal management reports that are reviewed by the Group Managing Director & Chief Executive Officer.

### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and investment properties.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 13. OPERATING SEGMENTS (cont'd)

	Construction	Trading and manufacturing	Property	Power	Investment and others	Adjustments and eliminations	Note	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
<b>Revenue:</b>								
External customers	158,384	279,955	15,143	7,219	-	-		460,701
Inter-segment	-	11,035	1,854	3,504	-	(16,393)	(i)	-
Total revenue	158,384	290,990	16,997	10,723	-	(16,393)		460,701
<b>Results:</b>								
<b>Included in the measure of segment (loss)/profit are:</b>								
Interest income	747	3,172	214	27,633	2	-		31,768
Fair value gain on structured deposits	-	482	-	-	-	-		482
Net (provision)/reversal of allowance for doubtful debts on financial instruments	(2,131)	2,983	342	245	-	-		1,439
Depreciation and amortisation	(409)	(11,143)	(1,639)	(3,098)	(66)	-		(16,355)
Finance costs	(3,807)	(22,518)	(3,613)	(15,110)	(7,370)	-		(52,418)
Share of profit of associates	372	-	-	2,688	-	-		3,060
Tax (expense)/credit	(2,290)	(13,569)	(1,739)	7,485	(99)	-		(10,212)
(Loss)/Profit for the year	(57,066)	8,074	889	19,568	(4,805)	2,087	(ii)	(31,253)
<b>Included in the measure of segment assets are:</b>								
Investment in associates	8,300	-	-	17,372	-	-	(iii)	25,672
Additions to non-current assets	310	6,140	2,092	4	-	-	(iv)	8,546
Segment assets	463,163	1,525,285	243,996	431,688	581,582	(1,065,417)	(v)	2,180,297
Segment liabilities	470,383	1,042,852	120,404	356,968	193,388	(625,375)		1,558,620

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 13. OPERATING SEGMENTS (cont'd)

2022 (Restated)	Construction RM'000	Trading and manufacturing RM'000	Property RM'000	Power RM'000	Investment and others RM'000	Adjustments and eliminations RM'000	Note	Total RM'000
<b>Revenue:</b>								
External customers	218,967	60,288	18,352	7,585	-	-		305,192
Inter-segment	-	27,574	2,023	2,045	-	(31,642)	(i)	-
Total revenue	218,967	87,862	20,375	9,630	-	(31,642)		305,192
<b>Results:</b>								
<b>Included in the measure of segment profit/(loss) are:</b>								
Inventories written down to net realisable value	-	-	(587)	-	-	-		(587)
Interest income	488	361	107	28,107	459	-		29,522
Fair value gain/(loss) on structured deposits	202	(1,197)	-	-	-	-		(995)
Fair value gain on other investments	-	-	-	6,500	-	-		6,500
Net (provision)/reversal of allowance for doubtful debts on financial instruments	(1,587)	1,201	(325)	-	-	-		(711)
Depreciation and amortisation	(1,620)	(3,690)	(1,694)	(3,105)	(108)	-		(10,217)
Finance costs	(6,750)	(2,591)	(700)	(14,437)	(7,205)	-		(31,683)
Share of profit of associates	657	-	-	4,260	-	-		4,917
Tax (expense)/credit	(48)	(1,070)	(1,218)	(3,089)	1	-		(5,424)
Profit/(Loss) for the year	1,526	(3,031)	10,908	22,018	(13,206)	3,112	(ii)	21,327
<b>Included in the measure of segment assets are:</b>								
Investment in associates	7,928	-	-	14,684	-	-		22,612
Additions to non-current assets	846	1,721	558	113	4	-	(iii)	3,242
Segment assets	438,740	964,886	248,832	437,860	538,122	(704,678)	(iv)	1,923,762
Segment liabilities	391,614	597,779	124,880	381,435	251,452	(499,248)	(v)	1,247,912

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 13. OPERATING SEGMENTS (cont'd)

### Segment capital expenditure (cont'd)

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) The following items are deducted from segment profit to arrive at (loss)/profit before tax presented in the consolidated statement of profit or loss and other comprehensive income:

	Group	
	2023	2022
	RM'000	RM'000
		Restated
Profit from inter-segment	2,087	3,112

- (iii) Additions to non-current assets consist of property, plant and equipment (Note 14), right-of-use assets (Note 15), investment properties (Note 16) and land held for property development (Note 23).

- (iv) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2023	2022
	RM'000	RM'000
		Restated
Inter-segment assets	(1,065,417)	(704,678)

- (v) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2023	2022
	RM'000	RM'000
		Restated
Inter-segment liabilities	(625,375)	(499,248)

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 13. OPERATING SEGMENTS (cont'd)

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include investments in associates, other investments and deferred tax assets.

	Total revenue from external customers		Non-current assets		Additions to non-current assets	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
				Restated		
Malaysia	208,920	264,809	463,007	456,245	2,551	1,446
China	251,781	40,383	179,443	175,493	5,995	1,031
	460,701	305,192	642,450	631,738	8,546	2,477

#### Major customers

Approximately 44% (2022: 67%) of total revenue during the year is mainly contributed from eight (8) (2022: four (4)) customers.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Land improvements RM'000	Buildings RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Cost</b>									
As at 1 January 2022	9,572	-	12,732	8,783	61,095	12,191	16,338	-	120,711
Acquisition of subsidiaries:									
As previously reported	-	1,850	164,323	-	165,135	6,858	3,462	1,314	342,942
Restatement of comparatives	-	-	(1,269)	-	(832)	-	-	-	(2,101)
As restated	-	1,850	163,054	-	164,303	6,858	3,462	1,314	340,841
Additions	-	-	382	-	889	907	210	89	2,477
Disposals/Written off	-	-	-	(3,264)	(1,059)	(228)	(1,915)	-	(6,466)
Effect of movements in exchange rates	-	(73)	(6,442)	-	(6,532)	(281)	(130)	(51)	(13,509)
As at 31 December 2022 (Restated)/ 1 January 2023	9,572	1,777	169,726	5,519	218,696	19,447	17,965	1,352	444,054
Additions	-	-	3,298	-	1,281	735	-	1,071	6,385
Transfers	-	-	691	-	-	-	-	(691)	-
Disposals/Written off	-	-	-	-	(5,515)	(616)	(2,117)	-	(8,248)
Effect of movements in exchange rates	-	47	4,213	-	4,128	194	85	39	8,706
As at 31 December 2023	9,572	1,824	177,928	5,519	218,590	19,760	15,933	1,771	450,897

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Land improvements RM'000	Buildings RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Accumulated depreciation</b>									
As at 1 January 2022	-	-	4,806	6,660	59,286	11,661	14,855	-	97,268
Acquisition of subsidiaries	-	755	45,353	-	132,058	4,235	1,920	-	184,321
Charge for the year	-	11	1,248	290	2,579	363	1,389	-	5,880
Disposals/Written off	-	-	-	(1,482)	(925)	(219)	(1,914)	-	(4,540)
Effect of movements in exchange rates	-	(30)	(1,783)	-	(5,247)	(169)	(70)	-	(7,299)
As at 31 December 2022/ 1 January 2023	-	736	49,624	5,468	187,751	15,871	16,180	-	275,630
Charge for the year	-	65	4,546	22	4,540	1,055	655	-	10,883
Disposals/Written off	-	-	-	-	(4,323)	(459)	(2,115)	-	(6,897)
Effect of movements in exchange rates	-	20	1,189	-	3,333	116	50	-	4,708
As at 31 December 2023	-	821	55,359	5,490	191,301	16,583	14,770	-	284,324
<b>Net book value</b>									
As at 31 December 2022 (restated)	9,572	1,041	120,102	51	30,945	3,576	1,785	1,352	168,424
As at 31 December 2023	9,572	1,003	122,569	29	27,289	3,177	1,163	1,771	166,573

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Office equipment RM'000	Motor vehicle RM'000	Total RM'000
<b>Cost</b>			
As at 1 January 2022	16	512	528
Additions	4	-	4
As at 31 December 2022/31 December 2023	20	512	532
<b>Accumulated depreciation</b>			
As at 1 January 2022	5	350	355
Charge for the year	7	102	109
As at 31 December 2022/1 January 2023	12	452	464
Charge for the year	6	60	66
As at 31 December 2023	18	512	530
<b>Net book value</b>			
As at 31 December 2022	8	60	68
As at 31 December 2023	2	-	2

#### Security

The freehold lands with carrying amount of RM9,572,000 (2022: RM9,572,000) were pledged to secure the Group's revolving credit (Note 32 (e)).

Certain buildings of the Group with carrying amount of RM1,101,000 (2022: RM1,134,000), RM414,000 (2022: RM426,000) and RM23,793,000 (2022: RM23,948,000) were pledged to secure the Group's term loan (Note 32(a)), revolving credit (Note 32(e)) and short-term bank facilities in respect of issuance of bills payable (Note 33(b)) respectively.

#### Material accounting policy information

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Freehold land is not depreciated. Capital work-in-progress is not depreciated until such time when the asset is available for use.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The current and comparative periods annual rates of depreciation are as follows:

Land improvements	4.5% - 18%
Buildings	2% - 20%
Factory	10%
Plant, machinery and equipment	5% - 33⅓%
Office equipment, furniture and fittings	9% - 33⅓%
Motor vehicles	18% - 33⅓%

At the end of each reporting period, the carrying amount of any item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in the profit or loss.

### 15. RIGHT-OF-USE ASSETS

Group	Land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
As at 1 January 2022	39,257	21	113	-	39,391
Acquisition of subsidiaries	3,086	1,612	-	-	4,698
Additions	219	53	-	386	658
Disposal	-	(6)	-	-	(6)
Depreciation charged for the year	(2,493)	(193)	(59)	(21)	(2,766)
Effect of movements in exchange rates	(121)	(64)	-	-	(185)
As at 31 December 2022/ 1 January 2023	39,948	1,423	54	365	41,790
Additions	-	322	120	-	442
Disposal	-	(277)	(2)	-	(279)
Depreciation charged for the year	(2,580)	(1,070)	(36)	(77)	(3,763)
Effect of movements in exchange rates	76	32	-	-	108
As at 31 December 2023	37,444	430	136	288	38,298

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 15. RIGHT-OF-USE ASSETS (cont'd)

#### Material accounting policy information

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessor, except for short-term leases and leases of low value assets.

The lease liability is initially measured at the present value of the lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. 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 right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment loss. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Group leases several assets including land, buildings, plant, machinery and equipment and motor vehicles. The lease term ranges from 2 to 23 years (2022: 2 to 23 years).

As at 31 December 2023, the Group pledged right-of-use assets on land use rights with carrying amount of RM366,000 (2022: RM373,000) to secure for short-term bank facilities in respect of the issuance of bills payable (Note 33(b)).

#### 15.1 Restriction imposed by lease

The Group has certain lease contracts for land which restrict the Group's ability to sublease the leased assets. Such land shall be used solely and exclusively for the solar panel facility.

15.2 Included in land are land use rights granted by the relevant People's Republic of China ("PRC") government authorities located in Shandong, the PRC, and depreciated over the remaining term of leases.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 16. INVESTMENT PROPERTIES

Group	Investment properties RM'000
<b>Cost</b>	
As at 1 January 2022/1 January 2023	58,980
Additional expenditure in investment properties	1,680
As at 31 December 2023	60,660
<b>Accumulated depreciation</b>	
As at 1 January 2022	8,137
Charge for the year	925
As at 31 December 2022/1 January 2023	9,062
Charge for the year	925
As at 31 December 2023	9,987
<b>Net book value</b>	
As at 31 December 2022	49,918
As at 31 December 2023	50,673

Investment properties comprise a number of commercial properties that are leased to third parties. The leases contain initial non-cancellable period up to 3 years. No contingent rents are charged.

The following are recognised in profit or loss in respect of the investment properties:

	Group	
	2023	2022
	RM'000	RM'000
Rental income		
- Revenue	5,556	5,446
- Other income	124	136
Property maintenance cost from income generating investment properties	(3,744)	(3,482)

### Fair value information

	Group	
	2023	2022
	RM'000	RM'000
Estimated fair value	124,414	121,840

Fair value of investment properties is categorised as Level 3. The fair value of the investment properties is derived based on sales comparison approach by reference to observed market price in other similar property transactions.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 16. INVESTMENT PROPERTIES (cont'd)

#### Fair value information (cont'd)

Estimated fair value of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Security

Certain investment properties with carrying amount of RM49,454,000 (2022: RM48,666,000) and RM579,000 (2022: RM601,000) were pledged to secure the Group's term loans (Note 32(a)) and revolving credits (Note 32(e)) respectively.

#### Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Less than one year	4,543	4,772
One to two years	4,376	3,251
Total undiscounted lease payments	8,919	8,023

#### Material accounting policy information

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 17. INTANGIBLE ASSETS

Group	REPPA RM'000	Mining right RM'000	Trademark RM'000	Total RM'000
<b>Cost</b>				
As at 1 January 2022	12,393	-	-	12,393
Acquisition of subsidiaries	-	6,617	-	6,617
Effect of movements in exchange rates	-	(258)	-	(258)
As at 31 December 2022/1 January 2023	12,393	6,359	-	18,752
Addition	-	-	5	5
Effect of movements in exchange rates	-	167	-	167
As at 31 December 2023	12,393	6,526	5	18,924
<b>Accumulated amortisation</b>				
As at 1 January 2022	4,340	-	-	4,340
Acquisition of subsidiaries	-	2,251	-	2,251
Amortisation for the year	620	26	-	646
Effect of movements in exchange rates	-	(89)	-	(89)
As at 31 December 2022/1 January 2023	4,960	2,188	-	7,148
Amortisation for the year	620	164	-	784
Effect of movements in exchange rates	-	58	-	58
As at 31 December 2023	5,580	2,410	-	7,990
<b>Carrying amounts</b>				
As at 31 December 2022	7,433	4,171	-	11,604
As at 31 December 2023	6,813	4,116	5	10,934

### Intangible asset arising from interest over Renewable Energy Power Purchase Agreement ("REPPA")

The intangible assets relate to the REPPA as discussed in Note 18.

Intangible assets have finite useful lives and are subject to impairment assessment only if there is an indication of impairment. There is no indication of impairment during the year. The intangible assets are amortised on a straight-line basis over its estimated useful life of 20 years.

### Mining right

The license period for the mining of limestone quarry located in the China is 10 years and renewable for another 10 years or more at minimal charges. The mining right is amortised on a straight-line basis over its estimated useful life of 50 years.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 17. INTANGIBLE ASSETS (cont'd)

#### Key sources of estimation uncertainty

##### Impairment of mining right

Mining right is stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

### 18. SERVICE CONCESSION ASSETS

	Group	
	2023	2022
	RM'000	RM'000
Current	14,996	12,565
Non-current	262,325	278,354
	277,321	290,919

The movements in the net carrying amounts of non-current and current service concession assets are as follows:

	Group	
	2023	2022
	RM'000	RM'000
As at beginning of year	290,919	300,484
Received from TNB	(45,673)	(43,744)
Operation and maintenance revenue	7,219	7,585
Finance income from service concession assets	25,889	26,594
Modification loss on service concession assets	(1,033)	-
As at end of year	277,321	290,919

#### Material accounting policy information

On 15 June 2012 and 28 June 2012, a subsidiary (Special Universal Sdn. Bhd. ("SUSB")) and Tenaga Nasional Berhad ("TNB") entered into Renewable Energy Power Purchase Agreement ("REPPA") to develop, design, finance, insure, procure, construct, install, test, commission, own, operate, manage and maintain the Renewable Energy Installation, the Interconnection Facilities and the Communication Facilities. The effective period of the REPPA as specified in the Feed-in Approval date is 21 years.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 18. SERVICE CONCESSION ASSETS (cont'd)

#### Material accounting policy information (cont'd)

On 16 March 2017, a subsidiary (Sinar Kamiri Sdn. Bhd. ("SKSB")) and TNB entered into Power Purchase Agreement ("PPA") to design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 49MW proposed to be located in Sungai Siput, Kuala Kangsar, Perak to generate and deliver solar photovoltaic energy to TNB. The PPA will be expiring on the day before 21 years of the commercial operation date of the facility. The service concession asset of SKSB was pledged to secure the Green Sustainable and Responsible Investment ("SRI") Sukuk Wakalah (Note 32(c)).

In the service concession arrangements, the Group recognises a financial asset arising from its construction services when it has an unconditional contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is measured initially at fair value and subsequently measured at amortised cost using the effective interest method. The receivables will be collected over the period of the concession contracts.

The portion falling due within less than one year is presented in the statements of financial position under current assets, while the portion falling due within more than one year is presented in the non-current heading.

Revenue and finance income associated with this financial asset model include:

- amounts specified or determined in the contract or; revenue from the construction of the operating financial assets on a percentage of completion basis;
- operation and maintenance revenue; and
- finance income related to the capital investment in the operating financial assets.

### 19. INVESTMENTS IN SUBSIDIARIES

		Company	
		2023	2022
	Note	RM'000	RM'000
<b>At cost:</b>			
Unquoted shares			
As at beginning of year		357,470	357,470
Additions	(a)	880	-
		358,350	357,470
Less: Impairment loss	(b)	(221,590)	(196,590)
		136,760	160,880
Amount due from a subsidiary	(c)	49,690	50,869
As at end of year		186,450	211,749

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

### (a) Subscription of shares in a subsidiary

On 18 May 2023, the Company subscribed for 880,000 ordinary shares in the share capital of Mudajaya Energy Sdn Bhd ("MESB"), a wholly-owned subsidiary of the Company at an issue price of RM1.00 per share and the consideration is by way of capitalisation of the amount owing by MESB to the Company amounted to RM880,000.

### (b) Impairment loss on investments in subsidiaries

The carrying amount of the investment in subsidiaries is assessed for impairment during the year and the recoverable amount of the investment in subsidiaries is determined based on the value in use of the subsidiaries. An impairment loss is recognised immediately in profit or loss if the recoverable amount is less than carrying amount.

The movement in the impairment loss during the year is as follows:

	Company	
	2023	2022
	RM'000	RM'000
As at beginning of year	196,590	196,590
Amount recognised during the year	25,000	-
As at end of year	221,590	196,590

As at the reporting date, the carrying amount of investment in Mudajaya Corporation Berhad ("MCB"), a wholly owned subsidiary of the Company is lower than its recoverable amount. This resulted in an impairment loss of RM25,000,000 (2022: RMNil) recognised in profit or loss.

The recoverable amount of the investment in MCB is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors with the following key assumptions:

- revenue is projected based on both secured and tendered projects;
- gross profit margins are estimated based on historically achievable rates; and
- a pre-tax discount rate of 10.5% (2022: 11.0%) is applied.

The above estimates are particularly sensitive in the following areas:

- An increase of 1% in the discount rate used would have decreased the value in use by RM12,140,000.
- A decrease of 1% future operating profit margin would have decreased the value in use by RM36,000,000.

### (c) Amount due from a subsidiary

The amount due from a subsidiary is unsecured, non-interest bearing and with no fixed term of repayment. Management is of the view that, in substance, the advances provided are similar to an interest in equity shares of the subsidiary. Accordingly, the amount due from a subsidiary is classified as an investment in the subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest	
			2023 %	2022 %
Held by the Company:				
Mudajaya Corporation Berhad (“MCB”)	Malaysia	Civil engineering and building construction	100	100
MJC Development Sdn. Bhd. (“MJCD”)	Malaysia	Property management, development and construction	100	100
MJC Industries Sdn. Bhd. (“MJCI”)	Malaysia	Investment holding	100	100
Mudajaya Energy Sdn. Bhd. (“MESB”)	Malaysia	Investment holding	100	100
Mudajaya Ventures Limited (“MVL”)	Federal Territory of Labuan, Malaysia	Special purpose vehicle for issuance of medium term notes	100	100
Dayang Pertiwi Sdn. Bhd. (“DPSB”) #	Malaysia	Investment holding	100	100
Held through MCB:				
Mudajaya Land Sdn. Bhd.	Malaysia	Property management and development	100	100
MJC City Development Sdn. Bhd. (“MJCC”)	Malaysia	Property development	70	70
Entrutech Sdn. Bhd.	Malaysia	Engineering, procurement, construction and commissioning (“EPCC”) services	100	100
Mudajaya Middle East Ltd. (“MMEL”) #	Kingdom of Saudi Arabia	General construction and investment holding	75	75
Mudajaya International Investment Ltd. (“MIIL”) #	British Virgin Islands	Has not commenced operations	100	100
Desiran Johan Sdn. Bhd.	Malaysia	Property development and building construction	70	70
Mudajaya City Corporation Sdn. Bhd. (“MCSB”) #	Malaysia	Property development and construction	100	100

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest	
			2023 %	2022 %
Held through MCB: (cont'd)				
Mudajaya Holdings Sdn. Bhd. ("MHSB") #	Malaysia	Has not commenced operations	100	100
Mudajaya Facilities Management Sdn. Bhd. ("MFMSB")	Malaysia	Operation and management of power plant	100	100
Sumber Jayakita Sdn. Bhd. ("SJSB") #	Malaysia	Investment holding	60	60
Held through MIL:				
Mudajaya Construction (India) Private Ltd. #	India	Construction and related business	100	100
Held through MJCI:				
MJC Precast Sdn. Bhd. ("MJCP")	Malaysia	Manufacturing and trading of precast concrete and other related products	100	100
MJC Trading Sdn. Bhd. ("MJCT")	Malaysia	Trading in construction related materials	100	100
Held through MJCP:				
Mudajaya IBS Sdn. Bhd. ("MIBS")	Malaysia	Dormant	100	100
Held through MESB:				
Active Flora Sdn. Bhd. ("AFSB")	Malaysia	Investment holding	100	100
Positive Range Sdn. Bhd ("PRSB")	Malaysia	Investment holding	100	100
Mudajaya Power International Sdn. Bhd. ("MPISB")	Malaysia	Civil engineering and building construction	100	100
Mudajaya RE Sdn. Bhd.	Malaysia	Investment holding	100	100

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest	
			2023 %	2022 %
Held through AFSB and PRSB:				
Special Universal Sdn. Bhd. (“SUSB”)	Malaysia	Photovoltaic power plant and trading in green energy saving products	60	60
Held through MPISB:				
PT Mudajaya Energi Indonesia #	Indonesia	Electricity power installation services	95	95
Held through Mudajaya RE Sdn. Bhd.:				
Sinar Kamiri Sdn. Bhd.	Malaysia	Power generation and investment holding	100	100
Held through MJCD:				
Piala Tebrau (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Held through DPSB:				
Captain Profit Limited (“CPL”) #	British Virgin Island	Has not commenced operations	100	100
Double Ace Global Limited (“DAG”) #	British Virgin Island	Has not commenced operations	100	100
Held through CPL:				
Mudajaya Pacific Limited (“MPL”) #	Hong Kong	Has not commenced operations	100	100
Held through MPL:				
Ji Feng Building Material Co., Ltd	China	Trading of building materials	100	100
Held through DAG:				
Xelmont Limited (“Xelmont”)	British Virgin Islands	Has not commenced operations	100	100
Held through Xelmont:				
Real Jade Limited (“RJL”)	British Virgin Islands	Investment holding	100	100

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest	
			2023 %	2022 %
Held through RJL:				
Splendid Link Limited (“Splendid Link”)	British Virgin Islands	Investment holding	100	100
Power Enrich Ltd.	British Virgin Islands	Dormant	100	100
Level Supreme Ltd.	British Virgin Islands	Dormant	100	100
Held through Splendid Link:				
Shanghai Allied Cement Holdings Limited (“SACHL”)	Hong Kong	Investment holding	100	100
Held through SACHL:				
SAC Intellectual Properties Limited (“SACIPL”)	British Virgin Islands	Investment holding	100	100
Shandong Allied Wangchao Cement Limited (“SAWCL”)	China	Manufacture and sales of cement and clinker	100	100
All-cement Limited (“ACL”)	British Virgin Islands	Investment holding and cement business	100	100
Held through SACIPL:				
Silver Bloom Holdings Limited (“Silver Bloom”)	Hong Kong	Investment holding	100	100
Held through Silver Bloom:				
All-Shanghai Inc. (“ASI”)	British Virgin Islands	Investment holding and cement business	83.33	83.33

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest	
			2023 %	2022 %
<b>Held through ASI:</b>				
Shanghai Allied Cement Co., Ltd. (“SHAC”) ^	China	Trading of cement and clinker	50	50
<b>Held through SAWCL:</b>				
Zaozhuang Laisheng New Building Materials Co., Ltd.	China	Manufacture and sales of building stones	70	70
<b>Held through ACL:</b>				
Shandong Shanghai Allied Cement Co., Ltd. (“SSACC”)	China	Manufacture and sales of slag	100	100
<b>Held through SSACC:</b>				
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd. (“SHGT”)	China	Provision of energy conversation and reuse solutions	70.83	70.83
<b>Held through SHGT:</b>				
Shanghai Guokunsheng Construction Group Co., Ltd.^	China	Provision of energy conversation and reuse solutions	36.12	36.12

# Not audited by Deloitte.

^ Effective interest.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

### 19.1 Acquisition of subsidiaries and non-controlling interests

On 8 November 2022, the Group acquired 100% shares in Real Jade Limited and its subsidiaries ("Real Jade") for HKD400,000,000, satisfied in cash and via vendor financing. As a result of the acquisition, Real Jade became the indirect subsidiary of the Company.

The fair values of identifiable assets acquired and liabilities assumed have been determined on a provisional basis during the previous year. The Group reassessed the fair value of identified assets acquired and liabilities assumed on the date of acquisition via purchase price allocation exercise ("PPA"). These were finalised in current year. Comparative figures have been adjusted. Fair value have been determined by independent, professionally qualified valuers using replacement costs or present value of expected net cash flows.

Details of consideration transferred and negative goodwill arising from business combination are as follows:

	As previously stated RM'000	PPA adjustments RM'000	As restated RM'000
Fair value of consideration transferred	222,486	-	222,486
Net identified asset acquired	(228,734)	3,138	(225,596)
Negative goodwill arising from business combination	(6,248)	3,138	(3,110)

Details of the net identified asset acquired were as follows:

	As previously stated RM'000	PPA adjustments RM'000	As restated RM'000
<b>Assets</b>			
Property, plant and equipment	158,621	(2,101)	156,520
Right-of-use assets	4,698	-	4,698
Trade and other receivables	615,943	-	615,943
Intangible assets	4,366	-	4,366
Other current assets	1,274	-	1,274
Inventories	32,999	-	32,999
Loan receivables	59,138	-	59,138
Financial assets at fair value through profit or loss	59,456	-	59,456
Cash and bank balances	95,559	-	95,559
	1,032,054	(2,101)	1,029,953

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

### 19.1 Acquisition of subsidiaries and non-controlling interests (cont'd)

Details of the net identified asset acquired were as follows: (cont'd)

	As previously stated RM'000	PPA adjustments RM'000	As restated RM'000
<b>Less: Liabilities</b>			
Trade and other payables	(399,709)	-	(399,709)
Contract liabilities	(4,801)	-	(4,801)
Loans and borrowings	(78,312)	-	(78,312)
Tax liabilities	(48,367)	-	(48,367)
Lease liabilities	(1,635)	-	(1,635)
Deferred tax liabilities	(17,384)	(1,037)	(18,421)
	481,846	(3,138)	478,708
Non-controlling interests	(253,112)	-	(253,112)
Net identifiable assets acquired	228,734	(3,138)	225,596

The acquisition resulted in a negative goodwill of RM3,110,000 because the fair value of assets acquired and liabilities assumed exceeded the consideration transferred. The negative goodwill arising from business combination is based on a willing buyer-willing seller arrangement. The negative goodwill has been recognised in "Other income" line of the Group's Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022.

### 19.2 Disposal of a subsidiary

On 22 December 2022, the Group has entered into a share sale agreement with Wazan Corporation Sdn. Bhd. ("WCSB") for the disposal of the Group's entire 76% shareholding in Bera Hydropower Sdn. Bhd. ("BHSB") to WCSB, the existing 12% shareholder of BHSB for a nominal sum of RM1.00. The share sale transaction has been completed and BHSB ceased to be the subsidiary of the Group on even date.

The disposal does not have any material effect on the earnings and net assets of the Group for the year ended 31 December 2022.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

#### 19.3 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	SHAC	SUSB	MJCC	Other subsidiaries with immaterial NCI	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest	50%	40%	30%		
Carrying amount of NCI	226,676	14,667	20,871	20,930	283,144
Profit allocated to NCI	11,624	877	(389)	5,159	17,271

#### Summarised financial information before intra-group elimination

##### As at 31 December

Non-current assets	48,962	71,562	33,134
Current assets	916,570	9,985	45,484
Non-current liabilities	(13,168)	(23,516)	(2,534)
Current liabilities	(499,012)	(21,364)	(6,513)
Net assets	453,352	36,667	69,571

##### Year ended 31 December

Revenue	34,630	2,124	6,064
Profit for the year	23,247	2,193	(1,298)
Total comprehensive income	23,247	2,193	(1,298)

Dividends paid to NCI	-	877	-
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Net cash flows from operating activities	19,299	7,672	5,285
Net cash flows (used in)/from investing activities	(102,347)	72	(1,528)
Net cash flows from/(used in) financing activities	100,143	(6,483)	(328)

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

### 19.3 Non-controlling interests in subsidiaries (cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	SHAC	SUSB	MJCC	Other subsidiaries with immaterial NCI	Total
2022	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest	50%	40%	30%		
Carrying amount of NCI	218,250	13,492	21,261	21,841	274,844
Profit allocated to NCI	1,435	1,447	3,180	810	6,872

#### Summarised financial information before intra-group elimination

##### As at 31 December

Non-current assets	49,373	73,444	14,293
Current assets	579,799	4,903	66,350
Non-current liabilities	(10,619)	(41,918)	(4,323)
Current liabilities	(182,053)	(2,699)	(5,451)
Net assets	436,500	33,730	70,869

##### Year ended 31 December

Revenue	2,246	1,405	10,026
Profit for the year	2,869	3,619	10,600
Other comprehensive income	526	-	-
Total comprehensive income	3,395	3,619	10,600

Dividends paid to NCI	-	9,400	-
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Net cash flows (used in)/from operating activities	(20,337)	9,637	8,595
Net cash flows from/(used in) investing activities	45,826	725	(43)
Net cash flows used in financing activities	(21,058)	(10,615)	(306)

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 19. INVESTMENTS IN SUBSIDIARIES (cont'd)

### 19.3 Non-controlling interests in subsidiaries (cont'd)

#### Key sources of estimation uncertainty

##### Impairment of investments in subsidiaries

The Company assesses whether there are any indicators of impairment for its investments in subsidiaries at each reporting date.

In assessing whether there is any indication that its investments in subsidiaries may be impaired, the Company considers the external and internal sources of information. The external sources include the market value of the investments, the significant changes in the market and economic environment in which the subsidiaries operate, market interest rate and other market rate of return on investments. The internal sources include corporate plan and evidence of internal reporting of the subsidiaries.

##### Acquisition of subsidiaries

The accounting on the acquisition of subsidiaries involves identifying and determining the fair values to be assigned to be identifiable assets acquired and liabilities assumed at the acquisition date. The fair values of the identifiable assets and liabilities are determined by management by reference to comparable market prices or present value of the cash flows of the liabilities. Any adjustments made to the provisional amounts recognised in the prior year will impact the carrying amounts of the identifiable assets and liabilities and the negative goodwill recognised.

## 20. INVESTMENTS IN ASSOCIATES

	Group	
	2023	2022
	RM'000	RM'000
<b>At cost:</b>		
Unquoted shares	17,089	17,089
Share of post-acquisition reserves	8,583	5,523
	25,672	22,612

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 20. INVESTMENTS IN ASSOCIATES (cont'd)

Name of associates	Country of incorporation	Principal activities	Effective equity interest	
			2023	2022
			%	%
Held by MCB:				
Musyati Mudajaya JV Sdn. Bhd. ("MMJV")	Malaysia	Construction works	30	30
Kendiri Emas Mudajaya Sdn. Bhd. ("KEM")	Malaysia	Development of public works department, Sarawak projects in the state of Sarawak	30	30
Held through MPISB:				
PT Harmoni Energy Indonesia ("PT Harmoni")	Indonesia	Power producer	46	46

#### Summarised financial information

The summarised financial information in respect of the Group's material associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2023		2022	
	PT Harmoni RM'000	MMJV RM'000	PT Harmoni RM'000	MMJV RM'000
<b>Summarised statement of financial position</b>				
Current assets	24,078	157,268	24,842	242,211
Non-current assets	108,187	-	108,851	-
Total assets	132,265	157,268	133,693	242,211
Current liabilities	(61,008)	(131,189)	(66,540)	(216,493)
Non-current liabilities	(44,644)	-	(47,484)	-
Total liabilities	(105,652)	(131,189)	(114,024)	(216,493)
<b>Summarised statement of comprehensive income</b>				
Profit for the year	8,635	361	9,487	2,280

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 20. INVESTMENTS IN ASSOCIATES (cont'd)

#### Summarised financial information (cont'd)

The reconciliation of summarised financial information presented above to the carrying amount of the Group's interest in material associates as follows:

	2023		2022	
	PT Harmoni RM'000	MMJV RM'000	PT Harmoni RM'000	MMJV RM'000
Net assets as at 1 January	19,669	25,718	11,222	23,438
Exchange rate movement	(1,691)	-	(1,040)	-
Profit for the year	8,635	361	9,487	2,280
	26,613	26,079	19,669	25,718
Interest in associate	46%	30%	46%	30%
Group's share of net assets	12,242	7,824	9,048	7,715

	PT Harmoni RM'000	MMJV RM'000	KEM RM'000	Total RM'000
<b>2023</b>				
<b>Reconciliation of net assets carrying amount</b>				
Group's share of net assets	12,242	7,824	476	20,542
Goodwill	7,783	-	-	7,783
Exchange rate movement	(850)	-	-	(850)
Impairment loss	(1,803)	-	-	(1,803)
Carrying amount in the statement of financial position	17,372	7,824	476	25,672

#### 2022

#### Reconciliation of net assets carrying amount

Group's share of net assets	9,048	7,715	213	16,976
Goodwill	7,783	-	-	7,783
Exchange rate movement	(344)	-	-	(344)
Impairment loss	(1,803)	-	-	(1,803)
Carrying amount in the statement of financial position	14,684	7,715	213	22,612

#### Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate are incorporated in these consolidated financial statements using the equity method of accounting.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 21. OTHER INVESTMENTS

		Group	
		2023	2022
	Note	RM'000	RM'000
Fair value through profit or loss			
- Quoted shares		847	-
- Unquoted shares	(a)	27,500	27,500
- Club memberships		936	936
		29,283	28,436

- (a) R.K.M Powergen Private Limited ("RKM") has a 4x360MW Coal-Fired Independent Power Producer Project with a project cost amounting to INR127.06 billion (equivalent to RM7.29 billion translated at closing exchange rate of INR18.0968: RM1.00 as at 31 December 2020) in the state of Chhattisgarh, India.

The shareholders agreement dated 8 February 2007 between MCB and RK Powergen Private Limited ("RKP"), a company incorporated in India, provides for the subscription of shares in RKM to the extent of 26% and 74% by MCB and RKP respectively. The Group's equity stake in RKM was reduced from 26% to 19.24% following the completion of the Master Debt Restructuring Agreement on 4 December 2020 by RKM and its lenders. The carrying amount of the investment in RKM had been impaired to nil in 2019 and 2020.

In 2021, the Group reassessed the investment in RKM and concluded that they no longer have any significant influence over the investment in RKM and ceased equity accounting for the associate.

Accordingly, the investment in RKM was redesignated to other investment measured at fair value through profit or loss in 2021.

The fair value of investment in RKM is determined by external valuers, having appropriate recognised professional qualifications. The fair value was measured based on income approach with significant unobservable inputs and categorised as Level 3 fair value. Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the external valuers.

RKM has a 4x360MW Coal-Fired Independent Power plant in Chhattisgarh, India.

The financial model was projected for 19 (2022: 27) years based on the key assumptions as follows:

- existing medium term power purchase agreement with tariff rate at Rs 5.44/kwh (2022: Rs 5.75/kwh) with the ability to extend after the end of the signed power purchase agreement;
- a certain portion of the excess capacity of power energy can be sold via Indian Energy Exchange at Rs 5.71/kwh (2022: Rs 5.21/kwh);
- coal price is estimated at the range of Rs 2,378/MT to Rs 3,500/MT (2022: Rs 2,768/MT to Rs 3,081/MT);
- a pre-tax discount rate of 23% (2022: 26%) was applied.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 21. OTHER INVESTMENTS (cont'd)

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

The above estimates are particularly sensitive in the following areas:

- An increase of 1% in the discount rate used would have decreased the fair value by RM1,190,000 (2022: RM1,603,000).
- A decrease of 1% in future planned revenue would have decreased the fair value by RM15,070,000 (2022: RM12,516,000).

#### Key Sources of estimation uncertainty

##### Fair value of other investments

The Group assesses the fair value of other investments based on discounted cash flow method.

In the process of determining the fair value of other investment, significant judgement is involved to estimate the ability of RKM to extend after the end of the signed power purchase agreement and the coal price during the concession period.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 22. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023	2022
	RM'000	RM'000
		Restated
As at beginning of year	(34,523)	(16,383)
Recognised in profit or loss (Note 11):		
Unabsorbed capital allowances	3,462	(38,729)
Property, plant and equipment	(4,343)	3,544
Right-of-use assets	(7,302)	7,736
Investment properties	128	(32)
Service concession assets	8,167	37,503
Lease liabilities	7,888	(8,492)
Trade and other payables	(1,765)	-
Others	2,532	(1,755)
	8,767	(225)
Effect of movement in exchange rates	(385)	506
Acquisition of subsidiaries		
As previously reported	-	(17,384)
Restatement of comparatives	-	(1,037)
As restated	-	(18,421)
As at end of year	(26,141)	(34,523)

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 22. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2023	2022
	RM'000	RM'000
		Restated
Deferred tax assets	8,743	1,925
Deferred tax liabilities	(34,884)	(36,448)
	(26,141)	(34,523)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	Group	
	2023	2022
	RM'000	RM'000
		Restated
<b>Deferred tax assets</b>		
Temporary differences arising from:		
Unabsorbed capital allowances	45,086	41,624
Service concession assets	17,251	-
Lease liabilities	9,908	2,020
Others	8,293	4,489
	80,538	48,133
Offsetting	(71,795)	(46,208)
<b>Deferred tax assets (after offsetting)</b>	8,743	1,925
<b>Deferred tax liabilities</b>		
Temporary differences arising from:		
Property, plant and equipment	(22,230)	1,806
Service concession assets	(71,407)	(62,323)
Investment properties	(2,379)	(2,507)
Right-of-use assets	(9,019)	(1,717)
Trade and other payables	(1,765)	-
	(106,800)	(64,741)
Offsetting	71,795	46,208
Acquisition of subsidiaries		
As previously reported	-	(17,384)
Restatement of comparatives	-	(1,037)
As restated	-	(18,421)
Effect of movement in exchange rates	121	506
<b>Deferred tax liabilities (after offsetting)</b>	(34,884)	(36,448)

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 22. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

### Unrecognised deferred tax assets

The amount of deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances for which deferred tax assets are not recognised in the financial statements due to uncertainty of realisation are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	247,040	176,294	-	-
Unabsorbed capital allowances	258	779	-	-
Unabsorbed investment tax allowances	211,732	208,142	-	-
Other temporary differences	9,215	32,656	25,000	-
	468,245	417,871	25,000	-

With effect from year of assessment 2019, any unutilised business losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment.

Subsequently, pursuant to an amendment to Section 44 (5F) of the Income Tax Act 1967, the time limit to utilise tax losses has been extended to a maximum of 10 consecutive years.

The unutilised tax losses will expire in the following year of assessment:

	Group	
	2023	2022
	RM'000	RM'000
Year of assessment:		
2028	14,673	15,033
2029	120,737	108,339
2030	-	7
2031	764	1,410
2033	7,540	7,540
2034	61,255	-
	204,969	132,329

Any amounts not utilised upon expiry period of the above year of assessment will be disregarded.

In relation to the subsidiaries in China, unutilised tax losses will gradually expire in five years and the remaining utilised tax losses of RM42,071,000 (2022: RM43,965,000) can be carried forward indefinitely.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 22. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

### Key sources of estimation uncertainty

#### Recognition of deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances, investment tax allowances and temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

## 23. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2023	2022
	RM'000	RM'000
As at beginning of year	11,121	24,493
Additions	39	107
Transferred from/(to) inventories - properties under development	8,844	(13,479)
As at end of year	20,004	11,121
<b>At cost</b>		
Long term leasehold land	10,728	7,277
Development costs	9,276	3,844
	20,004	11,121

The leasehold land cost comprises land premium, alienation cost and annual rent. The leasehold land was registered under a third party and was being developed by a subsidiary pursuant to the Development Agreement and a Supplemental Agreement entered into between the subsidiary and the said third party on 22 July 1996 and 23 July 1996 respectively. The Development Agreement and Supplemental Agreement provide inter alia for the payment in kind in return for the land contributed by the third party.

### Material accounting policy information

Land held for property development, stated at lower of cost and net realisable value, if any, is classified as non-current assets when no development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

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

Land held for property development is reclassified as properties under development at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 3 to 4 years.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 23. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

#### Key sources of estimation uncertainty

##### Net realisable value ("NRV") of land held for property development

The Group assesses the land held for property development based on estimated selling price in the ordinary course of business of comparable properties in close proximity less the estimated costs necessary to make the sale and estimated costs of completion.

In the process of determining the NRV, significant judgement is involved in identifying comparable properties and factoring in adjustments which are unique to the properties held by the Group.

### 24. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
<b>At cost:</b>		
- Properties held for sale	18,005	17,394
- Properties under development	4,635	13,479
- Raw materials	3,906	1,830
- Work in progress	55	306
- Finished goods	16,866	20,781
- Spare parts	1,736	3,630
	45,203	57,420
<b>At net realisable value:</b>		
- Properties held for sale	50,138	53,215
	95,341	110,635
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of inventories sold		
- Properties held for sale	7,616	485
- Finished goods	195,308	80,092
Inventories written down to NRV	1,239	587
	204,163	81,164
<b>Properties under development:</b>		
As at beginning of year	13,479	-
Transferred (to)/from land held for property development	(8,844)	13,479
As at end of year	4,635	13,479
Included in the properties under development are as follows:		
- Long term leasehold land	1,880	5,812
- Development costs	2,755	7,667
	4,635	13,479

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 24. INVENTORIES (cont'd)

Certain properties with carrying amount of RM42,749,000 (2022: RM45,099,000) held for sale are pledged to secure the Group's secured revolving credits (Note 32(e)).

### Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

Properties held for sale and properties under development is determined on a specific identification basis. Properties held for sale and properties under development includes acquisition costs, development expenditure and other costs directly attributable to the development activities.

Cost of raw materials and spare parts is determined on a weighted average method, as appropriate, according to the category of inventories concerned. The cost of raw materials and spare parts comprises original purchase price plus costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises cost associated with the direct costs and appropriate proportions of common costs.

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.

### Key sources of estimation uncertainty

#### NRV of properties held for sale

The Group assesses the NRV of properties held for sale based on estimated selling price in the ordinary course of business of comparable properties in close proximity less the estimated costs necessary to make the sale and estimated costs of completion.

In the process of determining the NRV, significant judgement is involved in identifying comparable properties and factoring in adjustments which are unique to the properties held by the Group.

## 25. OTHER CURRENT ASSETS

	Note	Group	
		2023 RM'000	2022 RM'000
Contra properties	(i)	151,100	156,145
<b>Recognised in profit or loss:</b>			
Other current assets written down to net realisable value		1,261	-

- (i) In 2013, a wholly-owned subsidiary of the Company, MCB entered into a Compromise and Settlement Agreement with one of its debtors whereby the amount due from the debtor was settled via transfer of properties ("contra properties") to MCB. The contra properties comprise service apartments, office suites, retail units and parking lots in Kuala Lumpur, Malaysia.

On 6 April 2016, MCB entered into Final Settlement Agreement with the debtor and both parties agreed that MCB shall complete the balance of work in the project on its own cost. The project was completed in year 2017.

The Group has not obtained vacant possession of the contra properties. A civil suit has been taken by MCB against the debtor to seek, amongst others, an order of specific performance to deliver vacant possession of the contra properties. Based on the legal advice, the Group has a reasonably good chance of successfully obtaining the order for specific performance of the sale and purchase agreements for the delivery of vacant possession of the units. As at 31 December 2023, these contra properties have a carrying amount of RM151,100,000 (2022: RM152,361,000).

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 25. OTHER CURRENT ASSETS (cont'd)

Certain contra properties with carrying amount of RM151,100,000 (2022: RM154,920,000) are pledged to secure the Group's revolving credits (Note 32(e)).

#### Key sources of estimation uncertainty

##### NRV of contra properties

The Group assesses the NRV of contra properties based on estimated selling price in the ordinary course of business of comparable properties in close proximity less the estimated costs necessary to make the sale and estimated costs of completion.

In the process of determining the NRV, significant judgement is involved in identifying comparable properties and factoring in adjustments which are unique to the properties held by the Group.

### 26. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023	2022
	RM'000	RM'000
Contract assets	18,347	65,610
Contract liabilities	(17,922)	(6,248)

	Group	
	2023	2022
	RM'000	RM'000
As at beginning of year	59,362	(1,204)
Acquisition of subsidiaries	-	(4,801)
Revenue recognised	187,006	218,190
Progress billings	(245,766)	(152,114)
Effect of movement in exchange rates	(177)	(709)
As at end of year	425	59,362

#### Material accounting policy information

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date. Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or have billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs their obligation under the contracts.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 27. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amount due from an associate	(e)	23,996	-	-	-
Less: Allowance for doubtful debts		(15,246)	-	-	-
		8,750	-	-	-
Deposits	(a)	21,195	17,554	-	-
		29,945	17,554	-	-
<b>Current</b>					
<b>Trade</b>					
Trade and bills receivables from contracts with customers	(b)	393,275	248,081	-	-
Less: Allowance for doubtful debts		(3,617)	(8,227)	-	-
		389,658	239,854	-	-
Retention sums	(c)	48,927	56,339	-	-
Accrued revenue		2,800	1,089	-	-
		441,385	297,282	-	-
<b>Non-trade</b>					
Other receivables		412,019	369,820	-	66
Less: Allowance for doubtful debts		(10,460)	(15,798)	-	-
		401,559	354,022	-	66
Amount due from subsidiaries	(d)	-	-	358,565	358,522
Less: Allowance for doubtful debts		-	-	(38,300)	(36,684)
		-	-	320,265	321,838
Amount due from associates	(e)	5,557	26,680	-	-
Less: Allowance for doubtful debts		-	(15,491)	-	-
		5,557	11,189	-	-
Deposits		7,904	6,078	2	2
Prepayments		3,624	5,351	25	24
Advance payments	(f)	40,146	9,801	-	-
		900,175	683,723	320,292	321,930

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 27. TRADE AND OTHER RECEIVABLES (cont'd)

#### (a) Deposits

Included in the deposits is an amount of RM15,347,000 (2022: RM14,953,000) made for the purchases of certain equipment and machineries. The equipment and machineries under the purchase agreements were for future use in the development of new cement production facilities at Bailonggang, Pudong, Shanghai.

#### (b) Trade and bills receivables

The Group's normal trade credit terms ranges from 30 to 365 days (2022: 30 to 365 days) terms.

Certain bill receivables with carrying amount RM129,070,000 (2022: RMNil) are pledged to secure the Group's invoice financing (Note 32 (f)).

#### (c) Retention sums

Retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The defect liability periods range from 12 to 24 months. Retention sums are expected to be collected as follows:

	Group	
	2023	2022
	RM'000	RM'000
Within 1 year	1,947	23,253
More than 1 year	46,980	33,086
	48,927	56,339

#### (d) Amount due from subsidiaries

The amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

#### (e) Amount due from associates

Included in the amount due from associates are advances amounting to RM8,750,000 (2022: RM11,428,000) extended to PT Harmoni and are subjected to interest at 6.5% (2022: 6.5%) per annum unsecured and repayable on 31 October 2033. The remaining balance is non-interest bearing, unsecured and repayable on demand.

#### (f) Advance payments

These are mainly contractual advance payments to subcontractors for construction works and suppliers for the purchases of materials.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 27. TRADE AND OTHER RECEIVABLES (cont'd)

### Key sources of estimation uncertainty

#### Expected credit loss ("ECL")

The Group recognises loss allowances for ECL on financial assets measured at amortised cost and contract assets. ECL are a probability-weighted estimate of credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers 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 historical experience and informed credit assessment and including forward-looking information, where available.

## 28. LOAN RECEIVABLES

	Note	Group	
		2023 RM'000	2022 RM'000
Loan receivables		40,415	40,302
Less: Allowance for doubtful debts	(a)	(24,371)	(20,674)
		16,044	19,628
Reverse repurchase agreements	(b)	7,443	9,502
		23,487	29,130

- (a) As at 31 December 2023, included in the Group's loan receivables are debtors with carrying amount of RM24,371,000 (2022: RM20,674,000), represented an unsecured loan to an independent third party which the Directors of the Group consider credit risk had increased significantly. The debtors are in severe financial difficulties and have been placed under liquidation. The amount is fully impaired.

The remaining loan receivables of RM16,044,000 (2022: RM19,628,000) were unsecured, carry interest at a fixed rate of 4.35% (2022: 4.35%) per annum and repayable on 29 June 2023 (2022: 29 June 2022).

- (b) The reverse repurchase agreement party, entered into pledge-style bond repurchase agreement transactions through the Shanghai Stock Exchange are denominated in Chinese Yuan with maturity periods from 1 to 28 (2022: 1 to 28) days and carried interest ranging from 1.51% to 5.20% (2022: 1.47% to 4.70%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 29. STRUCTURED DEPOSITS

	Group	
	2023	2022
	RM'000	RM'000
<b>At fair value through profit or loss</b>		
Structured deposits	26,358	-

Structured deposits represent products issued by the banks and pay interest (i) at a rate which has an inverse relationship to the market interest rate and (ii) which linked to the fluctuation of foreign exchange rate.

These structured deposits do not meet the solely payments of principal and interest on the principal amount outstanding, hence are designated as financial assets at fair value through profit or loss on initial recognition.

Certain structured deposits were pledged to secure for short-term bank facilities in respect of the issuance of bills payable (Note 33).

### 30. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	116,257	131,651	28	151
Deposits with financial institutions	190,699	99,643	-	-
	306,956	231,294	28	151

Financial institutions include licensed investment banks and asset management companies.

Cash at banks and deposits with financial institutions earned interest at floating rates based on daily deposit rates that cater for immediate cash requirements of the Group and the Company. Deposits placed with licensed investment banks and asset management companies are in the form of fixed deposits and units placed in money market funds. These deposits are on call and/or repo basis and bear interest at rates ranging from 1.35% to 2.95% (2022: 1.84% to 2.50%) per annum during the year.

Included in cash and bank balances of the Group is Designated Collection Accounts ("DCA") and Finance Service Reserve Account ("FSRA") of RM1,125,000 (2022: RM1,125,000) charged for the term loans (Note 32(a)).

Included in bank balances and deposits with financial institutions are deposits for the Group Disbursement Accounts held for the Green Sustainable and Responsible Investment ("SRI") Sukuk Wakalah which are restricted from use for other operations amounting to RM516,000 (2022: RM129,000) and RM38,617,000 (2022: RM37,995,000) respectively (Note 32(c)).

Included in the deposits with a financial institution are monies held in escrow accounts amounting to RM1,650,000 (2022: RMNil) for the Group which are restricted in usage and do not form part of cash and cash equivalents.

Included in the deposits with a financial institution is RM112,598,000 (2022: RM23,676,000) charged to secure for short-term bank facilities in respect of the issuance of bills payable (Note 33).

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 31. CAPITAL RESERVES

### (a) Share capital

	Number of shares 2023 '000	Amount 2023 RM'000	Number of shares 2022 '000	Amount 2022 RM'000
<b>Group and Company</b>				
Ordinary shares, issued and fully paid:				
As at beginning of year	1,875,747	663,450	1,297,724	502,054
Exercise of warrants	174	38	578,023	127,165
	1,875,921	663,488	1,875,747	629,219
Transferred from warrant reserve to share capital	-	4,195	-	34,231
As at end of year	1,875,921	667,683	1,875,747	663,450

### Ordinary shares

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.

During the year, the Company increased its issued and paid up ordinary share capital of RM38,000 comprising 174,000 ordinary shares pursuant to the exercise of warrants.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

### (b) Warrant reserve

In 2021, the Company allotted and issued 648,862,166 free warrants in conjunction with Rights Issue. The warrants are valid for exercise for a period of 2 years from its issue date and will expire on 3 October 2023. During this period, each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 4 October 2021 to 3 October 2023, at an exercise price of RM0.22 per Warrant in accordance with the Deed Poll dated 29 June 2021. Any warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

During the year, 174,000 warrants were exercised at the exercise price of RM0.22 each. As at 3 October 2023, all the 70,665,000 unexercised warrants have been lapsed and ceased to be valid for all purposes.

### (c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 32. LOANS AND BORROWINGS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
Unsecured:					
Other borrowings	(b)	-	195,860	-	-
Term loans	(a)	96,547	-	96,547	-
		96,547	195,860	96,547	-
Secured:					
Term loans	(a)	27,859	51,737	-	-
Green SRI Sukuk Wakalah	(c)	182,791	197,628	-	-
Other borrowings	(b)	-	28,277	-	-
		210,650	277,642	-	-
		307,197	473,502	96,547	-
<b>Current</b>					
Unsecured:					
Bankers' acceptance	(d)	4,572	4,414	-	-
Term loans	(a)	27,000	118,312	-	88,312
Revolving credits	(e)	4,000	4,000	-	-
Invoice financing	(f)	2,304	-	-	-
Other borrowings	(b)	225,705	-	-	-
		263,581	126,726	-	88,312
Secured:					
Term loans	(a)	23,881	7,876	-	-
Green SRI Sukuk Wakalah	(c)	14,837	15,000	-	-
Revolving credits	(e)	69,230	61,514	-	-
Invoice financing	(f)	129,070	-	-	-
Other borrowings	(b)	76,546	45,243	-	-
		313,564	129,633	-	-
		577,145	256,359	-	88,312
		884,342	729,861	96,547	88,312

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 32. LOANS AND BORROWINGS (cont'd)

The maturities of the loans and borrowings are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Within one year	577,145	256,359	-	88,312
More than 1 year and less than 2 years	114,851	246,910	96,547	-
3 to 5 years	55,069	68,557	-	-
5 years and above	137,277	158,035	-	-
	884,342	729,861	96,547	88,312

#### (a) Term loans

Both unsecured and secured term loans bear interest at rates ranging from 4.47% to 8.50% (2022: 3.98% to 7.50%) per annum.

Certain secured term loans are secured by a charge over cash deposits into DCA and FSRA (Note 30), a charge over 8 units of commercial shophouses (Note 14 and Note 16) and 8 units of residential units (Note 14), a charge over certain investment properties (Note 16) and corporate guarantee by the Company.

Other information on financial risk of borrowings is disclosed in Note 36.

#### (b) Other borrowings

The other borrowings of the Group mainly comprise the following:

- (i) Two unsecured third-party borrowing of HKD157,000,000 (equivalent to RM92,793,000) (2022: HKD150,000,000; equivalent to RM84,830,000) and HKD214,980,000 (equivalent to RM132,912,000) (2022: HKD216,980,000; equivalent to RM111,030,000) which bear interest rate of 5% per annum (2022: 5%).
- (ii) Third-party borrowings of HKD130,000,000 (equivalent to RM76,545,000) (2022: HKD130,000,000; equivalent to RM73,520,000) which are secured, bear interests at fixed rates and are repayable within 2 years as at the reporting date. The effective interest rate of the borrowings is at 6.13% (2022: 5.83%) per annum.

The borrowings are secured by share mortgages and several debentures that created first fixed and floating charges over the undertaking, property and assets of the Group in favour of the lenders.

#### (c) Green SRI Sukuk Wakalah

On 30 January 2018, SKSB issued RM245 million Green SRI Sukuk Wakalah under the Shariah Principle of Wakalah Bi Al-Istithmar which bears profit at rates ranging from 4.96% to 6.35% (2022: 5.20% to 6.35%) per annum and was based on the Securities Commission's Sustainable and Responsible Investment ("SRI") Sukuk Framework ("Green SRI SUKUK WAKALAH").

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 32. LOANS AND BORROWINGS (cont'd)

#### (c) Green SRI Sukuk Wakalah (cont'd)

The borrowing is secured by the following:

- (i) a first ranking charge pursuant to the National Land Code, 1965 ("NLC") over the Photovoltaic ("PV") Site Lease ("Charge over PV Site Lease") (Note 18);
- (ii) a first ranking charge pursuant to the NLC over the Koperasi NLFCS Berhad ("NLFCS") SPA Land A ("Charge over NLFCS SPA Land A") (Note 18);
- (iii) a first ranking charge pursuant to the NLC over the NLFCS Lease ("Charge over NLFCS Lease") (Note 18);
- (iv) a first ranking debenture comprising fixed and floating charges over all present and future assets of SKSB (Note 18);
- (v) a first ranking legal and absolute assignment ("Deed of Assignment") of all the rights, titles, interests and benefits under the following and proceeds therefrom (Note 30):
  - the Project Agreements (save and except for the Perak State Agricultural Development Corporation ("SADC") Lease Agreement);
  - all performance and/or maintenance bonds in respect of the Project and all other guarantees, advance payment bonds and other forms of payment or performance security issued in favour of the Issuer pursuant to any Project Agreements; and
  - all permits and licences required to undertake the Project (to the extent that such permits and licences are assignable).

#### (d) Bankers' acceptance

The bankers' acceptance was drawn down to finance trade purchases and bears interest at rates ranging from 5.20% to 5.24% (2022: 4.47% to 4.53%) per annum.

#### (e) Revolving credits

Both unsecured and secured revolving credit facilities were drawn down for working capital requirements. The revolving credits which were rolled-over on a monthly basis bear interest at rates ranging from 4.95% to 6.91% (2022: 4.57% to 6.40%) per annum. The interest rates are fixed at the date of each drawdown and might be revised at the commencement of each roll-over period.

The secured revolving credits are secured by a charge over freehold lands of the Group (Note 14), certain buildings of the Group (Note 14), certain investment properties of the Group (Note 16), certain properties held for sale of the Group (Note 24) and certain contra properties of the Group (Note 25).

#### (f) Invoice financing

The secured invoice financing bear interests at fixed rates and are repayable within one year as at the reporting date. The effective interest rate is ranging from 2.80% to 3.20% (2022: Nil) per annum. The invoice financing are secured by a charge over certain bill receivables of the Group (Note 27).

The unsecured invoice financing bear interests at fixed rates ranging from 5.00% to 5.70% (2022: Nil) per annum and are repayable within one year as at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 32. LOANS AND BORROWINGS (cont'd)

#### Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
As at beginning of year	729,861	480,743	88,312	98,961
Acquisition of subsidiaries	-	78,312	-	-
Cash flows:				
Drawdown of loans and borrowings	291,564	97,423	98,700	-
Repayment of principal portion of loans and borrowings	(169,218)	(122,536)	(88,312)	(15,500)
Other changes (i)	32,135	195,919	(2,153)	4,851
As at end of year	884,342	729,861	96,547	88,312

- (i) Other changes include vendor financing for acquisition of subsidiaries, reclassification of amount owing to former holding company, interest expense and effect of movement in exchange rates.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 33. REFUNDABLE DEPOSITS, TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
<i>Non-trade</i>					
Refundable deposits	(a)	1,500	2,695	-	-
<b>Current</b>					
<i>Trade</i>					
Trade and bills payables	(b)	362,997	198,027	-	-
Provision for foreseeable loss		2,773	-	-	-
		365,770	198,027	-	-
<i>Non-trade</i>					
Refundable deposits	(a)	3,017	1,086	-	-
Accruals		16,588	42,446	956	6,591
Other payables	(c)	144,081	132,971	15	93
Deposit received	(d)	486	1,289	-	-
Amount due to related parties	(e)	90	4,035	-	-
		164,262	181,827	971	6,684
		530,032	379,854	971	6,684

### (a) Refundable deposits

Refundable deposits consist of security deposits, utilities deposits, letterbox deposits and renovation deposits which are refundable to the tenants of investment property upon the end of the tenancy agreement.

### (b) Trade and bills payables

Trade and bills payables are non-interest bearing. The normal trade credit terms granted to the Group are ranging from 7 to 120 days (2022: 7 to 120 days) and the bills payables credit terms granted to the Group are ranging from 180 to 365 days (2022: 180 to 365 days). Bills payables are secured by a charge over certain buildings of the Group (Note 14), certain right-of-use assets on land use rights (Note 15), certain structured deposits (Note 29) and certain deposits with a financial institution (Note 30).

### (c) Other payables

Mainly represented the payables to the suppliers on behalf of the customers. As according to the Group's practice, the Group acts as an agent and sells the goods to the customers on behalf of suppliers. The remaining balance will be repaid to the suppliers.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 33. TRADE AND OTHER PAYABLES (cont'd)

#### (d) Deposit received

Deposit received represent cash deposits received from customers.

#### (e) Amount due to related parties

The amount due to related parties are unsecured, interest-free and are repayable on demand.

The related parties represent the non-controlling shareholders of the Group's subsidiary.

#### Material accounting policy information

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 34. LEASE LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
Analysed as:		
Non-current	39,880	41,868
Current	2,007	2,655
	41,887	44,523
<b>Maturity analysis:</b>		
Current liabilities:		
- Within one year	4,238	5,010
Non-current liabilities		
- More than 1 year and within 2 years	4,855	4,353
- More than 2 year and within 5 years	12,067	11,725
- More than 5 years	41,906	46,949
	63,066	68,037
Less: Unearned interest	(21,179)	(23,514)
	41,887	44,523
As at beginning of year	44,523	43,798
Acquisition of subsidiaries	-	1,635
Additions	442	658
Finance costs	2,365	2,371
Payments of leases	(5,132)	(3,865)
Termination	(350)	(8)
Effect of movement in exchange rates	39	(66)
As at end of year	41,887	44,523

The Group discounted the lease liabilities by using the Group's incremental borrowings rates, which ranges from 3.00% to 5.08% (2022: 3.00% to 5.68%).

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 34. LEASE LIABILITIES (cont'd)

#### Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

	Group	
	2023	2022
	RM'000	RM'000
As at beginning of year	44,523	43,798
Acquisition of subsidiaries	-	1,635
Repayment of lease liabilities	(2,767)	(1,494)
Other changes (i)	131	584
As at end of year	41,887	44,523

- (i) Other changes include additions, termination of leases, interest expense and effect of movement in exchange rates.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 35. RELATED PARTY TRANSACTIONS

### Identities of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provide key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, associates and key management personnel.

### Significant related party transactions

The related party transactions of the Group and the Company, other than key management personnel compensation (see Note 10), are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Subsidiaries</b>				
Corporate guarantee fee	-	-	1,129	1,071
Funding income	-	-	7,282	7,216
Rental expense	-	-	(77)	(77)
<b>Associates</b>				
Interest income	680	850	-	-
Secondment fee receivables	213	189	-	-
Project management fee	-	316	-	-
Corporate guarantee fee	299	299	-	-
Advances to associates	-	4,734	-	-

These transactions have been entered into a negotiated term basis.

## 36. FINANCIAL INSTRUMENTS

### Capital Risk Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### Categories of financial instruments

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets</b>				
Amortised cost:				
Trade and other receivables	883,550	685,036	320,267	321,906
Cash and bank balances	268,339	193,300	28	151
Service concession assets	277,321	290,919	-	-
Loan receivables	23,487	29,130	-	-
Fair value through profit or loss:				
Other investments	29,283	28,436	-	-
Structured deposits	26,358	-	-	-
Cash and bank balances	38,617	37,994	-	-
<b>Financial liabilities</b>				
Amortised cost:				
Refundable deposits, trade and other payables	528,273	381,260	971	6,684
Lease liabilities	41,887	44,523	-	-
Loans and borrowings	884,342	729,861	96,547	88,312

#### Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including credit risk, liquidity risk, foreign currency risk, interest rate risk and cash flow risk. The Group's principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are formulated and approved by the directors for observation in the day-to-day operations for controlling and managing the risks associated with financial instruments.

#### (a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from trade and other receivables, loan receivables, contract assets, service concession assets and cash and bank balances. The Company's exposure to credit risk arises principally from amount due from subsidiaries, financial guarantee given to banks for credit facilities granted to subsidiaries and cash and bank balances.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (a) Credit risk (cont'd)

##### Trade receivables and contract assets

##### Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to written-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities. There are no significant changes as compared to previous years.

##### Exposure to credit risk, credit quality and collateral

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

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk arising from the financial assets is the carrying amount of each class of financial assets as recognised in the statements of financial position. A significant portion of these receivables are regular customers that have been transacting with the Group.

##### Concentration of credit risk

At the end of the reporting period, approximately 76% (2022: 78%) of the Group's trade receivables were due from 4 (2022: 4) major customers.

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by industry sector and geographic region were:

	2023		2022	
	RM'000	% of total	RM'000	% of total
<b>Group</b>				
<b>By industry sector:</b>				
Construction	111,019	24	136,763	37
Property development	4,383	1	5,571	2
Power	5,840	1	5,698	2
Manufacturing, trading and others	338,490	74	214,860	59
	459,732	100	362,892	100

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

##### Concentration of credit risk (cont'd)

	2023		2022	
	RM'000	% of total	RM'000	% of total
<b>Group</b>				
<b>By geographical:</b>				
Malaysia	132,341	29	155,092	43
China	327,391	71	207,800	57
	459,732	100	362,892	100

##### Recognition and measurement of allowance for doubtful debts

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments, letter of undertaking from banks and external credit ratings, where applicable.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Allowance for doubtful debts RM'000	Net balance RM'000
<b>Group</b>			
<b>2023</b>			
Current (not past due)	407,198	-	407,198
1-30 days past due	5,029	-	5,029
31-60 days past due	3,409	-	3,409
61-90 days past due	4,461	-	4,461
91-120 days past due	5,213	-	5,213
More than 120 days past due	38,039	(3,617)	34,422
	463,349	(3,617)	459,732
Trade receivables	445,002	(3,617)	441,385
Contract assets	18,347	-	18,347
	463,349	(3,617)	459,732

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

#### Recognition and measurement of allowance for doubtful debts (cont'd)

	Gross carrying amount RM'000	Allowance for doubtful debts RM'000	Net balance RM'000
<b>Group</b>			
<b>2022</b>			
Current (not past due)	350,983	-	350,983
1-30 days past due	5,229	-	5,229
31-60 days past due	1,785	-	1,785
61-90 days past due	2,212	-	2,212
91-120 days past due	1,139	-	1,139
More than 120 days past due	9,771	(8,227)	1,544
	371,119	(8,227)	362,892
Trade receivables	305,509	(8,227)	297,282
Contract assets	65,610	-	65,610
	371,119	(8,227)	362,892

There are trade receivables that are past due but not impaired where the Group has not recognised any allowance of doubtful debts. Based on past trend, these receivables are collected within the next 12 months subsequent to the immediate year end. These receivables are unsecured in nature.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

##### Recognition and measurement of allowance for doubtful debts (cont'd)

The movements in the allowance for doubtful debts in respect of trade receivables during the year are shown below.

	Trade receivables RM'000
<b>Group</b>	
<b>Credit Impaired</b>	
<b>As at 1 January 2022</b>	5,569
Acquisition of subsidiaries	2,377
Net measurement of allowance	281
<b>As at 31 December 2022/1 January 2023</b>	8,227
Allowance written off	(5,057)
Net measurement of allowance	447
<b>As at 31 December 2023</b>	3,617

#### Cash and bank balances

The cash and bank balances are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

#### Other receivables

##### Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At each reporting date, the Group assesses whether any of the other receivables are credit impaired.

The gross carrying amounts of credit impaired other receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to written-off. Nevertheless, other receivables that are written off could still be subject to enforcement activities.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Other receivables (cont'd)

##### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk of other receivables is represented by their carrying amounts in the statements of financial position.

##### Recognition and measurement of allowance for doubtful debts

As there are only a few other receivables, the Group assessed the risk of loss of each other receivables individually based on past trend of payment.

The movements in the allowance for allowance for doubtful debts in respect of other receivables during the year are shown below:

	Group	
	2023	2022
	RM'000	RM'000
As at beginning of year	15,798	4,965
Acquisition of subsidiaries	-	10,453
Net (reversal)/measurement of allowance	(5,338)	380
As at end of year	10,460	15,798

#### Loan receivables

##### Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At each reporting date, the Group assesses whether any of the loan receivables are credit impaired.

The gross carrying amounts of credit impaired loan receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to written-off. Nevertheless, loan receivables that are written off could still be subject to enforcement activities.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (a) Credit risk (cont'd)

##### Loan receivables (cont'd)

##### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk of loan receivables is represented by their carrying amounts in the statements of financial position.

The movements in the allowance for doubtful debts in respect of loan receivables during the year are shown below:

	Group	
	2023	2022
	RM'000	RM'000
As at beginning of year	20,674	-
Acquisition of subsidiaries	-	20,624
Net measurement of loss allowance	3,697	50
As at end of year	24,371	20,674

##### Service Concession Assets

##### Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At each reporting date, the Group assesses whether any of the service concession assets are credit impaired.

The gross carrying amounts of credit impaired service concession assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to written-off. Nevertheless, service concession assets that are written off could still be subject to enforcement activities.

##### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk of service concession assets is represented by their carrying amounts in the statements of financial position.

##### Financial guarantees

##### Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks, customers and payables as performance bonds, tender bonds, security deposits or in respect of guarantee for banking facilities granted to certain subsidiaries and associates.

The Company also provides financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Financial guarantees (cont'd)

##### Exposure to credit risk, credit quality and collateral

The Group's and the Company's maximum exposure to credit risk arising from financial guarantees amounted to RM19,724,000 and RM183,982,000(2022: RM39,957,000 and RM225,848,000) respectively.

The financial guarantees are provided as credit enhancements to banks, customers and payables.

##### Recognition and measurement of allowance for doubtful debts

The Group and the Company assume that there is a significant increase in credit risk when a subsidiary's or associate's financial position deteriorates significantly. The Group and the Company consider a financial guarantee to be credit impaired when:

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

The Group and the Company determine the probability of default of the debts individually using internal information available.

As at the end of the reporting period, it was not probable that the counterparties to financial guarantee contracts will claim under the contract. The Group and the Company did not recognise any liability on financial guarantees.

#### Related-company loans and advances

##### Risk management objectives, policies and processes for managing the risk

The Group provides advances to associates. The Group monitors the ability of the associates to repay the advances on an individual basis. The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

##### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk of related-company loans and advances is represented by their carrying amounts in the statements of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

##### Recognition and measurement of allowance for doubtful debts

Generally, the Group and the Company consider advances to associates or subsidiaries have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when an associate's or subsidiary's financial position deteriorates significantly. The Group and the Company consider advances to an associate or subsidiary to be credit impaired when:

- The associate or the subsidiary is unlikely to repay its advance to the Company in full; or
- The associate or the subsidiary is continuously loss making and is having a deficit shareholders' fund.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Inter-company loans and advances (cont'd)

##### Recognition and measurement of allowance for doubtful debts (cont'd)

The following table provides information about the exposure to credit risk and ECLs for amount due from associates:

	Gross carrying amount RM'000	Allowance for doubtful debts RM'000	Net balance RM'000
<b>Group</b>			
<b>2023</b>			
Low credit risk	14,307	-	14,307
Credit impaired	15,246	(15,246)	-
	29,553	(15,246)	14,307
<b>2022</b>			
Low credit risk	11,189	-	11,189
Credit impaired	15,491	(15,491)	-
	26,680	(15,491)	11,189

The following table provides information about the exposure to credit risk and ECLs for amount due from subsidiaries:

	Gross carrying amount RM'000	Allowance for doubtful debts RM'000	Net balance RM'000
<b>Company</b>			
<b>2023</b>			
Low credit risk	320,265	-	320,265
Credit impaired	38,300	(38,300)	-
	358,565	(38,300)	320,265
<b>2022</b>			
Low credit risk	321,838	-	321,838
Credit impaired	36,684	(36,684)	-
	358,522	(36,684)	321,838

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (a) Credit risk (cont'd)

#### Inter-company loans and advances (cont'd)

#### Recognition and measurement of allowance for doubtful debts (cont'd)

The movement in the allowance for doubtful debts in respect of amount due from associates or subsidiaries during the year is as follows:

	Group RM'000	Company RM'000
As at 1 January 2022	13,501	33,799
Net measurement of allowance	1,990	2,885
As at 31 December 2022/1 January 2023	15,491	36,684
Net (reversal)/measurement of allowance	(245)	1,616
As at 31 December 2023	15,246	38,300

### (b) Liquidity risk

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

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

It is not expected that the cash terms included in the maturity analysis occur significantly earlier or at significant different amounts.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

## (b) Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
<b>Group</b>						
<b>2023</b>						
<b>Non-derivative financial liabilities</b>						
Refundable deposits, trade and other payables	528,273	-	528,273	526,773	1,500	-
Lease liabilities	41,887	3.00% - 5.08%	63,066	4,238	16,923	41,905
Revolving credits	73,230	4.95% - 6.91%	77,297	77,297	-	-
Term loans	175,287	4.47% - 8.50%	202,631	54,448	136,237	11,946
Bankers' acceptance	4,572	5.20% - 5.24%	4,602	4,602	-	-
Invoice financing	131,374	2.80% - 5.70%	135,277	135,277	-	-
Other borrowings	302,251	5.00% - 6.13%	316,873	316,873	-	-
Green SRI Sukuk Wakalah	197,628	4.96% - 6.35%	271,223	15,676	69,895	185,652
Financial guarantee*	-	-	-	-	-	-
	<b>1,454,502</b>		<b>1,599,242</b>	<b>1,135,184</b>	<b>224,555</b>	<b>239,503</b>
<b>2022</b>						
<b>Non-derivative financial liabilities</b>						
Refundable deposits, trade and other payables	381,260	-	381,260	378,565	2,695	-
Lease liabilities	44,523	3.00%-5.68%	68,037	5,010	16,078	46,949
Revolving credits	65,514	4.57%-6.40%	69,083	69,083	-	-
Term loans	177,925	3.98%-7.50%	209,048	133,576	52,841	22,631
Bankers' acceptance	4,414	4.47%-4.53%	4,438	4,438	-	-
Other borrowings	269,380	5.00%-5.83%	293,557	58,773	234,784	-
Green SRI Sukuk Wakalah	212,628	5.20%-6.35%	301,629	26,677	121,271	153,681
Financial guarantee*	-	-	-	-	-	-
	<b>1,155,644</b>		<b>1,327,052</b>	<b>676,122</b>	<b>427,669</b>	<b>223,261</b>

\* The financial guarantees provided to financiers for subsidiaries are accounted as financial liabilities if considered likely to crystallise. As at end of each reporting period, the Group has assessed the financial guarantee contracts and concluded that the financial impact of the guarantee is not material and it was not probable that the counterparties to financial guarantee contracts will claim under the contracts.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (b) Liquidity risk (cont'd)

##### Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
<b>Company</b>						
<b>2023</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	971	-	971	971	-	-
Term loan	96,547	8.50%	112,960	-	112,960	-
Financial guarantee*	-	-	-	-	-	-
	97,518		113,931	971	112,960	-
<b>2022</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	6,684	-	6,684	6,684	-	-
Term loan	88,312	7.50%	91,624	91,624	-	-
Financial guarantee*	-	-	-	-	-	-
	94,996		98,308	98,308	-	-

\* The financial guarantees provided to financiers for subsidiaries are accounted as financial liabilities if considered likely to crystallise. As at end of each reporting period, the Group has assessed the financial guarantee contracts and concluded that the financial impact of the guarantee is not material and it was not probable that the counterparties to financial guarantee contracts will claim under the contracts.

#### (c) Market risk

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

#### (d) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Ringgit Malaysia ("RM"), United States Dollar ("USD") and Hong Kong Dollars ("HKD"). The foreign currencies in which these transactions are denominated are mainly United State Dollar ("USD") and Indian Rupee ("INR").

##### Risk management objectives, policies and processes for managing the risk

As at the reporting date, the Group entered into cross currency interest rate contract to manage the foreign currency exposures arising from the Group's term loan denominated in currencies other than the functional currency of the Group entities.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (d) Foreign currency risk (cont'd)

#### Exposure of foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	INR	USD
	RM'000	RM'000
<b>Balances recognised in the statements of financial position</b>		
<b>2023</b>		
<b>Group</b>		
Cash and bank balances	410	-
Amount due from associates	-	14,307
Loans and borrowings	-	(96,547)
	410	(82,240)
<b>Company</b>		
Loans and borrowings	-	(96,547)
<b>Balances recognised in the statements of financial position</b>		
<b>2022</b>		
<b>Group</b>		
Cash and bank balances	410	-
Amount due from associates	-	11,428
Loans and borrowings	-	(88,312)
	410	(76,884)
<b>Company</b>		
Loans and borrowings	-	(88,312)

The Group has overseas operations and is exposed to currency risk as a result of the foreign currency transactions entered into by companies in currencies other than their functional currencies.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (d) Foreign currency risk (cont'd)

#### Currency risk sensitivity analysis

A 3% (2022: 3%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2023	2022	2023	2022
Profit or loss	RM'000	RM'000	RM'000	RM'000
INR	(9)	(9)	-	-
USD	1,875	1,753	2,201	2,014

A 3% (2022: 3%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

### (e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing borrowings, loan receivables, deposits with financial institutions and amount owing from associates. Investments in financial assets, short-term receivables and payables are not significantly exposed to interest rate risk.

#### Risk management objectives, policies and processes for managing the risk

The Group and the Company manage its interest rate exposure by maintaining a mix of fixed and floating rate loans and borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

# NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 36. FINANCIAL INSTRUMENTS (cont'd)

### (e) Interest rate risk (cont'd)

#### Exposure to interest rate risk

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>				
Amount due from associates	8,750	11,428	-	-
Green SRI Sukuk Wakalah	(197,628)	(212,628)	-	-
Term loans	(123,547)	(118,312)	(96,547)	(88,312)
Other borrowings	(302,251)	(269,380)	-	-
Lease liabilities	(41,887)	(44,523)	-	-
Deposits with financial institutions	135,598	51,498	-	-
	(520,965)	(581,917)	(96,547)	(88,312)
<b>Floating rate instruments</b>				
Deposits with financial institutions	55,101	48,145	-	-
Term loans	(51,740)	(59,613)	-	-
Invoice financing	(131,374)	-	-	-
Revolving credits	(73,230)	(65,514)	-	-
Bankers' acceptance	(4,572)	(4,414)	-	-
	(205,815)	(81,396)	-	-

#### Interest rate risk sensitivity analysis

##### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by amounts shown below. The analysis assumes that all other variables, in particular foreign currency rate, remained constant.

	Profit or loss	
	100 bp increase	100 bp decrease
	RM'000	RM'000
<b>Group</b>		
<b>2023</b>		
Floating rate instruments	(1,564)	1,564
<b>2022</b>		
Floating rate instruments	(619)	619

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (f) Fair values

The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amounts derived from such methods and valuation techniques are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of the amounts estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amount of the various financial assets and financial liabilities reflected on the statements of financial position approximate their fair values.

The methodologies used in arriving at the fair values of the principal financial assets and financial liabilities of the Group and the Company are as follows:

- **Cash and bank balances, trade and other receivables, loan receivables, service concession assets, trade and other payables, short-term refundable deposits and short-term borrowings:** The carrying amounts are considered to approximate the fair values as they are either within the normal credit terms or they have short-term maturity period.
- **Non-current service concession assets and trade and other receivables:** The fair values of non-current service concession assets and trade and other receivables are determined by the present value of future cash flows estimated and discounted using the interest rate for similar instruments.
- **Non-current refundable deposits:** The fair value of non-current refundable deposits are determined by estimating future cash flows and discounting these future cash flows using an interest rate which takes into consideration the Group's incremental borrowing rate at year end for similar types of debt arrangements.
- **Long-term borrowings:** The fair values of long-term borrowings are determined by estimating future cash flows on a borrowing-by-borrowing basis, and discounting these future cash flows using an interest rate which takes into consideration the Group's incremental borrowing rate at year end for similar types of debt arrangements.
- **Structured deposits:** The fair values of structured deposits are determined by estimating future cash flows based on the probabilities of future exchange rate movements (which are modelled using the implied volatility prices at the end of the reporting period from the foreign exchange options market) and contracted interest rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate.
- **Other investments:** The fair values of other investments is determined based on income approach and discounting the future cash flows using a discount rate that is relevant to the investment.

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (f) Fair values (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Carrying value		Fair value			
	Mandatorily at FVTPL	Other financial liabilities	Total	Level 1	Level 2	Level 3
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
<b>Financial assets</b>						
Structured deposits	26,358	-	26,358	-	26,358	-
Other investments	29,283	-	29,283	847	936	27,500
	55,641	-	55,641	847	27,294	27,500
<b>Financial liabilities</b>						
Refundable deposits	-	1,500	1,500	-	-	1,500
Term loans	-	124,406	124,406	-	-	110,289
Green SRI Sukuk Wakalah	-	182,791	182,791	-	-	126,715
	-	308,697	308,697	-	-	238,504
<b>Company</b>						
<b>Financial liabilities</b>						
Term loan	-	96,547	96,547	-	-	89,811

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (f) Fair values (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (cont'd)

	Carrying value		Fair value			
	Mandatorily at FVTPL RM'000	Other financial liabilities RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>2022</b>						
<b>Group</b>						
<b>Financial assets</b>						
Other investments	28,436	-	28,436	-	936	27,500
<b>Financial liabilities</b>						
Refundable deposits	-	2,695	2,695	-	-	2,695
Term loans	-	51,737	51,737	-	-	48,929
Green SRI Sukuk Wakalah	-	197,628	197,628	-	-	130,763
Other borrowings	-	224,137	224,137	-	-	203,783
	-	476,197	476,197	-	-	386,170

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (f) Fair values (cont'd)

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

##### Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the year (2022: no transfer in either direction).

##### Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

Group	2023 RM'000	2022 RM'000
<b>Other investments – Unquoted shares</b>		
As at 1 January	27,500	21,000
Fair value gain	-	6,500
As at 31 December	27,500	27,500

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

#### (a) Financial instruments carried at fair value

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Other investments - Unquoted shares	Discounted cash flow projections.  Disclosed in Note 21	- Future planned revenue  - Discount rate	The estimated fair value would increase (decrease) if the future planned revenue is higher (lower) and discount rate were lower (higher).

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 36. FINANCIAL INSTRUMENTS (cont'd)

#### (f) Fair values (cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models. (cont'd)

#### (b) Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used	Discount rate
<b>2023</b>		
Refundable deposits and long-term borrowings	Discounted cash flow using a rate based on the indicative current market rate of borrowing of the Group entities at the reporting date	4.47% - 8.50% (2022: 3.98% - 7.50%)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

### 37. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided in the consolidated financial statements in respect of:

	<b>2023</b>	<b>2022</b>
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>
Capital contribution to a joint venture	244,556	248,088
Acquisition of intangible assets	81,869	-
Acquisition of property, plant and equipment	510	238
	<b>326,935</b>	<b>248,326</b>

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### 38. RESTATEMENT OF COMPARATIVES

The Group has acquired Real Jade Limited and its subsidiaries ("Real Jade") on 8 November 2022. The fair values of identifiable assets acquired and liabilities assumed have been determined on a provisional basis during the previous year.

The Group reassessed the fair value of identified assets acquired and liabilities assumed on the date of acquisition via purchase price allocation exercise ("PPA"). These were finalised in current year. Comparative figures have been adjusted.

Group	As previously stated RM'000	PPA adjustments RM'000	As restated RM'000
<b>31 December 2022</b>			
<b>Effect on statements of profit or loss and other comprehensive income:</b>			
Other income	54,107	(3,138)	50,969
Profit before tax	29,889	(3,138)	26,751
Profit for the year	24,465	(3,138)	21,327
<b>Effect on statements of financial position:</b>			
<u>Non-current assets</u>			
Property, plant and equipment	170,525	(2,101)	168,424
<u>Non-current liabilities</u>			
Deferred tax liabilities	(35,411)	(1,037)	(36,448)
<b>Effect on statements of change of equity:</b>			
Accumulated losses	(260,269)	(3,138)	(263,407)

# STATEMENT BY DIRECTORS

The Directors of **MUDAJAYA GROUP BERHAD** state that, in their opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their 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.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

**JAMES WONG TET FOH**

**DATO' AMIN RAFIE BIN OTHMAN**

26 April 2024

## DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE

For the Financial Management of the Company

I, **TAN CHIN BOO**, the officer primarily responsible for the financial management of **MUDAJAYA GROUP BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

**TAN CHIN BOO**  
**MIA Membership No.:46824**

Subscribed and solemnly declared by the  
abovenamed **TAN CHIN BOO** at  
**Petaling Jaya, Selangor Darul Ehsan**  
on 26th day of April 2024.

Before me,

**LILY YII LING CHOO**  
**(NO.:B583)**  
COMMISSIONER FOR OATHS

## TOP 10 PROPERTIES OF THE GROUP

	LOCATION/ADDRESS	YEAR OF ACQUISITION	TENURE	YEAR LEASE EXPIRING	AGE OF BUILDING	LAND AREA/ BUILT UP AREA (sq.m)	DESCRIPTION/ EXISTING USE	NET BOOK VALUE RM'000
1	Dundong Village, Jiantouji Town, Taierzhuang District	2005	Leasehold	2056	18	141,838/ 20,036	Industrial land and building / Factory	82,500
2	No.12A, Jalan PJU 7/3 Mutiar Damansara 47810 Petaling Jaya Selangor Darul Ehsan	2008	Freehold	N/A	15	4,269	Commercial land and office building	55,946
3	Room 101-102, Building 27, No. 1388 Zhangdong Road, Pudong, Shanghai, the PRC	2007	Leasehold	2049	16	1,899.88	Industrial building	22,295
4	Rooms 101, 102, 201, 202, 301, 302, 401 and 402 with 4 Carparks, Block D7 of Shanglia Connes City, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC	2012	Leasehold	2078	11	1439.55	Residential	5,196
5	Unit 678, No 8, Changle Road, Binhu District, Wuxi City, Jiangsu Province, the PRC	2013	Leasehold	Unspecified term	10	553.86	Residential	5,167
6	Lot No. 32 & 33 Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	1998	Freehold	N/A	25	40,486/2,480	Industrial land and building/ Casting yard	4,058
7	Lot 2472 Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	2012	Freehold	N/A	N/A	20,234	Agriculture land/ Storage	3,864
8	Lot No. 31 Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	2004	Freehold	N/A	N/A	20,234	Agriculture land/ Casting yard	1,650
9	Bd107-109, Bd207-209, Bd313-319 Bd414-419, Bm413 Batu Kawah New Township Jalan Batu Kawa 93250 Kuching Sarawak	2007	Leasehold	2058	16	16,241	Office building and store room	1,515
10	Unit 1403, No. 83, An Shun Road, Changning District, Shanghai, the PRC	2000	Leasehold	Unspecified term	23	146.48	Office building	1,256

# ANALYSIS OF SHAREHOLDINGS

As at 20 March 2024

Total Number of Issued Shares	:	1,875,920,895 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share on a poll

## DISTRIBUTION OF SHAREHOLDINGS BASED ON RECORD OF DEPOSITORS

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholdings
Less than 100	994	5.87	37,590	0.00
100 - 1,000	8,102	47.83	2,683,852	0.14
1,001 - 10,000	4,569	26.98	19,936,276	1.06
10,001 - 100,000	2,650	15.64	91,840,539	4.90
100,001 – 93,796,044 (less than 5% of issued shares)	621	3.67	443,051,171	23.62
93,796,045 (5%) and above	1	0.01	1,318,371,467	70.28
<b>Total</b>	<b>16,937</b>	<b>100.00</b>	<b>1,875,920,895</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	Number of Shares held	%	Number of Shares held	%
Yakin Setiamas Sdn Bhd	1,318,371,467	70.28	-	-
Ample Full Profits Limited	-	-	(1) 1,318,371,467	70.28
Jovial Day Holdings Limited	-	-	(2) 1,318,371,467	70.28
Cheerful Talent Holdings Limited	-	-	(3) 1,318,371,467	70.28
Kuo Jen-Hao	-	-	(4) 1,318,371,467	70.28

Notes:

- (1) Deemed interest pursuant to Section 8 of the Companies Act 2016 (“the Act”) by virtue of its shareholding in Yakin Setiamas Sdn Bhd.
- (2) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in Ample Full Profits Limited.
- (3) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in Jovial Day Holdings Limited.
- (4) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Cheerful Talent Holdings Limited.

## ANALYSIS OF SHAREHOLDINGS

As at 20 March 2024

(CONTINUED)

### DIRECTORS' SHAREHOLDINGS IN MUDAJAYA GROUP BERHAD BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct		Indirect	
	Number of Shares held	%	Number of Shares held	%
Lee Eng Leong	1,705,100	0.09	-	-
Dato' Amin Rafie Bin Othman	-	-	-	-
Ir. James Wong Tet Foh	-	-	-	-
Chew Hoy Ping	-	-	-	-
Oei Su Lee	-	-	-	-

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS

No.	Name of Shareholders	Number of Share Held	%
1	YAKIN SETIAMAS SDN BHD	1,318,371,467	70.29
2	PHILLIP NOMINEES (ASING) SDN BHD EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LIMITED FOR HARRISON ASSETS LIMITED	58,987,000	3.14
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	37,451,900	2.00
4	PHILLIP NOMINEES (ASING) SDN BHD EXEMPT AN FOR EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LIMITED	30,000,000	1.60
5	NAUTICAL INVESTMENTS LIMITED	21,347,752	1.14
6	PHILLIP NOMINEES (ASING) SDN BHD EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LIMITED FOR NG QING HAI	17,700,000	0.94
7	MAGIC UNICORN LIMITED	14,141,913	0.75
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHEOK JIU SENG (PBCL-0G0898)	6,700,000	0.36
9	LEE SEE JIN	6,161,200	0.33
10	LEOW HONG YEN	4,850,000	0.26
11	TYE LIM HUAT	4,400,000	0.23
12	YEO KHEONG SOON	3,500,000	0.19
13	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LIMITED (A/C CLIENT)	3,492,705	0.19
14	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM SOH WOON	3,300,000	0.18
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	3,199,904	0.17
16	LOH SIEW HOOI	3,100,000	0.16

## ANALYSIS OF SHAREHOLDINGS

As at 20 March 2024

(CONTINUED)

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS (cont'd)

No.	Name of Shareholders	Number of Share Held	%
17	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD (CLIENTS' ACCOUNT)	2,989,200	0.16
18	KENANGA NOMINEES (TEMPATAN) SDN BHD DERRICK KONG YING KIT (PCS)	2,914,100	0.15
19	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	2,777,248	0.15
20	LEE ENG KEONG	2,355,000	0.13
21	SJ SEC NOMINEES ( ASING ) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABOUBAKAR RAFICK MOUSSA ISMAEL OMARJEE (SMT)	2,283,000	0.12
22	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TAN MENG YOW	2,260,000	0.12
23	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	2,224,286	0.12
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIAN SENG (E-KLG/BTG)	2,182,700	0.12
25	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM MEE KIAN	2,170,065	0.12
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	2,097,700	0.11
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ANTO A/L S F JOSEPH (PB)	2,056,906	0.11
28	YONG ZHE WU	1,870,067	0.10
29	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	1,868,186	0.10
30	TOO WEE LING	1,867,400	0.10

## NOTICE OF 21ST ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 21st Annual General Meeting (“**AGM**”) of Mudajaya Group Berhad (“**the Company**”) will be held as a virtual meeting on the following date, time and venue for the following purposes:

Day and Date	:	Thursday, 13 June 2024
Time	:	2.30 p.m.
Broadcast Venue	:	12 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Online Meeting Platform	:	<a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect Mr James Wong Tet Foh who retires by rotation pursuant to Clause 106 of the Company's Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 1)*
3. To approve the payment of Directors' fees and benefits to the Non-Executive Directors of the Company (based on the remuneration structure as disclosed in item 3 of the Explanatory Notes on Ordinary and Special Businesses) for the period from 14 June 2024 until the conclusion of the next AGM of the Company to be held in 2025. *(Ordinary Resolution 2)*
4. To re-appoint Messrs Deloitte PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 3)*

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

5. **ORDINARY RESOLUTION:**  
**Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act:

- (a) to issue and allot new shares in the Company; and/or
- (b) to grant rights to subscribe for shares in the Company; and/or
- (c) to convert any security into shares in the Company; and/or
- (d) to allot shares under an agreement or option or offer,

## NOTICE OF 21ST ANNUAL GENERAL MEETING

(CONTINUED)

at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of new shares issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) ("**10% General Mandate**").

THAT such approval of the 10% General Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such new shares on the Main Market of Bursa Securities.

AND THAT the Directors be further authorised to implement, finalise, complete and take all necessary steps and to do all acts, deeds and things as may be necessary or expedient (including executing such documents as may be required) in order to give full effect to the 10% General Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

THAT pursuant to Section 85 of the Act, read together with Clause 49(1) of the Company's Constitution, approval be and is hereby given for the waiver of 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 pursuant to this general mandate AND THAT the Directors of the Company are exempted from the obligation to offer such new shares first to the existing shareholders of the Company in proportion to their respective shareholdings in the Company, provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect."

*(Ordinary Resolution 4)*

6. **ORDINARY RESOLUTION:**  
**Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**

## NOTICE OF 21ST ANNUAL GENERAL MEETING

(CONTINUED)

“THAT subject to compliance with the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant rules and regulations that may be in force from time to time, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the latest audited retained profits of the Company.

THAT such authority shall commence upon the passing of this ordinary resolution and shall remain in force until:

- (i) the conclusion of the next AGM of the Company at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividends and/or subsequently cancel them or such other manner as may be allowed under the Act and the Main Market Listing Requirements of Bursa Securities.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

*(Ordinary Resolution 5)*

### 7. **ORDINARY RESOLUTION: Continuing in Office as an Independent Non-Executive Director**

“THAT approval be and is hereby given to Mr Chew Hoy Ping (who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of 10 years effective on 1 January 2025) to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2021.”

*(Ordinary Resolution 6)*

### 8. To transact any other business of which due notice shall have been received.

# NOTICE OF 21ST ANNUAL GENERAL MEETING

(CONTINUED)

By Order of the Board

**TAN CHIN BOO** (MIA 46824) (SSM PC No. 202408000126)  
Company Secretary

Petaling Jaya  
30 April 2024

## NOTES:

1. The AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities (“**RPV**”). Please follow the procedures as set out in the Administrative Guide for the AGM in order to register, participate and vote remotely via RPV.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue. No members/proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
3. A member of the Company who is entitled to attend, participate and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend, participate and vote instead of the member at the meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
4. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 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. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
6. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall be invalid. An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally or by post, by fax at (603) 7890 4670, by electronic mail to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com), or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
9. For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at **5 June 2024** and only members whose names appear in the Record of Depositors shall be entitled to attend, participate and vote at this AGM via RPV.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of AGM shall be put to vote by way of poll.

# NOTICE OF 21ST ANNUAL GENERAL MEETING

(CONTINUED)

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES

### 1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2023

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act requires the Audited Financial Statements to be laid at the AGM. As such, this agenda item does not require shareholders' approval and hence, is not put forward for voting.

### 2. Ordinary Resolutions 1 – Re-Election of Retiring Director pursuant to Clause 106 of the Company's Constitution

Pursuant to Clause 106 of the Company's Constitution, one-third or the number nearest to one-third of the Directors of the Company shall retire from office by rotation annually and subject to re-election at the AGM. All Directors shall retire from office once at least in each 3 years but shall be eligible for re-election.

Mr James Wong Tet Foh is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at this AGM.

For the purpose of determining the eligibility of the Director to stand for re-election at this AGM and in line with the Main Market Listing Requirements of Bursa Securities and Practice 5.1 of the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia, the Combined Nomination and Remuneration Committee ("CNRC") has reviewed and assessed the retiring Director from the annual assessment and evaluation of the Board for the financial year 2023. The retiring Director has provided the fit and proper declaration in accordance with the Directors' Fit and Proper Policy. Accordingly, the CNRC has recommended the re-election of the retiring Director based on the following considerations:

- (a) demonstrated diligence and commitment, satisfactory performance and has met the Board's expectation in discharging his duties and responsibilities;
- (b) met the fit and proper criteria with reference to the Directors' Fit and Proper Policy; and
- (c) his ability to act in the best interest of the Company in decision-making.

The Board has endorsed the CNRC's recommendation subject to the shareholders' approval at this AGM. The retiring Director had abstained from deliberation and decision on his eligibility to stand for re-election at the relevant CNRC and Board Meetings.

The profile of Mr James Wong Tet Foh is set out in the Directors' Profile section of the Annual Report 2023.

## NOTICE OF 21ST ANNUAL GENERAL MEETING

(CONTINUED)

### 3. Ordinary Resolution 2 – Payment of Directors' Fees and Benefits

Section 230(1) of the Act provides amongst others, that the fees and benefits ("**Remuneration**") payable to the Directors of a listed company shall be approved by the shareholders at a general meeting. The Remuneration payable to the Non-Executive Directors of the Company comprises Directors' fees, fixed allowance and meeting attendance allowance, which are the same amount as approved at the previous AGM held in 2023.

This Resolution is to seek shareholders' approval for payment of the Remuneration to the Non-Executive Directors for the period from 14 June 2024 until the conclusion of the next AGM of the Company to be held in 2025, in accordance with the remuneration structure as set out below:

	Deputy Chairman	Chairman of Audit Committee	Chairman of other Board Committees	Other Non- Executive Directors
<b>Directors' Fee</b> (payable on monthly basis)	RM80,000 per annum	RM80,000 per annum	RM80,000 per annum	RM80,000 per annum
<b>Fixed Allowance</b> (payable on quarterly basis)	RM60,000 per annum	RM40,000 per annum	RM6,000 per annum	-
<b>Meeting Allowance</b> for attendance of Board and Board Committee Meetings, and shareholders' meetings (payable after each meeting)	RM1,000 per meeting	RM1,000 per meeting	RM1,000 per meeting	RM1,000 per meeting

### 4. Ordinary Resolution 3 – Re-Appointment of Auditors

The Audit Committee has undertaken an annual assessment of the suitability and independence of Messrs Deloitte PLT ("**Deloitte**") as Auditors of the Company based on the criteria as prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities.

In its assessment, the Audit Committee considered several factors which include the following:

- Adequacy of experience and resources of Deloitte and the level of knowledge, capabilities and experience of the staff assigned to the audit;
- Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- Appropriateness of audit approach and the effectiveness of audit planning;
- Ability to perform audit work within agreed timeframe; and
- Independence and objectivity of Deloitte when interpreting standards/policies adopted by the Company.

The Audit Committee was satisfied with the suitability of Deloitte based on the quality of audit, performance, competency and sufficiency of resources that Deloitte provided to the Group. The Audit Committee was also satisfied in its review that the provision of non-audit services by Deloitte to the Company for the financial year 2023 did not in any way impair their objectivity and independence as the external auditors.

The Board has approved the Audit Committee's recommendation for the shareholders' approval to be sought at this AGM on the re-appointment of Deloitte as Auditors of the Company.

### 5. Ordinary Resolution 4 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

This Resolution is to empower the Directors to issue and allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company and/or allot shares under an agreement or option or offer, at any time at such price, upon such terms and conditions, for such purposes and to such person(s) as they consider would be in the interest of the Company, provided that the aggregate number of new shares issued, when aggregated with the total number of any such shares issued during the preceding 12 months, does not exceed 10% of the total number of issued shares of the Company for the time being.

## NOTICE OF 21ST ANNUAL GENERAL MEETING

(CONTINUED)

The Board is of the view that the general mandate would be in the best interest of the Company and its shareholders as it would allow the Company to raise funds efficiently and expeditiously to meet its funding requirements, should the Company be required to do so. It will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding current and future investment(s), project(s), acquisition(s) and/or working capital. The general mandate is sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of shares.

The authority for this general mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Pursuant to Section 85 of the Act, read together with Clause 49(1) of the Company's Constitution, shareholders of the Company have pre-emptive rights to be offered new shares in the Company which rank equally to the existing issued shares of the Company. By voting in favour of this Resolution, shareholders of the Company agree to waive their pre-emptive rights and thus will allow the Directors to issue new shares to any person under this general mandate without having to offer the new shares to all existing shareholders of the Company prior to the issuance of the new shares.

### 6. Ordinary Resolution 5 – Proposed Renewal of Authority for the Purchase by the Company of its Own Shares

This Resolution, if passed, will renew the shareholders' mandate for the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company. The details on the proposed renewal of authority for the purchase by the Company of its own shares are set out in the Share Buy-back Statement dated 30 April 2024.

### 7. Ordinary Resolution 6 – Continuing in Office as Independent Non-Executive Director

The Resolution is to seek the shareholders' approval to retain Mr Chew Hoy Ping ("Mr Chew") as an Independent Non-Executive Director of the Company. Mr Chew will be holding the position of an Independent Non-Executive Director for a cumulative term of 10 years on 1 January 2025.

The Board has via the CNRC, assessed the independence of Mr Chew and recommended him to continue to serve as an Independent Non-Executive Director based on the following justifications:-

- (a) Mr Chew fulfilled the criteria under the definition of "Independent Director" as stated in the Main Market Listing Requirements of Bursa Securities and thus, he would be able to function as a check and balance to the Board.
- (b) Mr Chew performed his duties diligently and in the best interest of the Company, and brings an element of objectivity and independent judgement to the Board without being subject to influence of the Management. He consistently challenges Management in an effective and constructive manner, and continues to advocate professional views without fear or favour.
- (c) Based on the Director's Peer Evaluation undertaken by the Board, Mr Chew has performed satisfactorily in fulfilling his duties and responsibilities, including among others, contribution to Board deliberations, regular and timely attendance of Board meetings and understanding of the roles and responsibilities of an Independent Director. He has devoted time and commitment, and continued to exercise his independence and due care in discharging his duties and responsibilities as an Independent Non-Executive Director.
- (d) Mr Chew, who is Chairman of the Audit Committee, has vast experience in the accounting and audit industry, which enabled him to provide constructive advice, expertise and independent judgement.
- (e) Mr Chew's length of service with the Company enhanced his knowledge and developed valuable insights of the business operations of the Group, which enabled him to participate actively and contribute effectively during deliberations at Board and Board Committee meetings.

Pursuant to the Malaysian Code on Corporate Governance 2021, the Company will seek shareholders' approval through a two-tier voting process at the AGM for the retention of Mr Chew as an Independent Non-Executive Director of the Company.

## STATEMENT ACCOMPANYING NOTICE OF 21ST ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

**1. Details of persons who are standing for election as Directors (excluding Directors standing for re-election)**

No individual is seeking for election as a Director at the 21<sup>st</sup> AGM of the Company.

**2. A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities**

The proposed Ordinary Resolution 4 on the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares or securities were issued pursuant to the said mandate granted to the Directors at the last AGM held on 15 June 2023.

# MUDAJAYA GROUP BERHAD

Registration No. 200301003119 (605539-H)  
Incorporated in Malaysia

## PROXY FORM

No. of Shares held	
CDS Account No.	

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_ Tel No. \_\_\_\_\_

of \_\_\_\_\_

being a member of the Company, hereby appoint \_\_\_\_\_ NRIC No. \_\_\_\_\_

Email: \_\_\_\_\_ of \_\_\_\_\_

and/or \_\_\_\_\_ NRIC No. \_\_\_\_\_ Email: \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the 21st Annual General Meeting ("AGM") of the Company to be held virtually from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and via Lumi AGM at <https://meeting.boardroomlimited.my> on **Thursday, 13 June 2024 at 2.30 p.m.** and at any adjournment thereof.

Please indicate with 'X' in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 1	Re-election of Mr James Wong Tet Foh		
Resolution 2	Payment of Directors' fees and benefits		
Resolution 3	Re-appointment of Messrs Deloitte PLT as Auditors		
Resolution 4	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Resolution 5	Proposed renewal of authority for the purchase by the Company of its own shares		
Resolution 6	Continuing in office as Independent Non-Executive Director – Mr Chew Hoy Ping		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature of Member \_\_\_\_\_

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:		
	No. of Shares	Percentage
1st Proxy		%
2nd Proxy		%
Total:		100 %

Common  
Seal  
(for Corporate  
Members)

### NOTES:

- The AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities ("RPV"). Please follow the procedures as set out in the Administrative Guide for the AGM in order to register, participate and vote remotely via RPV.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. No members/proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
- A member of the Company who is entitled to attend, participate and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend, participate and vote instead of the member at the meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
- Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 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. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall be invalid. An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally, by fax at (603) 7890 4670, by electronic mail to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com), by sending it through the post, or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 5 June 2024 and only members whose names appear in the Record of Depositors shall be entitled to attend, participate and vote at this AGM via RPV.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of AGM shall be put to vote by way of poll.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of AGM dated 30 April 2024.

*Fold this flap to seal*

*2nd fold here*

Affix  
stamp  
here

**MUDAJAYA GROUP BERHAD**

Registration No. 200301003119 (605539-H)

**c/o Boardroom Share Registrars Sdn Bhd**

Registration No. 199601006647 (378993-D)

11<sup>th</sup> Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

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**[www.mudajaya.com](http://www.mudajaya.com)**

**MUDAJAYA GROUP BERHAD**

200301003119 (605539-H)

Level PH1, Menara Mudajaya  
No.12A, Jalan PJU 7/3, Mutiara Damansara  
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia

T (603) 7806 7899  
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E [info@mudajaya.com](mailto:info@mudajaya.com)