



MITRAJAYA HOLDINGS BERHAD

Registration No. 199301013519 (268257-T)

ANNUAL REPORT **2023**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman

**TAN SRI DATO' SERI MOHAMAD NOOR
BIN ABDUL RAHIM**

Group Managing Director

TAN ENG PIOW

Executive Director

**CHO WAI LING
TAN MEI YIN
BIBHUTI NATH JHA**

Independent Non-Executive Director

**DATUK MAHDI BIN MORAD
DATO' SIVALOGANATHAN A/L YOGANATHAN
IR AIK SIAW KONG**

Non-Independent Non-Executive Director

ROLAND KENNETH SELVANAYAGAM

SECRETARY

Leong Oi Wah
(MAICSA No. 7023802)
SSM Practicing Certificate No. 201908000717

REGISTERED OFFICE

No. 9, Blok D,
Pusat Perdagangan Puchong Prima,
Persiaran Prima Utama,
Taman Puchong Prima,
47150 Puchong,
Selangor Darul Ehsan
Tel : 03-8060 9999
Fax : 03-8060 9998
E-mail : mhb@mitrajaya.com.my
Web : www.mitrajaya.com.my

AUDITORS

Baker Tilly Monteiro Heng PLT
Registration No. 201906000600
(LLP0019411-LCA) & AF 0117
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur

PRINCIPAL BANKERS

ABSA Bank Limited (South Africa)
AmBank Islamic Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Amanah Malaysia Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
RHB Islamic Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd

Office

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan
Tel : 03-2783 9299
Fax : 03-2783 9222
E-mail : is.enquiry@my.tricorglobal.com

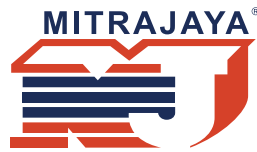
Customer Service Centre

Unit G-3, Ground Floor,
Vertical Podium Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MITRA
Stock Code : 9571
Sector : Construction

CORPORATE STRUCTURE



MITRAJAYA HOLDINGS BERHAD
Registration No. 199301013519 (268257-T)



Construction



Property Development



Others



DIRECTORS' PROFILE

TAN SRI DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM

Non-Independent Non-Executive Chairman

Malaysian 79 Male

Date of Appointment

26 February 2002

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, aged 79, was appointed as Independent Non-Executive Director of MHB on 26 February 2002. He was re-designated to position of Non-Independent Non-Executive on 1 May 2023 and appointed the Chairman of the Company.

He graduated with a Bachelor of Arts (Honours) from University of Malaya and joined the Malaysian civil service in 1968. He has held positions in the Government including State Secretary of Pulau Pinang, Kelantan Federal Development Director (Prime Minister's Department), Perak State Financial Officer, Director General of Kuala Lumpur City Hall, Under Secretary

for Ministry of Defence and Ministry of Finance and Secretary General of Ministry of Domestic Trade and Consumer Affairs. His last post in the civil service was as the Secretary General of the Ministry of Home Affairs from 1998-2000.

In March 2023 he was re-elected to the position of President of ASIAN Boules Sports Confederation for a term from 2023 to 2027. He is also now the Deputy Chairman of Federal Territory Sports Council.

He is currently serving as Non-Independent Non-Executive Director of Optimax Holdings Berhad.

TAN ENG PIOW

Group Managing Director

Malaysian 70 Male

Date of Appointment

9 September 1994

Tan Eng Piow, aged 70, was appointed as Group Managing Director of MHB on 9 September 1994. He is one of the founding members of Pembinaan Mitrajaya Sdn Bhd.

He holds a Bachelor of Civil Engineering (Honours) degree from University of Malaya, which was obtained in 1977. He is also a Member of the Institution of Engineers Malaysia.

He began his career as a Works Engineer with Jabatan Kerja Raya – JKR (Public Works Department) from 1977 to 1979. From 1980 till 1985, he was a Project Manager with Perkuat Kuari Sdn Bhd (Quarry Operation).

He has over 40 years of extensive technical and management experience in the construction industry and has been actively involved in the management and operations of the MHB Group. He also oversees the Group's development, growth and expansion.

DIRECTORS' PROFILE (CONT'D)

CHO WAI LING

Executive Director

Malaysian 51 Female

Date of Appointment
1 September 2014

Cho Wai Ling, aged 51, was appointed as an Executive Director of MHB on 1 September 2014. She graduated from University of Malaya in 1998 with a Bachelor of Accountancy (Honours) degree and has been a member of the Malaysian Institute of Accountants since 2001.

She started her career with MHB in 1999 as an Executive in the Finance & Accounts Department and rose from rank and file to managerial position and

in 2005 was promoted to Group Finance Manager. She heads the Finance & Accounts Department and handles all corporate matters of the Group. In her position as Executive Director, her role was expanded to cover investor relations function and to assist the Group Managing Director on strategic management responsibilities.

TAN MEI YIN

Executive Director

Malaysian 41 Female

Date of Appointment
24 August 2020

Tan Mei Yin, aged 41, was appointed as an Executive Director of MHB on 24 August 2020. She graduated from Imperial College London, United Kingdom in 2005 with a Master of Chemical Engineering. She is a member of the Institute of Chemical Engineers in United Kingdom and also a member of Board of Engineers Malaysia.

She began her career with Aker Kvaerner Engineering S.E.A. Sdn Bhd as a Graduate Process Engineer upon graduation in 2005. In 2006, she joined Shell Global Solutions Sdn Bhd as a Flow Assurance Engineer. In October 2011, she joined MHB Group as Personal Assistant to Group Managing Director,

holding responsibility as Head of Human Resources & Administration Department and IT Department. On promotion to the position of Executive Director, her role was expanded to cover strategic management where she will serve as a committee member for the Sustainability and Integrity Committee and be responsible for the planning, organizing, and directing of the organisation's operations and programs on sustainability and integrity. She is also responsible for the overall top-level Management's responsibilities over the Group's businesses including business and financial strategies.

DIRECTORS' PROFILE (CONT'D)

BIBHUTI NATH JHA

Executive Director

India 55 Male

Date of Appointment
21 December 2022

Bibhuti Nath Jha, aged 55, was appointed as an Executive Director of MHB on 21 December 2022. He graduated with B.E. (Civil) Engineering from Mangalore University, India in 1994 and later obtained a Master of Executive Master Program in Business Administration from the IIBM Institute of Business Management, India in 2012. He is a member of the Project Management Institute in India.

He has 30 years of experience in managing Strategic Planning and Project Management accountabilities across a range of sectors in Malaysia, India and African Region. While holding key roles with engineering, project management consulting as well as construction industry firm, he has led teams to deliver time and resource critical building and infrastructure projects. He is currently the Managing Director of two subsidiaries of the Mitrajaya Group.

He was appointed as Project Manager of Mitrajaya Group in 1997 and was promoted to Project Director in 2002. He was made Executive Director of the subsidiary, Pembinaan Mitrajaya Sdn Bhd ("PMSB") in 2010 with responsibilities to oversee and manage all pre and post contract process and heading the engineering, tender and contract.

In 2013, he was promoted to the position of Deputy Managing Director and took over the position of Managing Director at PMJ in 2020 and Mitrajaya Construction Sdn Bhd in 2022.

ROLAND KENNETH SELVANAYAGAM

Non-Independent Non-Executive Director

Malaysian 67 Male

Date of Appointment
23 April 1998

Roland Kenneth Selvanayagam, aged 67, was appointed as an Executive Director on 23 April 1998. From 1 July 2008, he was redesignated as Non-Executive Director as he left full time employment to start his own business. On 28 March 2011 where having met the Listing Requirements criteria for Independent Director, the Board re-designated him to be an Independent Non-Executive Director of the Company. Consequent to the amendment to the Listing Requirement on limit of tenure of Independent Director, he was re-designated to the position of Non-Independent Non-Executive Director on 1 May 2023. He is also a member of the Audit Committee.

He is a professionally qualified accountant with over 40 years post qualifying commercial experience. Prior to his involvement with the MHB Group, he was employed variously within the British American Tobacco Group, Sears Roebuck Group and the PT Mayora Indah Group – where he was the pioneer General Manager for their Malaysian operations.

He was President of the Malaysian Division of the Chartered Institute of Management Accountants from June 1996 - May 1998. He is a recipient of the Institute's Bronze medal – awarded in recognition of services rendered to the Institute and the profession at large.

At various times, he has held directorships (listed & unlisted companies) in various countries including South Africa, Sri Lanka, Singapore, Thailand and Australia.

DIRECTORS' PROFILE (CONT'D)

DATUK MAHDI BIN MORAD

Independent Non-Executive Director

Malaysian 68 Male

Date of Appointment
17 April 2023

Datuk Mahdi Bin Morad, aged 68, was appointed as Independent Non-Executive Director of MHB on 17 April 2023. He is the Chairman of the Audit Committee and the Nomination and Remuneration Committee.

He graduated with a Bachelor of Science degree in Agricultural Business from Iowa State University, United States in 1984 and later obtained a Master of Finance & Operations Management in Business Administration from the University of Missouri in 1985. He is a Chartered Professional in Islamic Finance with the Chartered Institute of Islamic Finance Professionals.

He has more than 30 years of working experience in various aspects of business management and is equipped with more than 28 years of experience in the financial industry, from branch to corporate management, financial management and spearheading business acquisitions and mergers.

He began his career at Sime Darby Plantations Berhad in a non-financial sector and later found his niche in the financial industry when he assumed the position of Assistant Manager in Asia Commercial Finance Berhad. He then joined First Malaysia Finance Berhad before moving to Arab-Malaysian Finance Berhad, now known as AmBank (M) Berhad. He continued to move up the corporate ranks and was promoted to Senior General Manager in July 1997 before being appointed the Executive Director of AmFinance Berhad in 2002 and later the Executive Director of AmBank (M) Berhad in 2005. On the August 2009, he was entrusted a bigger role and was appointed as the Managing Director/Chief Executive Officer of Ambank Islamic Berhad, a position held until his retirement in 2014.

Currently, he sits as a Committee member of Pelaburan Negeri Perak Darul Ridzuan.

DATO' SIVALOGANATHAN A/L YOGANATHAN

Independent Non-Executive Director

Malaysian 77 Male

Date of Appointment
17 April 2023

Dato' Sivaloganathan A/L Yoganathan, aged 77, was appointed an Independent Non-Executive Director of MHB on 17 April 2023. He is a member of the Nomination and Remuneration Committee.

He graduated from the University of Singapore in 1971 with a Bachelor of Laws (Honours) Degree and was called to the Malaysian Bar in the same year. He started practice in 1971 with the firm of Messrs. S. M Ratnam & Co. and thereafter set up his own law practice under Messrs. Siva Thurai Mariany & Co., specializing in banking work and commercial litigation.

He is involved in numerous social and non-governmental organisations matters and was also amongst others the President of the Royal Lake Club for the years 1986 - 1990 and the Royal Selangor Flying Club.

DIRECTORS' PROFILE (CONT'D)

IR. AIK SIAW KONG

Independent Non-Executive Director

Malaysian 73 Male

Date of Appointment

17 April 2023

Ir. Aik Siaw Kong, aged 73, was appointed as Independent Non-Executive Director of MHB on 17 April 2023. He is a member of the Audit Committee and the Nomination and Remuneration Committee.

He graduated from the University of Malaya with a Bachelor of Civil Engineering (Hons) degree in 1975. In 2001, he obtained his Master of Science in Highway & Transportation from the Universiti Putra Malaysia.

He began his career with Jabatan Kerja Raya – JKR (Public Works Department) and had served as a Project Engineer on the construction of the Kuantan-Segamat Highway (2 years), Highway Planning Engineer with the Ministry of Works (3 years) and Highway Design Engineer

with the Road Design Section JKR HQ (6 years). He has also served as an Assistant Director of Operations with the Malaysian Highway Authority for coordinating the planning, design and construction of the North-South Toll Expressway section in Kedah, Penang and Perak (5 years). From 1990 to 1994, he was the Senior Assistant Director of Roads Maintenance Section, overseeing the planning, budgeting and implementation of all maintenance programme of Federal Roads in Malaysia. In 1995, he joined the private sector and was involved in engineering consultancy services, specialising in road design and road safety auditing. He is an accredited Road Safety Auditor with JKR since 2005.

He is currently serving as Non-Independent Non-Executive Director of Lysaght Galvanized Steel Berhad.

Notes:

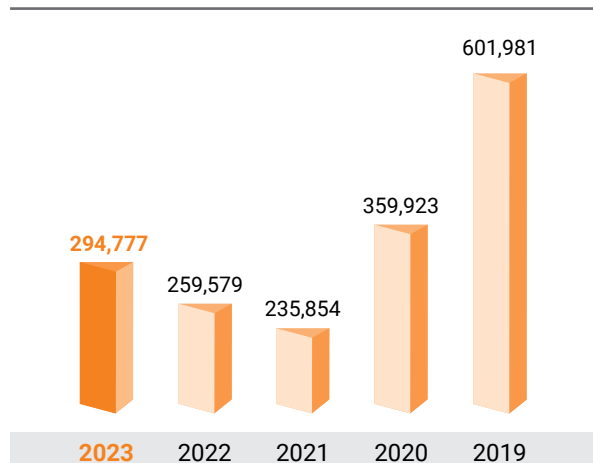
- All Directors of MHB are Malaysian save for Mr Bibhuti Nath Jha who is an Indian national and do not have any conflict of interest with MHB.
- They have not been convicted for offences within the past five (5) years other than traffic offences, if any.
- There is no family relationship amongst the Directors and major shareholders of MHB save that Ms Tan Mei Yin is the daughter of Mr Tan Eng Piow, who is the Group Managing Director of the Company.
- The Executive Directors form the Senior Management and their profiles are not presented separately.
- Other than related party transactions involving the interest of Mr Tan Eng Piow and Ms Tan Mei Yin which have been reviewed by the Audit Committee and uninterested members of the Board, none of the other Directors of MHB has any conflict of interest with MHB.

5 YEARS FINANCIAL HIGHLIGHTS

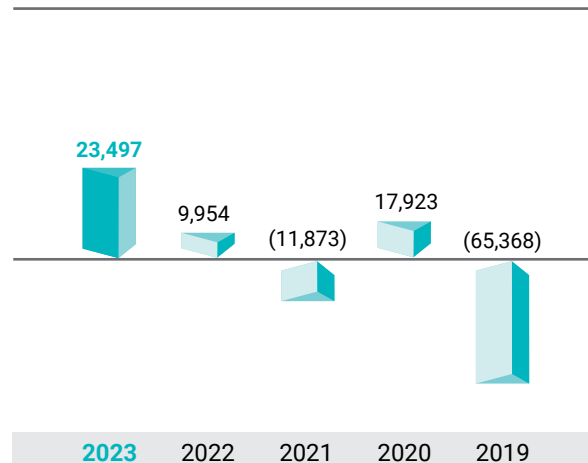
FINANCIAL YEAR ENDED 31 DECEMBER		2023	2022	2021 Restated	2020	2019
Revenue	RM'000	294,777	259,579	235,854	359,923	601,981
- Construction	RM'000	225,179	167,787	184,219	311,048	482,726
- Property Development	RM'000	59,599	75,669	42,584	43,822	105,385
- South Africa Investment	RM'000	9,674	15,706	8,395	4,618	13,393
- Plantation	RM'000	134	153	170	–	–
- Others	RM'000	191	264	486	435	477
Profit/(Loss) Before Taxation	RM'000	23,497	9,954	(11,873)	17,923	(65,368)
Profit/(Loss) After Taxation	RM'000	13,401	6,806	(14,113)	10,719	(53,560)
Profit/(Loss) Attributable to Owners of the Company	RM'000	14,104	7,395	(13,818)	10,663	(46,919)
Share Capital	RM'000	402,364	402,364	433,469	433,469	464,573
Total Assets	RM'000	943,376	1,026,370	1,046,580	1,122,014	1,302,786
Shareholders' Funds	RM'000	685,406	678,569	681,160	710,356	714,970
Total Borrowings	RM'000	23,411	59,042	86,346	112,489	244,463
Cash and Bank Balances	RM'000	23,868	7,778	4,931	12,937	17,349
Basic Earnings/(Loss) Per Share	sen	1.85	0.93	(1.68)	1.26	(5.27)
Net Assets Per Share	RM	1.00	1.00	0.92	0.93	0.86
Net Dividend Per Share	sen	1.00	0.50	–	0.50	–

5 YEARS FINANCIAL HIGHLIGHTS (CONT'D)

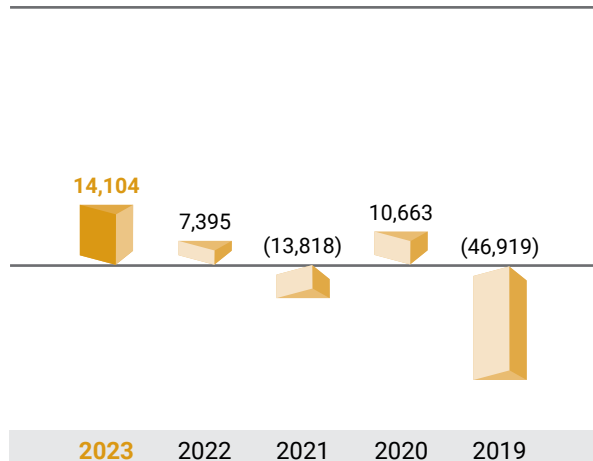
REVENUE (RM'000)



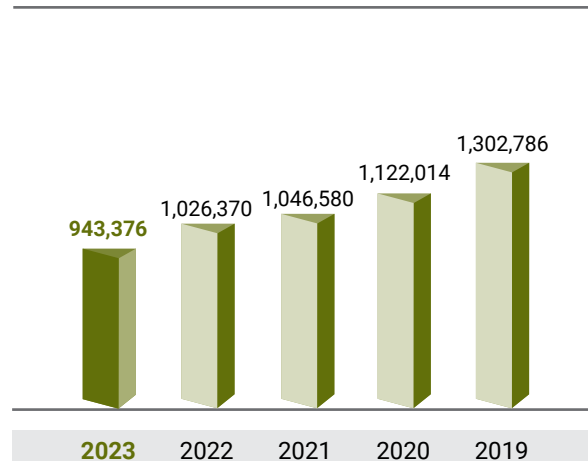
PROFIT/(LOSS) BEFORE TAXATION (RM'000)



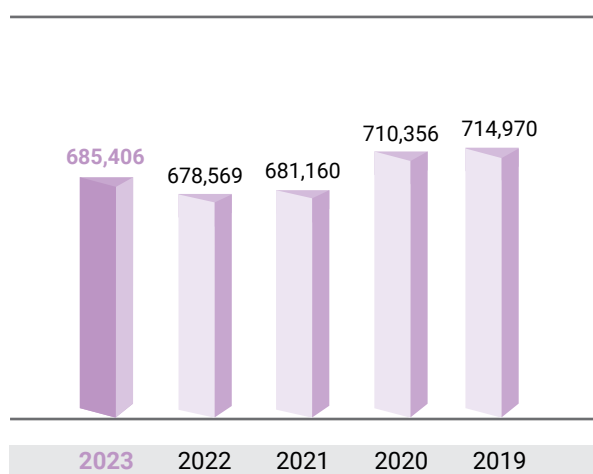
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



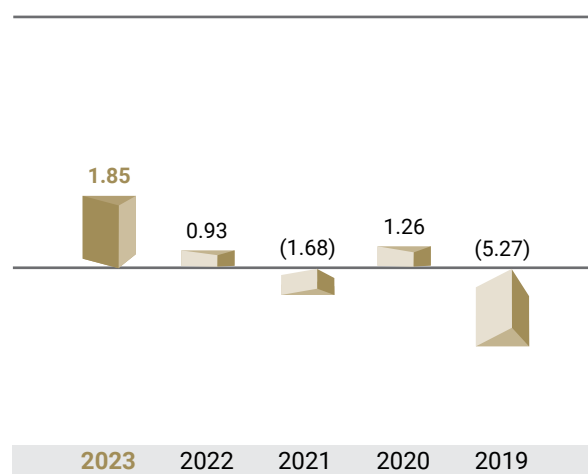
TOTAL ASSETS (RM'000)



SHAREHOLDERS' FUND (RM'000)



BASIC EARNINGS/(LOSS) PER SHARE (SEN)



CHAIRMAN'S STATEMENT



ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF MITRAJAYA HOLDINGS BERHAD ("THE COMPANY" OR "MHB") AND ITS SUBSIDIARY COMPANIES ("THE GROUP" OR "MITRAJAYA GROUP") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FYE 2023").

CHAIRMAN'S STATEMENT (CONT'D)

OVERVIEW

For the financial year ended 31 December 2023, the Group reported a revenue of RM294.78 million, representing an increase of RM35.20 million (13.6%) when compared to a revenue of RM259.58 million in the preceding financial year, FYE 2022.

The substantial increase in revenue were mainly derived from the Construction division. Revenue of the Construction division grew significantly from RM167.79 million to RM225.18 million during FYE 2023, representing an increase of RM57.39 million (34.2%). The increase in revenue were mainly due to the one-off land sales transaction completed in the first quarter of FYE 2023. This land sales transaction contributed a revenue of RM63.00 million. However, our local property development division reported a decline in revenue of RM16.07 million (21.2%) from RM75.67 million to RM59.60 million in FYE 2023. In addition, South Africa Investment division also contributed a lower revenue of RM9.67 million during FYE 2023, a decrease of RM6.04 million (38.4%) compared to RM15.71 million in FYE 2022.

Consequent to the increase in the Group's revenue, the Group reported a profit before tax ("PBT") of RM23.50 million in FYE 2023 after including PBT derived from the land sales transaction of RM34.58 million. Construction division reported a loss before tax of RM16.73 million after excluding the one-off land sales transaction in the current FYE 2023. As a result of the reduction in revenue, our local Property Development division also reported a lower PBT of RM6.97 million, a decrease of RM1.54 million (18.1%) compared to a PBT of RM8.51 million in FYE 2022. In addition, our South Africa Investment division's PBT contribution also reduced from RM1.96 million to RM0.20 million in FYE 2023.

Further details of the Group's financial performance are contained in the Management Discussion and Analysis section in this Annual Report.

PROPOSED DIVIDEND

The Board is pleased to recommend a first and final dividend of 1 sen per share in respect of the financial year ended 31 December 2023, to be approved by the shareholders at the forthcoming Annual General Meeting.

The estimated dividend payment based on the share capital is approximately RM7.58 million. The dividend payout ratio is approximately 53.7% of its profit after tax of RM14.10 million.

MARKET OUTLOOK AND PROSPECTS

The Bank Negara Malaysia (BNM) is forecasting Malaysia's gross domestic product (GDP) to grow between 4% and 5% in 2024, an improvement from the 3.7% growth seen in 2023. This growth is primarily attributed to resilient domestic expenditure, with additional support expected from the recovery in exports. However, it's noted that the growth outlook is not without risks, both external and domestic.

External risks include the possibility of weaker-than-expected global growth and further escalation of geopolitical conflicts. These factors could potentially impact Malaysia's economic performance negatively. Domestically, there may be additional challenges that could affect growth.

Despite the positive outlook, the Group is taking proactive steps to manage negative risks and remain vigilant in the face of challenges. By maintaining a flexible and adaptive mindset, the Group is well-positioned to navigate the current challenges and seize opportunities for expansion and success in the future.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my appreciation to the Management team and all employees for their dedication and contribution to the Group. Also my appreciation to our shareholders, business associates, clients, bankers and the various government agencies for their continued support to the Group. My appreciation is also extended to my fellow Board members for their invaluable advice and support.

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL PERFORMANCE OVERVIEW

The following commentary and analysis of the consolidated results of the operations and financial information of Mitrajaya Holdings Berhad (“Mitrajaya” or “the Company”) should be read in conjunction with the Company’s financial year ended 31 December 2023 (“FYE 2023”) consolidated financial statements and notes.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE OVERVIEW (CONT'D)

Mitrajaya Group's revenue increased by RM35.20 million (13.6%) to RM294.78 million for FYE 2023 as compared to RM259.58 million in the previous financial year. Correspondingly, the Group's profit before tax also increased by RM13.54 million (136.0%) from RM9.96 million to RM23.50 million in FYE 2023. The increase in both revenue & PBT were mainly derived from the one-off land sales transaction located at Pulau Melaka. This land sales transaction contributed a revenue of RM63.00 million and profit before tax of RM34.58 million to the Group. After taking into account current tax provision and deferred tax adjustment, the Group reported a profit after tax of RM13.40 million as compared to a profit after tax of RM6.81 million in FYE 2022.

The Construction division reported a revenue of RM225.18 million in FYE 2023, an increase of RM57.39 million (34.2%) as compared to a revenue of RM167.79 million in FYE 2022. The substantial increase in revenue was mainly derived from the one-off land sales transaction of RM63 million. After excluding this one-off transaction, Construction division reported a revenue of RM162.18 million for FYE 2023. It represents a decrease of RM5.61 million (3.3%) compared to RM167.79 million reported in the previous financial year. This division reported a PBT of RM17.85 million after including PBT derived from the land sales transaction of RM34.58 million. However, if the one-off transaction of the land sales is excluded, then the Construction division reported an operational loss of RM16.73 million. The operational loss was attributable to rising material price and project operating cost caused by the project prolongation.

In FYE 2023, the local Property Development division's revenue decreased by RM16.07 million (21.2%) from RM75.67 million to RM59.60 million. Correspondingly, PBT decreased by RM1.54 million (18.1%) from RM8.51 million to RM6.97 million in the current financial year. Completed project '280 Park Homes' has contributed substantial revenue in the previous financial year. With fewer unsold units, the revenue generated from this project has declined significantly in FYE 2023. On the other hand, the newly launched residential project 'Amber 1' has started generating revenue and profit in FYE 2023, which mitigated the decline.

Our property project in South Africa also contributed a lower revenue of RM9.67 million in FYE 2023. It represents a decline of RM6.04 million (38.4%) as compared to RM15.71 million reported in the previous year. Consequently, this division reported a marginal PBT of RM0.20 million compared to a PBT of RM1.96 million in FYE 2022. A decrease in revenue and profit contribution from this division has been primarily caused by the softening of the South African property market in FYE 2023 as a result of rising interest rates.

FINANCIAL POSITION REVIEW

The Group's financial position has remained stable in FYE 2023 as shown below:

	FYE 2023	FYE 2022
Current ratio	2.95 times	2.25 times
Total Equity (RM'000)	774,602	770,638
Net Assets per share	RM1.00	RM1.00

Current ratio

The Group's current ratio has improved from 2.25 times to 2.95 times in FYE 2023. The healthy current ratio indicates that the Group has adequate liquidity to pay off its short-term liabilities with its current assets.

Total Equity & Net Assets per share

The Group's total equity has increased slightly by RM3.96 million from RM770.64 million to RM774.60 million as at 31 December 2023. The Group's net assets per share maintains at RM1.00 as at 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CAPITAL MANAGEMENT

	FYE 2023	FYE 2022	Increase/(Decrease)
Total Borrowings (RM'000)	23,411	59,042	(35,631)
Total Equity (RM'000)	774,602	770,638	3,964
Gearing Ratio (%)	3.0%	7.7%	
Total Cash & Bank Balances (RM'000)	23,868	7,778	16,090
Net Cash/(Borrowings) (RM'000)	457	(51,264)	

During the financial year 2023, the Group has further reduced its borrowings by RM35.63 million (60.3%) to RM23.41 million, as compared to RM59.04 million as at 31 December 2022. In additions, total cash & bank balances has increased by RM16.09 million from RM7.78 million to RM23.87 million. This has resulted in a net cash position of RM0.46 million as at 31 December 2023 compared to a net borrowings position of RM51.26 million as at 31 December 2022. The significant low gearing ratio of 3% and net cash position indicates that the Group is financially conservative and uses shareholder equity to finance its operation.

The Group has incurred a total capital expenditure of RM11.78 million during FYE 2023, comprising mainly asset acquisition for current on-going construction projects.

BUSINESS OPERATIONS REVIEW

Construction Division

The Group's construction division has been involved in main building construction for high rise Residential and Commercial buildings, Industrial buildings, as well as Institutional buildings for Education and Healthcare for the past 38 years.

During FYE 2023, our Construction division had completed and handed over the following 2 projects:

- 1) Refurbishment works of hotel rebranding for "Double Tree by Hilton" at Precinct 5, Wilayah Persekutuan Putrajaya; and
- 2) 1 Block of 37-level Condominium "Residensi Astrea" at Mont' Kiara, Mukim Batu, Wilayah Persekutuan Kuala Lumpur.



Residensi Astrea



Double Tree by Hilton

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS OPERATIONS REVIEW (CONT'D)

Construction Division (Cont'd)

The Construction Division successfully secured 2 new major projects for a total contract sum of RM90 million during FYE 2023:

- 1) The Proposed Improvement Works to the Existing Mosque Buildings for International Airport Senai for Majlis Agama Islam Johor; and
- 2) The Proposed Construction and Completion of One (1) Block of Apartments on Lot 3121, Jalan Penchala Indah, Mukim Batu, Wilayah Persekutuan Kuala Lumpur.

Current outstanding order book stands at RM436 million as of 31 December 2023. This division is working aggressively on various project tenders to replenish the construction order book. Leveraging on its proven track record of successful project delivery, adherence to timeliness, and quality standards, the Group can demonstrate its capability and reliability to prospective clients and stakeholders. The Group's track record and experience will be instrumental in securing new projects amidst heightened competition in the tendering process.

Local Property Development Division

The division has launched a new residential project for 305 units of double-storey terrace houses at Bandar Baru Bukit Sentosa, Rawang. This development project with a land size of 18.2 acres of leasehold land will be developed in 5 phases and is expected to complete in 4 years. Phase 1 namely "Amber 1" which consists of 67 units has received good take up rate. We expect to complete and hand over Phase 1 by end June 2024. The division has also launched Phase 2 consists of 79 units of double-storey terrace houses early this year.



The division is also working on a proposed mixed development on a 22.3 acres leasehold land located at a strategic location of the interchange between Putrajaya–Cyberjaya Expressway and Nilai–KLIA Highway. This project will be developed in four phases starting with Phase 1 of 4.77 acres for 594 units of serviced apartments. Building plan approval has been obtained in January 2024 for Phase 1 development namely Amora Residensi @ Warisan 9. Estimated Gross Development Value is RM200 million. Building work has just commenced in April 2024.

In addition, the Division has also planned out the following new property projects launches for the coming financial years:

- 1) Proposed residential development of 58 units of terrace housing on 4.44 acres of leasehold land in Taman Puchong Prima, Puchong;
- 2) Proposed industrial development on 180 acres of freehold land located at Banting, Selangor; and
- 3) Proposed mixed development on 15 acres of freehold land at Taman Puchong Prima, Puchong, Selangor.

Given that the lands were acquired more than a decade ago at a relatively low cost, we expect the upcoming property projects will contribute significant profit to the Group.

Plantation

In December 2020, the Group took a strategic step by acquiring 60% equity interest in a new subsidiary, Premier Discovery Sdn Bhd ("PDSB"). PDSB owns 4 parcels of freehold land situated in Chamang, Bentong, Pahang with total land size of 264.42 acres. For the purpose of land bank expansion and capitalise on opportunities in the Bentong area, PDSB has further acquired 5 parcels of adjacent land totalling 213.62 acres in 2022. Since the acquisition, approximately 2,500 durian trees have been successfully planted. We are diligently working towards achieving a total of 3,000 durian trees by the end of 2024. Notably, 60% of these durian trees have surpassed the four-year mark, indicating their maturity and readiness for production. We expect this new division will start making positive contribution within the next 2 years.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS OPERATIONS REVIEW (CONT'D)

Plantation (Cont'd)

This division incurred a loss before tax of RM1.22 million during the current financial year. This loss was primarily attributed to development costs that cannot be capitalized within the accounting context. While these expenses are essential for the growth and development of the division, accounting standards dictate that certain costs must be expensed as incurred rather than capitalized as assets.

Investment in South Africa

Our investment in South Africa primarily involves the operation of the Blue Valley Golf & Country Estate ("Blue Valley"). Blue Valley's key drawcards are its 18-hole Gary Player-designed golf course, affordable yet upmarket living, well-maintained parks and easy access to major arterial routes (Central between Johannesburg/Pretoria).

Blue Valley has become one of the most prestigious residential estates in Gauteng province of South Africa, offering besides the spectacular golf course, amenities such as the 2000 m² clubhouse with various sport facilities and a neighbourhood shopping mall.

The division is preparing to launch 65 bungalow lots in the second quarter of 2024. The smaller bungalow lot sizes in this new launching will allow us to anticipate a high sales take-up rate. The gross development value is projected to be RM20 million.

Besides this, the division is currently working on obtaining approval from the authorities to sell another 60 bungalow lots with estimated gross development value of RM12 million. Living within a secure and gated housing estate has become increasingly popular in South Africa in recent years with residents appreciating the facilities, sense of community and high levels of security on offer. We are confident that our investment in South Africa to develop more residential units within Blue Valley will continue to make a positive contribution to the Group.

RISK FACTORS

(a) Risks relating to Construction division

The construction industry is highly competitive and changing constantly with the developments of new business practices and technologies. This has resulted in aggressive competition among the construction companies and diminishing construction margin. Hence, in order to be more competitive in this market and to grow the business, our construction division must employ a variety of technologies and create effective strategies.

Rising building material costs and subcontractor service has been a perpetual issues faced by the construction industry. Any incorrect pricing during tender stage will have a negative impact to the profit margin of projects. In mitigation, the Group is taking a more cautious approach in project tendering. We have adopted value engineering and stringent cost monitoring to manage and implement all projects in the most effective and efficient manner.

(b) Risk related to Property Development division

Our property development business is largely dependent on the performance of the property market in Malaysia. Changes in macroeconomic conditions, such as interest rates and economic growth, can affect demand and prices in the property market. Bank Negara Malaysia (BNM) last raised the Overnight Policy Rate (OPR) from 2.75% to 3.00% in May 2023 and this has increased the borrowing costs for the purchase of a property.

The Group's Property Development Division has also experienced competition from other property developers. Competitive pressures may arise in areas like pricing of the property, innovative development products, as well as the sale and marketing of the property.

With our successful track record and marketing initiatives, we work to stay competitive despite the increased competition. Our Group will keep taking precautions to mitigate the risks of competition, such as carrying out market intelligence surveys to comprehend the needs of home buyers, monitoring and modifying development products in response to ever changing market demands and economic conditions.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK FACTORS (CONT'D)

(c) Risks relating to the Group as a whole

Our business in Malaysia and South Africa is subject to the local regulatory requirements of various governmental agencies and/or ministries in Malaysia and South Africa. Any adverse developments in political, economic, regulatory and social conditions in Malaysia and South Africa, where the Group operates, could materially affect the financial and business prospects of the Group. Such uncertainties that could unfavourably affect the Group include changes in political leadership, economic downturn, changes in monetary and fiscal policy, changes in foreign currency regulations or introduction of new rules or regulations, financial crisis, changes in interest rates, exchange rates and methods of taxation.

While we strive to continue to take precautionary measures such as implementing prudent business, financial and risk management policies to mitigate the risk, much of the above changes are beyond our Group's control.

MARKET OUTLOOK AND PROSPECTS

The Construction industry is expected to see a brighter prospect in 2024 owing to the much-anticipated infrastructure projects to be rolled out this year. The government has kick started the tender award process for MRT3, Penang LRT and KL-SG High-Speed Rail project. In addition, there has seen significant growth in residential and industrialization construction, including high-rise condominiums, affordable housing projects, warehouses and logistics centers. With the anticipated uptick in both infrastructure and building projects, the Group is well-positioned to capitalize on emerging opportunities in securing new contracts for upcoming projects.

With the supportive government policies in place and improved economy, the local property market is expected to maintain a more stable growth trajectory in 2024. The forecast positive economic growth could have a spill over effect on the property market this year. Economists are projecting that Bank Negara Malaysia will keep the OPR at 3% for the whole of 2024. A consistent interest rate environment supports economic growth by encouraging investment and consumption, which, in turn, stimulates demand in the property market. Aligns with the country's ongoing efforts to address housing affordability challenges and cater to the needs of low-and middle-income households, the Group is now focusing more on affordable housing projects.

At the beginning of 2024, South Africa are entering the year with a more positive outlook. Key indicators show that South Africa's property sector will shift from a buyer's to a seller's market in 2024. Interest rates are expected to drop later 2024 which will lead to an uptick in property transactions. Inflation seems to be returning to more acceptable levels in South Africa. Less severe load shedding and more visible work on infrastructure and service delivery are expected to have a positive impact. At the same time, a slight improvement in economic growth and employment will spark a potential upward.

ACKNOWLEDGEMENT

On behalf of the management team, I would like to express my gratitude and sincere appreciation to our shareholders, various government agencies, regulatory authorities, customers, bankers and business associates for their continued trust and support to the Group. I would also like to thank our Board members and employees for their strong commitment and dedication to the Group.

Tan Eng Piow
Group Managing Director

SUSTAINABILITY REPORT

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I am delighted to present our annual sustainability report for 2023, showcasing Mitrajaya's strides in sustainability and progress towards our environmental, social and governance (ESG) goals. Committed to forging a sustainable future, we recognise the pivotal role sustainability plays in business operations, continually refining our practises to minimise environmental impact.

As testimony to our commitment to quality, environmental, health and safety, in 2019 the Group embarked on the implementation of the 5-S Standard which is a system for organising spaces so work can be performed efficiently, effectively and safely. This system focuses on putting everything where it belongs and keeping the workplace clean, which makes it easier for people to do their jobs without wasting time or risking injury. Our wholly-owned subsidiary, Pembinaan Mitrajaya Sdn Bhd (PMSB) and our Headquarters successfully obtained the SIRIM certification for the 5-S Standard: 2018.

Acknowledging our responsibility as a corporate citizen, we actively contribute to positive social change by championing diversity, equity and inclusion, upholding human rights, and engaging with communities where we operate. Our long-term vision includes being the preferred contractor, property developer and employer.

Aligning with sustainable policies governing the industry, we incorporate initiatives like the Industrialised Building System (IBS) for construction work. This would produce less construction waste, with less labour required. We also support Green Building practices and implement them in our projects where possible. As an example, for our property development, 280 Park Homes in Puchong, we used Low-E (low emissivity) glass for the entire project. This type of glass reduces heat entry into the building and helps to reduce air conditioning energy costs.

During 2021, Mitrajaya formalized implementation of the Anti-Bribery & Anti-Corruption policies, underscoring our dedication to integrity and corporate governance. Embracing a zero-tolerance stance, these policies guide our employees and partners ensuring ethical business conduct and compliance with all local governance legislations.

The property and construction industry in Malaysia faces many other challenges and issues such as growing scarcity of prime land for development, rising costs of land and building materials, shortage of foreign workers and more stringent control on property loans and borrowings. The fluctuations of international policies and foreign exchange also affect the availability and costs of imported building materials.

Notwithstanding these challenges, Mitrajaya moves forward into our sustainable future with confidence. Having our sustainable business strategies in place with the continued energetic and dedicated efforts of our Board of Directors, our management team and our staff, we can assure our shareholders and investors that we will continue to deliver on sustainable opportunities for Mitrajaya Group and our stakeholders.

Tan Eng Piow
Group Managing Director

SUSTAINABILITY REPORT (CONT'D)

OUR SUSTAINABILITY PHILOSOPHY

While pursuing profit, we believe that a business organisation should also fulfil its moral and corporate responsibility for sustainability towards society, employees, and the environment.

We strive to harmonise our precious human resources and the operating environment whereby professionalism, teamwork, total commitment and loyalty could be cultivated and nurtured to become our corporate culture and ethics.

Through the years, we were able to combine our resources and technology to create the synergy for the growth and sustainability. Our track record demonstrates our ability to deliver exceptional service to satisfy all the needs of our clients from initial planning to management of the completed project.

SCOPE OF REPORT

In this Sustainability Report covers sustainability matters of our 2 major business divisions from Construction and local Property Development. Both Construction and local Property Development division contributed 76% and 20% of total group's revenue respectively.

This Sustainability Report 2023 has been prepared in accordance with the Practise Note 9 of the Main Market Listing, and incorporation of some core principles of the GRI Sustainability Reporting Standards (GRI Standards).

CORPORATE GOVERNANCE

At Mitrajaya Holdings Berhad (MHB), we continuously endeavour for good governance. This will steer us towards managing our business and operations more sustainably and enable us to fulfil our corporate social responsibility and the committees thereunder.

In keeping with our commitment towards sustainability for better performance and results for the company and our shareholders, our Board of Directors and the relevant committees thereunder regularly review our strategic objectives. The entire organisation is progressively implementing more environmental friendly procedures, particularly for project site operations.

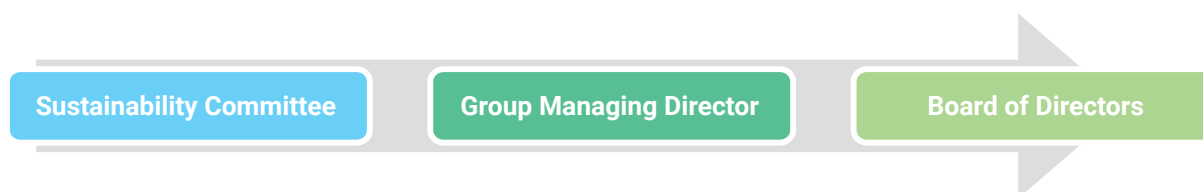
Through our governance structure, Mitrajaya is developing its sustainability strategy across the top management till every operational level from the economic, environmental and social perspectives. In this regard, the driver for the sustainability strategy development and implementation is our Sustainability Committee. Members of the Sustainability Committee include:

Chairman	<ul style="list-style-type: none"> Director
Secretary	<ul style="list-style-type: none"> Integrated Management System (IMS) Representative
Committee Members	<ul style="list-style-type: none"> Corporate Affairs Finance and Accounts Human Resources and Administration Projects Quality, Safety & Health

SUSTAINABILITY REPORT (CONT'D)

CORPORATE GOVERNANCE (CONT'D)

The reporting structure for the Sustainability Committee is as below:



We are committed to responsible governance, applying ethics and code of conduct at all levels. In this manner we strive for transparency, accountability and long-term stability to ensure compliance at all times to all regulatory corporate governance requirements.

SUSTAINABILITY POLICY

In 2021, we have also successfully formalised the following policies and guidelines in managing the economic, environment and social matters of the Group:

- a) Anti-Bribery and Anti-Corruption Policy;
- b) Whistleblowing Policy and Procedure; and
- c) Code of Business Conduct for Third Parties – Gifts, Entertainment & Hospitality.

Anti-Bribery and Anti-Corruption Policy (ABAC Policy)

Mitrajaya upholds an unwavering zero-tolerance policy against all forms of bribery and corruption. In 2021, we successfully implemented an Anti-Bribery Management System (ABMS) as part of our commitment to fostering a culture of integrity and upholding robust corporate governance in all our business endeavours. At Mitrajaya, we recognize the paramount importance of these values in establishing trust and maintaining a sustainable business environment.

Our commitment extends to strict adherence to all local governance legislation in the regions where we operate. We are resolute in our stance against corruption in any manifestation and continually strive to align with global anti-bribery and anti-corruption regulations.

Given the escalating severity of the harm caused by bribery and corrupt practices, Mitrajaya acknowledges the imperative need to combat these issues. Our dedication to ethical business practices goes beyond compliance; it is a cornerstone of our corporate identity.

Mitrajaya is unwaveringly committed to taking proactive and effective measures to ensure that our businesses are not involved in corrupt activities for personal advantage or gain. Our comprehensive approach includes ongoing training and awareness programs for our employees, rigorous internal controls, and regular assessments to reinforce our anti-corruption initiatives.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY POLICY (CONT'D)

Anti-Bribery and Anti-Corruption Policy (ABAC Policy) (Cont'd)

As part of our broader corporate responsibility, we engage with industry stakeholders and participate in initiatives that promote transparency, accountability, and the fight against corruption. This multifaceted strategy underscores Mitrajaya commitment to fostering a business environment where ethical conduct is paramount, ensuring the sustained success of our operations.

Action Plan	No.	Sustainability Targets	Achievements	
			Progress from FY2022	FY2023 Performance
To promote awareness amongst internal stakeholders on MHB's ABAC policy	1	Maintain zero corruption case.	No case reported.	No case reported.
	2	Ensure every high-risk department update on the implementation of ABAC in MHB.	Complied.	Complied.

Whistleblowing Policy and Procedure

Mitrajaya has a Whistleblowing Policy, which is accessible via the company website that allows individuals to report any irregularities occurring within Mitrajaya and its operations. The Policy allows for reporting by individuals of such matters to the Integrity & Governance Unit (IGU) Head, without fear of reprisal, discrimination or adverse consequences, and also permits the Group to address such reports by taking appropriate action, including, but not limited to, disciplining or terminating the employment and/or services of those responsible. The Policy is meant to protect genuine whistle-blowers from any unfair treatment as a result of their report.

Concerns may be raised either verbally or in writing to whistleblow@mitrajaya.com.my. As it is essential for the Group to have all critical information in order to be able to effectively evaluate and investigate a complaint, the report made should provide as much detail and be as specific as possible. The complaint should include details of the parties involved, dates or period of time, the type of concern, evidence substantiating the complaint (where possible), and contact details, in case further information is required.

Code of Business Conduct for Third Parties – Gifts, Entertainment & Hospitality

In general, Mitrajaya strictly adopts a “No Gift” policy whereby all Employees, Directors and their family members are prohibited from directly or indirectly receiving or providing gifts to Third Parties and clients during business dealings.

As a general principle, the Directors and Employees should not accept or provide gifts to a Third Party if it is made with the intention of influencing the Third Party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts should not be accepted as such gifts may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits.

SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDER ENGAGEMENT

In a stakeholder exercise with management, we were able to identify our significant stakeholders and prioritise their issues as shown in the following matrices. These significant stakeholders are those who have most interdependence and most influence on our operations and activities. They include our Customers, Employees, Board of Directors, Shareholders, Government agencies, Suppliers/Sub-contractors, Financiers, Assessors, Media, Industry peers, Communities, as shown in the prioritization matrix below.

Stakeholders Prioritisation Matrix

		Stakeholder Influence on the organisation			
		No Influence	Low Influence	Some Influence	High Influence
Stakeholder Dependence on the organisation	High Dependence			C, E, B, SH S, F, A G	
	Low Dependence	X		M, Y	
Legend					
B - Board Of Directors		F - Financiers			
C - Customers		A - Assessors			
E - Employees		M - Media			
SH - Shareholders		X - Communities			
G - Government agencies		Y - Industry peers			
S - Suppliers/Sub-contractors		X - Communities			

SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Engagement Methods

Having identified our stakeholders, the Group engages with stakeholders through a variety of channels to understand the stakeholders' needs and concerns.

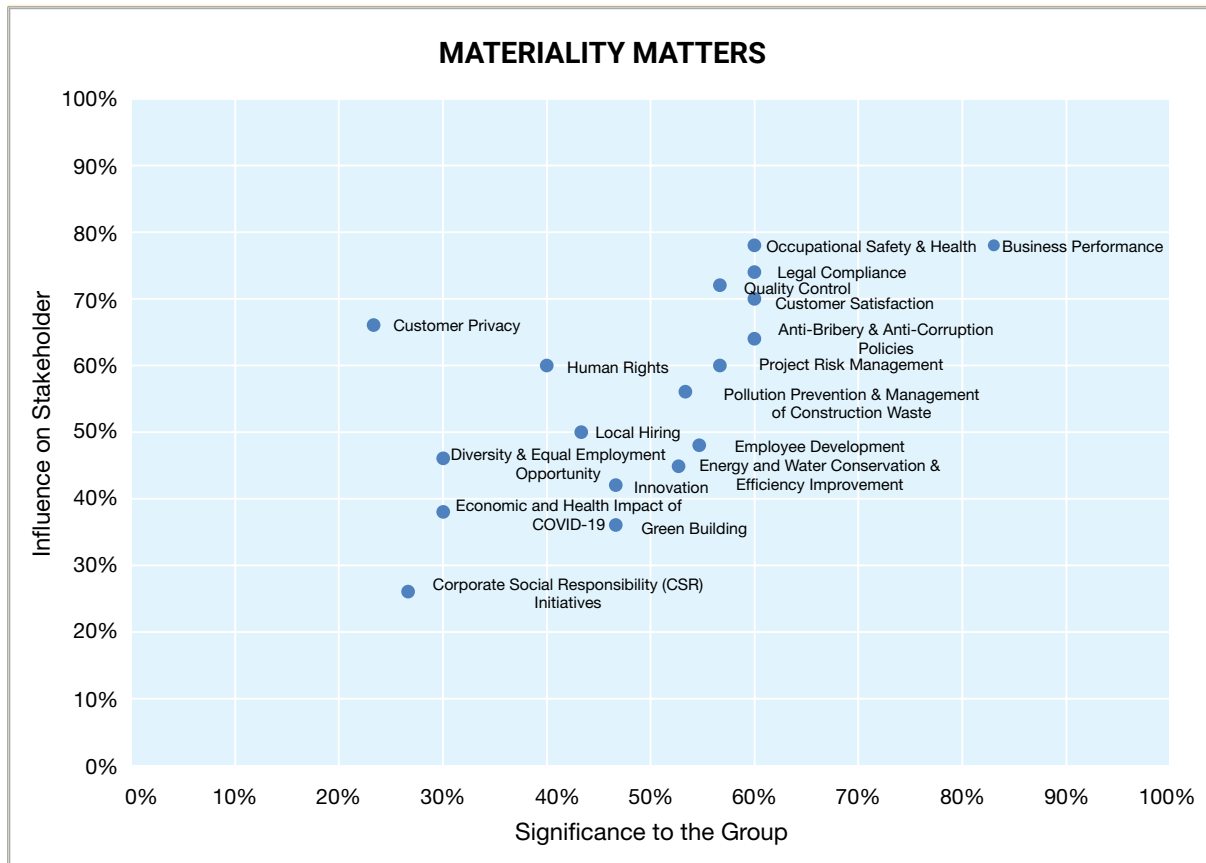
The following tables summarises the Group's engagement activities during FY 2023.

Internal Stakeholders	Engagement Methods
Board of Directors	<ul style="list-style-type: none"> Quarterly Board meeting Annual General Meeting
Employees	<ul style="list-style-type: none"> Daily operations E-mail system Training sessions Performance review Sports club activities Town hall sessions
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Bursa Malaysia announcements Website Annual Reports
External Stakeholders	Engagement Methods
Government Agencies	<ul style="list-style-type: none"> Compliance and licensing Statutory requirements Seminar and training
Customers	<ul style="list-style-type: none"> Contractual engagement Tender exercises and meetings Daily operations, quotations, proposals Clients Survey
Financial Institutions	<ul style="list-style-type: none"> Regular meetings Bank facilities annual Reviews
Industry Peers	<ul style="list-style-type: none"> Standards Compliance Trainings Seminars & Conferences Participation in industry related association
Local Communities	<ul style="list-style-type: none"> Corporate social responsibilities initiatives
Suppliers / Sub-contractors	<ul style="list-style-type: none"> Contractual engagement Daily Operations, quotations, proposals Supplier/ Sub-contractor evaluation
Media	<ul style="list-style-type: none"> Product launch advertisement
Assessors	<ul style="list-style-type: none"> Yearly audit Project completion audit

SUSTAINABILITY REPORT (CONT'D)

MATERIALITY

Mitrajaya Holdings Berhad holds the views of our stakeholders are important to our sustainability improvement efforts. Hence, we have reviewed the materiality issues in conjunction with our stakeholders' identification. In analysing our materiality issues, we have taken into account the concerns of our stakeholders as well as that of the Group's vision and mission and strategic objectives, and these are outlined in the figure below. As far as possible these issues are addressed within this Sustainability Report.



SUSTAINABILITY REPORT (CONT'D)

ECONOMY

Market Presence

Construction Division

Through its principal subsidiary, PMSB, Mitrajaya has created a significant track record of successful projects in the construction and civil engineering-related arena.

PMSB is not only an Infrastructure contractor, but over the past 36 years has developed into a building contractor. Its major projects have included building construction, such as high-rise and low-rise Residential and Commercial buildings, Industrial buildings, as well as Institutional buildings for Education and Healthcare. Noteworthy building projects include the MACC Headquarters in Putrajaya and three building complexes – Asia School of Business (“ASB”), Bangunan AICB and Residensi ASB, all located in Jalan Dato’ Onn, Kuala Lumpur. PMSB has played a significant role in major national infrastructure projects, including the Kuala Lumpur International Airport (KLIA), the CyberJaya Flagship Zone, the Putrajaya Federal Administrative Centre, the East Coast Economic Region, the Iskandar Southern Development Corridor, Refinery and Petrochemical Integrated Development (RAPID) in Pengerang Johor, and many other projects.

Over the years, PMSB has amassed assets of modern construction machineries and technologies, and has continued to build capability in cutting edge construction methodologies and the pioneering field of 3D Building Information Modelling.

“We believe in delivering our client’s every dream with passion, and that is our pride.”

Property Development Division

Under our Property Development Division, in striving for greater heights, Mitrajaya ventured into property development in 1999. Its first and flagship development was the 250-acre integrated township of Puchong Prima. This is a great example of a comprehensive master plan undertaken by Mitrajaya. This was a carefully planned township that strongly shows our strong commitment to developing a multi-faceted community and not just constructing buildings.

Mitrajaya has also achieved Quality & Architectural Excellence through venturing into luxury residential development in the upmarket Mont’ Kiara area. Thus far Kiara 9 Residency has become a benchmark for luxury lifestyle in Kuala Lumpur. It showcases a 41-storey iconic condominium tower and 16 units of 3 ½ storey Garden Villas.

In March 2023, Mitrajaya successfully completed and handover the Wangsa 9 Residency Phase 2 development. This high-end residential development comprising of three tower blocks of 565 condominium units in Wangsa Maju further cements Mitrajaya’s capability in delivering quality and trusted products to its customers.

Over the years, Mitrajaya has built a solid reputation as a property developer through the brand name Mitrajaya Homes that prides itself in providing quality products and value to its customers. Current on-going project include 305 units of freehold 2-storey terraced house development located at Bandar Baru Bukit Sentosa, Rawang.

SUSTAINABILITY REPORT (CONT'D)

ECONOMY (CONT'D)

Market Presence (Cont'd)

Action Plans	No.	Sustainability Targets	Achievements	
			2022	2023
	CONSTRUCTION DIVISION			
To ensure business continuity in construction and property division	1	To secure total contract amount at minimum RM300 million annually for construction division.	Construction division secured a total contract amount of RM335 million in 2022.	A total of contract amounting to RM115 million have been secured in year 2023. Appropriate action has been taken to ensure sustainability target achievable for year 2024.
	2	To achieve at least 5% success on total tenders submitted to clients annually for construction division.	Construction division achieved 6.3% success rate on total tenders submitted in 2022.	Construction division achieved 4.3% success rate on total tenders submitted in year 2023. Appropriate action has been taken to ensure sustainability target achievable for year 2024.
	PROPERTY DIVISION			
	1	To launch one new property project a year with a minimum GDV of RM40 million.	Amber Phase 1, comprising of 67 units of double storey terrace houses in Bukit Sentosa, Rawang was launch in November 2022. The GDV for the project is RM22 million.	No new project launched in FY2023. Amber Phase 2, comprising of 79 units will be launched in 2024. Estimated GDV is RM37 million.

The details of our financial results are discussed in the Management Discussion & Analysis of this Annual Report.

Indirect Economic Impacts

One of the pillars of sustainable development is economy. While achieving our economic performance targets, Mitrajaya is committed towards the creation of sustainable indirect value and benefits through our economic activities.

In our construction and development projects, we use local raw materials as much as possible, including recycled construction materials. This helps to reduce our carbon footprint along our value chain. At the same time, it also brings more cost-effective economic benefits to our operations and contributes to the nation's economic welfare and growth.

We thus strengthen the local economy in the following ways:

- Our operations and associated activities provide for new employment and job opportunities for people within the community.
- Money is transacted and circulates within the local economy to increase wealth for local businesses.

In hiring from the local talent pool this signals to our customers and stakeholders that we value our local citizenship in the locations of our operations. Thus, we are investing in the growth and the well-being of our citizens, as well as the health of the local economy. As at 31 December 2023, our total workforce stood at 253 staff.

Our recycling and waste reduction programs effectively impact our company's cost structure in a positive manner. Waste reduction and reuse can also reduce business costs for disposal, provide new sources of materials for the construction, and create local jobs.

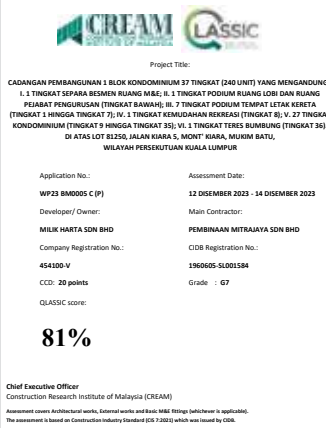
SUSTAINABILITY REPORT (CONT'D)

PRODUCT QUALITY

Quality remains one of the most important parameters in construction, alongside time and cost. To minimise defects and to meet client expectations, Quality Assessment System in Construction (QLASSIC) assessment is carried out by CIDB upon completion before the handover of the project to the client on a voluntary basis.

As we value the quality of our workmanship, we send our key staff for QLASSIC awareness training and our staff are also equipped with essential tools to carry out QLASSIC inspections. In 2022, 47 of our key staff have been trained as part of our continual improvement in ensuring we deliver our projects with the highest possible quality workmanship. Specific standard operating procedures were being progressively developed focusing on key components and standardisation efforts in producing quality workmanship.

To demonstrate our commitment to delivering a project with high quality, PMSB has conducted a Quality Assessment System in Construction (QLASSIC) on the completed project. In 2023, our project MK27 achieved a QLASSIC Score of 81%.



Project Title:
CADANGAN PEMBANGUNAN 1 BLOK KONDOMINIUM 37 TINGKAT (240 UNIT) YANG MENGANDUNGI:
I. 1 TINGKAT SEPANGA RESEMI RUANG MAK; II. 1 TINGKAT PODIUM RUANG LOW DAN RUANG
PEJABAT PENGURUSAN (TINGKAT BAWAH); III. 7 TINGKAT PODIUM TEMPAT LETAK KERETA
(TINGKAT 1 HINGGA TINGKAT 7); IV. 1 TINGKAT KEMUDAHAN REKREASI (TINGKAT 8); V. 27 TINGKAT
KONDOMINIUM (TINGKAT 9 HINGGA TINGKAT 36); VI. 1 TINGKAT TIKES KUMBUH (TINGKAT 36);
DI ATAS LOT 81250, JALAN KUALA S, MONT' KUALA, MUKOM BATU,
WILAYAH PERSEKUTUAN KUALA LUMPUR

Application No.: WP23 BMD005 C (P) **Assessment Date:** 12 DESEMBER 2023 - 14 DESEMBER 2023

Developer/ Owner: MELIK HARTA SDN BHD **Main Contractor:** PEMBINAAN MITRAJAYA SDN BHD

Company Registration No.: 454180-V **CIDB Registration No.:** 1960605-SL001584

CCD: 20 points **Grade:** 67

QLASSIC score:
81%

Chief Executive Officer
Construction Research Institute of Malaysia (CRIAM)
Assessment covers Architectural works, Internal quality and Basic M&E fittings (subject to applicable).
The assessment is based on Construction Industry Standard (CIS 7:2021) which was issued by CIDB.

CUSTOMER ENGAGEMENT

In our commitment to sustainability, customer engagement serves as a cornerstone of our efforts. By fostering transparent communication, actively seeking feedback, and integrating sustainable practices into our products and services, we empower our customers to make environmentally conscious choices. Through collaborative initiatives and educational campaigns, we aim to cultivate a shared sense of responsibility, ensuring that our community remains informed and involved in the journey towards a more sustainable future. Together, we strive to create a positive impact, demonstrating that sustainable practices can enhance both customer satisfaction and environmental well-being.

Action Plan	No.	Sustainability Targets	Achievements	
			2022	2023
To complete projects within targeted time frame	1	To deliver projects to client on time.	The timeline for all construction projects was revised due to the pandemic and global supply chain issue.	The timeline for certain construction projects were revised due to government-mandated lockdowns during the Covid-19 pandemic from 2020 to 2021 and additional variation orders issued by clients.

We carry out a Client Survey at the end of every project. This enables our customers to share their experiences with us, which in turn helps us to improve our products and services.

Action Plan	No.	Sustainability Targets	Achievements	
			2022	2023
To achieve and maintain client satisfaction	1	Ensuring Client Satisfaction Index (CSI) is greater than 75 points for all projects.	Hospital project for IMU Education Sdn Bhd = 72.5% Condominium project (Setia Seraya Residences) for Setia Putrajaya Sdn Bhd = 83.5%	MK27 = 75.5% Hilton = 100% Target achieved

SUSTAINABILITY REPORT (CONT'D)

SUPPLY CHAIN MANAGEMENT

Sustainable supply chain management in the construction industry involves integrating environmental, social, and economic considerations into procurement, production, transportation, and disposal processes to minimize negative impacts and promote long-term sustainability. In Mitrajaya, we are implementing below principles and practices for sustainable supply chain management:

- a) Choosing materials that are durable, energy-efficient, and locally sourced whenever possible can reduce environmental impacts and promote resource efficiency.
- b) Collaborating with suppliers and subcontractors to promote sustainability practices, such as energy efficiency, waste reduction, and responsible sourcing.
- c) Implementing waste management strategies to minimize construction waste generation, maximize recycling and reuse of materials, and divert waste from landfills.
- d) Adopting a culture of continuous improvement and innovation to advance sustainable supply chain practices in the construction industry. Monitoring performance metrics, conducting regular audits, and seeking feedback from stakeholders enable companies to identify opportunities for optimization and drive positive change.

By effectively managing the supply chain, Mitrajaya is able to minimize costs, mitigate risks, enhance productivity, and deliver successful projects that meet client expectations.

DATA PRIVACY AND SECURITY

Data privacy and security are critical aspects of protecting sensitive information from unauthorized access, use, disclosure, or theft. In today's digital age, where vast amounts of data are generated, collected, and stored, ensuring privacy and security is essential to maintain trust, comply with regulations, and mitigate risks.

The Group is able to protect sensitive information by integrating the below sustainable data privacy and security practices into our business processes and digital technologies.

- a) Use strong encryption algorithms and key management practices to protect data confidentiality and integrity, particularly when sharing data with third parties or storing it in cloud environments.
- b) Implement robust access controls and authentication mechanisms to restrict access to sensitive construction data to authorized personnel only.
- c) Educate employees about common security threats such as phishing attacks, malware, and social engineering tactics to reduce the risk of data breaches.
- d) Establish data retention policies and procedures to govern the storage and disposal of data in compliance with regulatory requirements and industry standards. Regularly review and purge outdated or unnecessary data to minimize the risk of unauthorized access or exposure.

SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENTAL MANAGEMENT

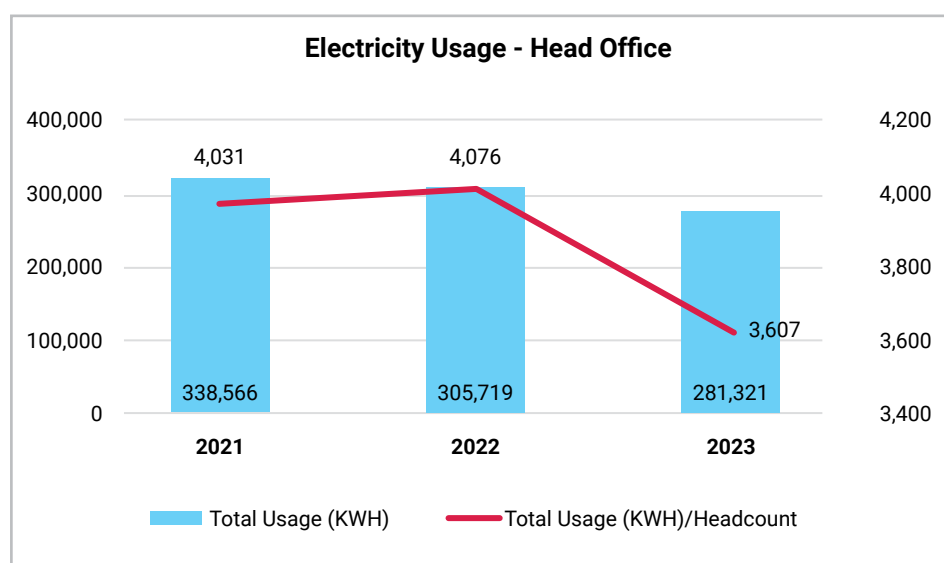
Mitrajaya is committed to exercising due care to the environment. In our commitment, we have incorporated numbers of initiatives such as monitoring our usage of energy and water at our Headquarters (HQ) office in Puchong Prima, Selangor. We monitor for our environmental impacts in terms of air emissions, noise, and effluent discharge. We also set our objective to reduce wastage and complying with the Environmental Quality Act and all other requirements.

Action Plans	No.	Sustainability Targets	Achievements
To implement energy saving initiatives	1	To switch off lights, air conditioning and printers during non-operating hours in headquarters office.	Lights, air conditioning and printers switched off during non-operating hours. Signages are placed at the switches location to remind staff to switch off when not in use.
	2	To consolidate headquarters office space to reduce energy consumption.	With the relaxation of the COVID-19 SOPs, we consolidated and combined some of our office space in the headquarters in June 2022. After the consolidation, we reduced the electricity consumption by 20%.

Energy and Emissions Management

In 2023, our company commits to a pivotal sustainability initiative by closely monitoring electricity and diesel consumption. Aligned with Malaysia's broader sustainable development goals, this strategic focus underscores our dedication to responsible resource management and environmental stewardship. As we step into this transformative year, the meticulous oversight of energy metrics becomes a cornerstone of our corporate ethos, reflecting our commitment to reducing our ecological footprint and contributing to Malaysia's vision for a greener and more sustainable future.

We monitor the electricity usage at our project site and HQ office closely. For 2023, we continue to record a decrease in the electricity consumed. The graph provides the differences between the years. The reduction in total usage (KWH) was 8% compared to 2022. One of the reasons that resulted in the decrease in electricity consumption is the energy-saving practice implemented in the company such as switching off electrical appliances rather than leaving them on standby.



SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENTAL MANAGEMENT (CONT'D)

Energy and Emissions Management (Cont'd)

	HEAD QUARTERS (HQ)					
	FY 2021		FY 2022		FY 2023	
	Electricity (KWH)	Diesel (Litre)	Electricity (KWH)	Diesel (Litre)	Electricity (KWH)	Diesel (Litre)
Total usage	338,566	NA	305,719	NA	281,321	NA
Total Carbon Emission (tCO2e)	434		392		361	

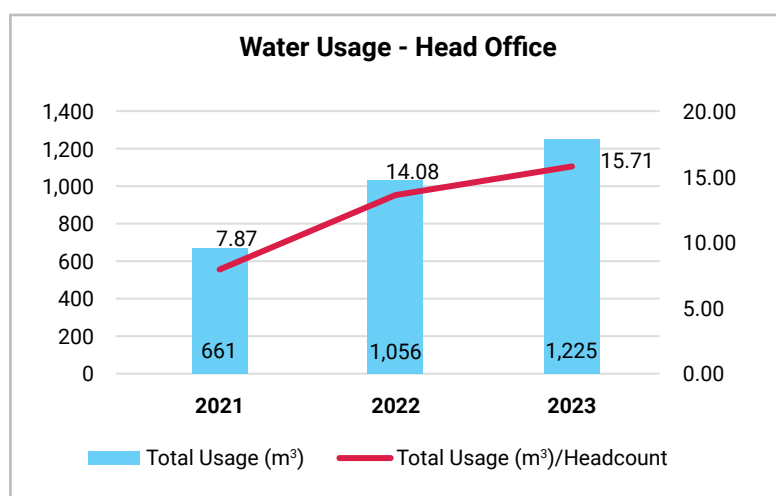
For year 2023, carbon emission monitoring has been implemented in Construction and Property Development divisions.

	CONSTRUCTION DIVISION		PROPERTY DEVELOPMENT DIVISION	
	FY 2023		FY 2023	
	Electricity (KWH)	Diesel (Litre)	Electricity (KWH)	Diesel (Litre)
Total usage	1,085,850	1,203,118	6,997	NA
Carbon Emission (tCO2e)	847	3,287	5	NA
Total Carbon Emission (tCO2e)	4,134		5	

** According to the Malaysian Green Technology and Climate Change Corporation MGTC, the emissions factors used in 2023 for Malaysia are:
 Diesel: 2.7325 kgCO2e/litre
 Electricity: 0.78 kgCO2e/KWH

Water Consumption

At Mitrajaya's HQ office, water consumption monitoring has been initiated since 2015. Water monitoring is important in consideration of water supply and availability, and possible future recyclability. For 2023, we recorded an increase in the water consumed in Mitrajaya HQ office. The increase was 16% compared to 2022.



SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENTAL MANAGEMENT (CONT'D)

Water Consumption (Cont'd)

For year 2023, water usage monitoring has been implemented in Construction and Property Development divisions.

	Water Consumption (m ³)
	FY 2023
Construction division	37,023
Property Development division	855
Head Quarters (HQ)	1,225
Total	39,103

Environmental Compliance

Environmental Aspect	DoE Standards	Actual Average Performance	
		FY2022	FY2023
Ambient Air Quality	Total Suspended Particulates ("TSP") 260µg/m ³ by Malaysia Ambient Air Quality	Complied with standard	Complied with standard
Noise Level	Noise limit: • 65 dBA (daytime) • 60 dBA (night-time) Stipulated under the Guidelines for Environmental Noise Limits and Control	Complied with Standard except in August 2023. The reading for daytime exceeds 65dba due to gardening activities around the monitoring equipment	Complied with standard
Water Quality	Class II of National Water Quality for Malaysia (NWQS)	Complied with standard	Complied with standard

Waste Management

At Mitrajaya, we have a step by step activity and plan developed to ensure waste generated from our construction activities are being addressed and hierarchy of waste management is being adhered. Also, one of the objectives set by Mitrajaya is to reduce wastage of construction materials in the projects. The wastage of construction materials is reviewed in the yearly Management Review Meeting.

We recognise the following as waste:

- waste generated from the project/business operations
- unsuitable soil removed from site to landfills
- scheduled waste

We minimise waste at all project sites by encouraging use of system formwork which allows reusing of materials, ordering of cut to size rebar and monitoring the usage of the materials regularly. The amount of waste generated is dependent of the size of project and the stage of construction of projects.



SUSTAINABILITY REPORT (CONT'D)

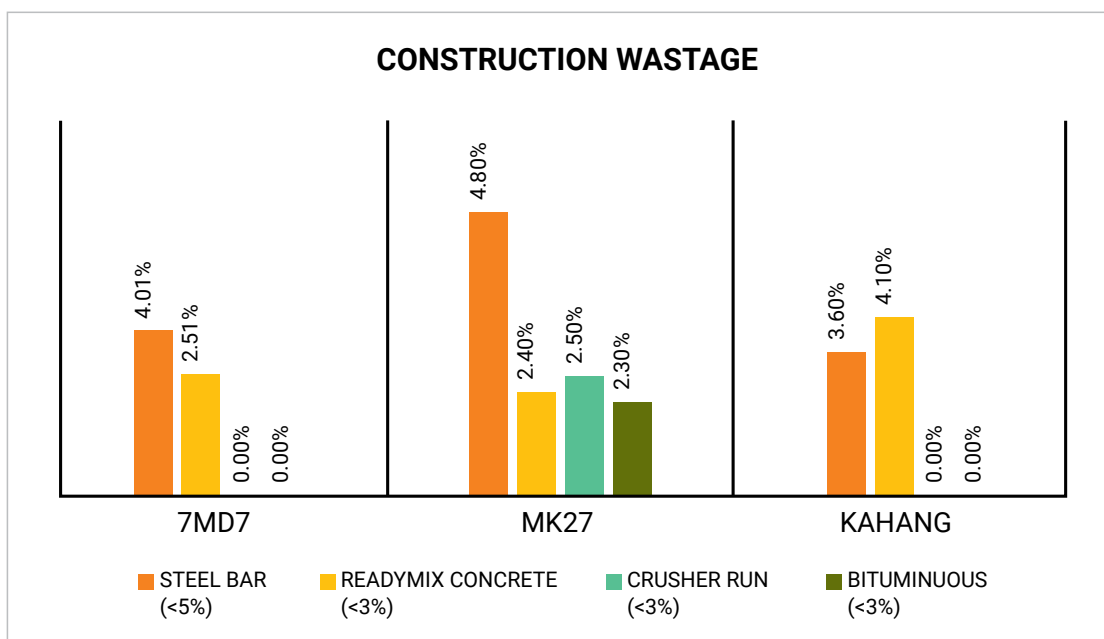
ENVIRONMENTAL MANAGEMENT (CONT'D)

Waste Management (Cont'd)

The following is the Construction waste target for Mitrajaya. These targets are being monitored as part of the company's Quality, Environmental, Safety and Health (QESH) Objectives Achievements during the Management Review Board Meetings.



For Year 2023, construction waste monitoring continues at all project sites. All construction waste control has achieved below target wastage set except E-Kahang Project. However, the excess ready mixed concrete has been used for the access road and public road maintenance.



SUSTAINABILITY REPORT (CONT'D)

OCCUPATIONAL HEALTH & SAFETY

QESH Management System

With the successfully integration of ISO 9001 for Quality Management System into our core business processes in year 2000, we have embarked on the journey of incorporating ISO 14001 for Environmental Management System and OHSAS 18001 for Occupational Safety & Health Management System as part of our business culture. In year 2010, we have fully implemented the Integrated Management System called QESH (Quality, Environmental, Safety and Health) Management System. In recent years, we have also fully upgraded to the latest revisions of the Management System Series for ISO 9001:2015 and ISO 14001:2015. The company have shown its commitment towards continual improvement by ensuring the implementation runs actively as part of our business culture and processes.

Action Plans	No.	Sustainability Targets	Achievements	
			2022	2023
To strive towards reducing accidents at head office and each project site	1	To achieve zero fatality at head office and each project site.	1 fatality reported in Construction division in Year 2022. Full investigation has been conducted and no recurrence of accident in the same year.	No fatality reported.
To prevent environmental pollution at each project site	2	To achieve zero summons and fines from DOE.	No summons and fines reported.	No summons and fines reported.



Safety

Safety is one of the greatest concerns and of the utmost priority to Mitrajaya. We value both the safety and health conditions in both our headquarters and project site. An Environmental, Safety and Health (ESH) Committee is established in our headquarters and at every project site. Furthermore, there is an emergency drill carried out in the headquarters and project site at least once a year ensuring effective emergency preparedness, response and recovery for staffs and workers.

An ESH Steering Committee that consists of staff from headquarters and project site was established by the QESH Department since the year 2019, as an effort to regulate the safety and health procedures and documentations across the company. There is also an ESH Team Meeting held half-yearly as a platform to share knowledge and information among project sites.

SUSTAINABILITY REPORT (CONT'D)

OCCUPATIONAL HEALTH & SAFETY (CONT'D)

Safety (Cont'd)

At the project site, staff and workers are provided with regular safety and health related trainings and exposures. These commonly involves toolbox talk, chemical spillage drill, waste segregation training, yearly safety campaign, joint inspection with clients, evacuation drill, working at height rescue training etc.

In year 2023, we have organised safety and health campaign in two of our projects in 7MD7 Putrajaya and MK27 Mont Kiara. We have invited various interested parties such as clients, consultants, authorities, subcontractors and workers to raise safety and health awareness to a higher level.

Project MK27, Mont Kiara

The Safety, Health, and Environment Awareness Campaign was conducted from September 18th, 2023, to September 23rd, 2023, at the Residensi Astrea Mont Kiara (MK27) project. The campaign lasted for one week to ensure the proactiveness of the campaign. The title of the campaign is 'Workplace Accident-Free Week (WAFEW)'. The program was successfully organized with the participation of the client, project team, consultants, staff, and workers.

Promoting a culture of safety is paramount on our construction site, and this extends to various critical activities. Scaffold erection, an integral part of our processes, and demands meticulous attention to detail and strict adherence to safety protocols. The emphasis on a secure external facade further underscores our commitment to safeguarding not only the project but also the individuals involved.

Our unwavering dedication extends to the proper usage of fire extinguishers, ensuring that every team member is well-versed in emergency response. Additionally, the operation of forklifts is executed with precision and caution, prioritizing the well-being of personnel and the integrity of materials. Addressing environmental concerns, the responsible handling of scheduled waste is a non-negotiable aspect of our operations, reinforcing our pledge to sustainability.

Through consistent awareness initiatives on these key facets, we ensure a workplace where every action is rooted in safety, fostering a secure and responsible construction environment.

NO	PROGRAMMES/ACTIVITIES	DATE	TIME	PARTICIPANT (PAX)
1	1) Awareness on Scaffold Erection 2) Awareness on External Facade	18 Sep 2023 (Day 1)	1.20pm 1.45pm	4 10
2	1) Awareness on Usage of Fire Extinguisher 9kg ABC 2) Awareness on Usage of Fire Hose Reel	19 Sep 2023 (Day 2)	8.10am 8.45am	131 131
3	1) Awareness Training for Landscape - Tree Planting 2) Awareness Training for Installing tiles at Guard house.	20 Sep 2023 (Day 3)	8.45am 9.15am	10 4
4	1) Awareness Training for Air-condition Cable Installation 2) Waste Management Training	21 Sep 2023 (Day 4)	9.30pm 2.30pm	8 5
5	1) Awareness Training Forklift Awareness Briefing 2) Awareness Training for Install Compress Slab	22 Sep 2023 (Day 5)	9.50am 10.40am	3 6
6	1) Awareness Training External Defect Works Using Skylift 2) Scheduled Waste and Chemical Handling	23 Sep 2023 (Day 6)	10.30am 11am	7 7



SUSTAINABILITY REPORT (CONT'D)

OCCUPATIONAL HEALTH & SAFETY (CONT'D)

Safety (Cont'd)

Project 7MD7, Putrajaya

In a remarkable achievement, the 7MD7 Site Project proudly announces the successful completion of 1,000,000 manhours without a Lost Time Incident (LTI) as part of its ongoing Safety Campaign, marking a significant 50% milestone. This remarkable feat underscores our unwavering commitment to prioritizing the well-being of our workforce and maintaining a safe working environment. The dedication of our team, coupled with stringent safety protocols and continuous training initiatives, has resulted in this noteworthy accomplishment. As we celebrate this milestone, we reiterate our commitment to sustaining a culture of safety excellence at the 7MD7 Site Project, ensuring that every team member returns home safely at the end of each day.



5-S CULTURE

With the Mitrajaya's vision is to be the preferred product and service provider in all our core businesses, the employees always practice company's core values of "Change, Commitment, Accountability, and Deliver quality work on time". We are dedicated to build quality through various continuous improvement programs implemented across the Group including the workplace organisation method of 5S, which comprises of Structurise, Systematise, Sanitise, Standard and Self-Discipline.

To enhance the 5S culture, the Lean-Agile Course Implementing Lean 5S - Improving Productivity and Safety in Construction has been introduced within the organisation. The Lean 5S workplace tool is a combination of lean thinking and 5S principles for organizing and managing an office or a project site. It eliminates waste, creates flow of work, reduces process inefficiencies and removes hazards resulting to a productive and safe workplace. In 2022, 55 of key staff have been trained to ensure the compliance and the continuity of the 5-S practices.

SUSTAINABILITY REPORT (CONT'D)

PEOPLE

Sustainability Performance

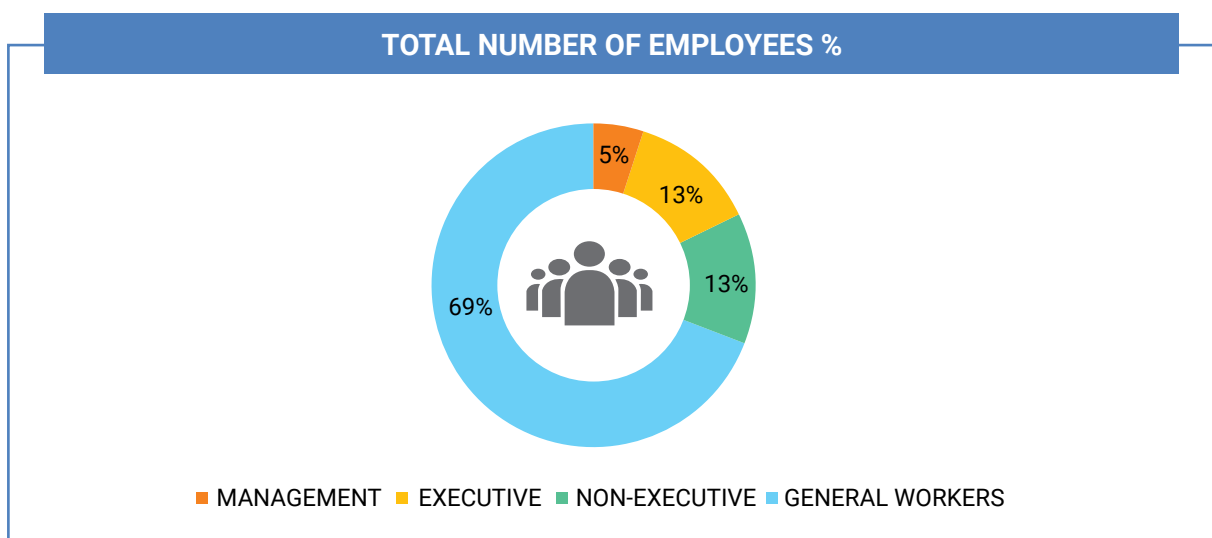
The Group's philosophy is based on the belief that a business organisation, while in pursuit of profit, should fulfill its role as an agent of progress and discharge its moral responsibility to society and employees. We are able to combine our resources and technology to create the synergy for the growth over the years.

Mitrajaya demonstrates its commitment to its human resources and seeks to maintain a healthy environment which shows respect for each employee, provides opportunity for each employee to contribute fully, and fosters personal growth. Human resources are our valuable assets. As such, we do not discriminate against race, gender, etc. We hire based on who is the best suited for the job from across the various ethnic groups found in Malaysia. The bulk of our employees are construction workers belonging to PMSB as PMSB is in a hard-labour intensive industry, we have no alternative but to look towards hiring foreign workers due to a lack of locals willing to work in this sector.

Action Plans	No.	Sustainability Targets	Achievements
To maintain at least 1 female Board Member	1	Maintain at least 1 female Board Member.	Board composition comprises of 2 female and 7 male Board Members.
To prioritise local employee hiring	2	To hire 100% local employees.	100% local employees hired in 2023.
To retain performing employees	3	To have less than 20% employee turnover.	The employee turnover for 2023 was 16.7% which was an improvement compared to 26.8% in 2022. We will continue to review our staff remuneration, benefits and policies to ensure that we remain competitive in order to retain talent.

Workplace Diversity

Total Work Force: 813 Employees including General Workers

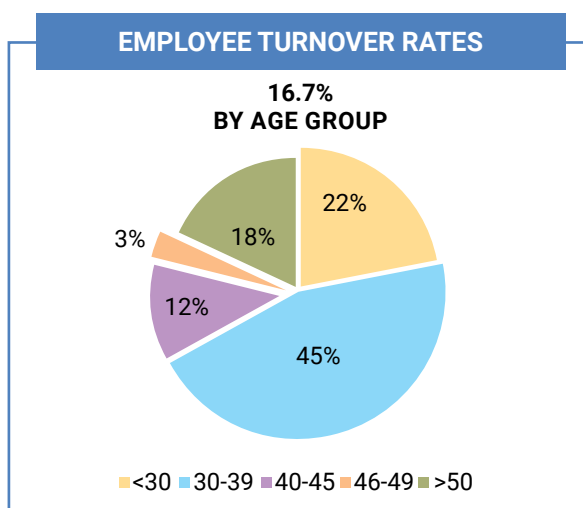
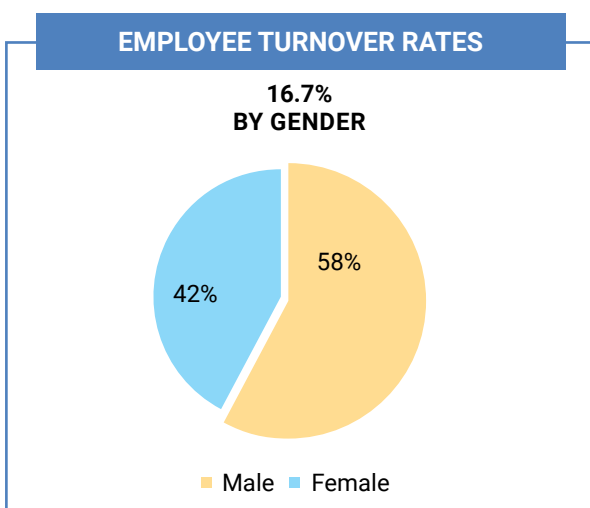
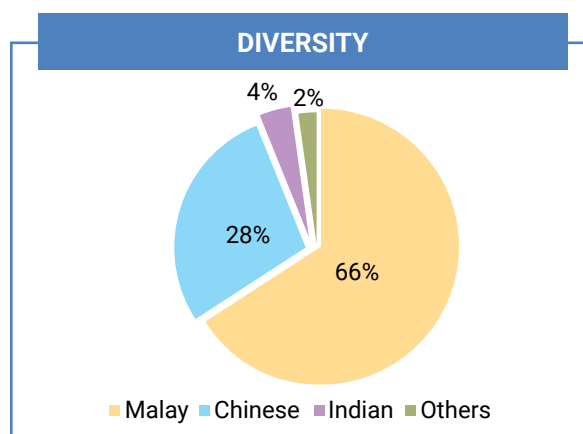
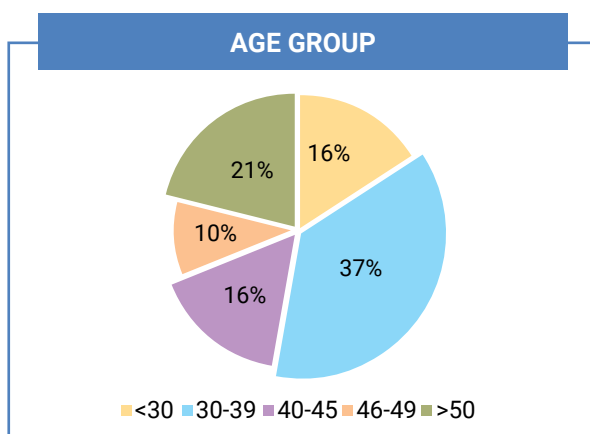
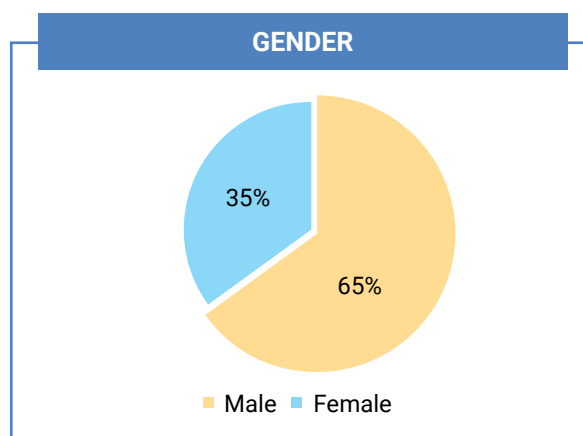
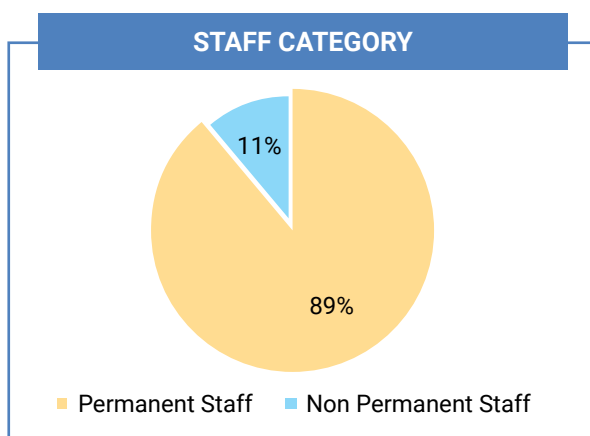


SUSTAINABILITY REPORT (CONT'D)

PEOPLE (CONT'D)

Workplace Diversity (Cont'd)

Breakdown of Employees By The Following Categories Excluding General Workers



SUSTAINABILITY REPORT (CONT'D)

PEOPLE (CONT'D)

Employee Engagement & Staff Benefits

We foster robust communications with our staff, utilising both formal and informal channels to optimise organisational performance. Formal avenues encompass semi-annual performance appraisals, team building events, town hall sessions and company dinners.

Prioritising health and fitness, Mitrajaya offers an exclusive Gymnasium and Fitness Centre for employees, complete with Zumba classes.

In addition, informal engagement flourish through our sports club, whereby the club is responsible for organising yearly trips, sporting events, festive celebrations and family outing days. These initiatives extend beyond the workplace, allowing management and staff to appreciate each other's capabilities, fostering stronger team bonds.



Trip to Club Med – March 2023



Trip to Pulau Redang – April 2023



Paintball Tournament – July 2023



Futsal Tournament – October 2023

SUSTAINABILITY REPORT (CONT'D)

PEOPLE (CONT'D)

Employee Engagement & Staff Benefits (Cont'd)



Badminton Tournament – September 2023



Bowling Tournament – November 2023

Training & Education

In order to provide the best to our clients and to be an effective, efficient and productive organisation, we are committed to providing training and development to all employees throughout our corporation. We recognise this to be the fundamental role of an employer.

Aside from enhancing their functional skills, we acknowledge that soft skills development is just as important. We also see conferences and seminars as an important learning vehicle as it allows staff to tap into the expertise from within and outside the industry – an important learning session outside the scope of a classroom.

Action Plans	No.	Sustainability Targets	Achievements
To provide an average of 4 hours of training per employee	1	Provide 4 hours of training for employee per year.	In 2023, the average training hours was 7 hours per employee.
	2	To allocate training budget for training and development.	Effective 1 st January 2022, Mitrajaya's Group of companies have started contributing to the Human Resources Development Fund.

SUSTAINABILITY REPORT (CONT'D)

PEOPLE (CONT'D)

Training & Education (Cont'd)

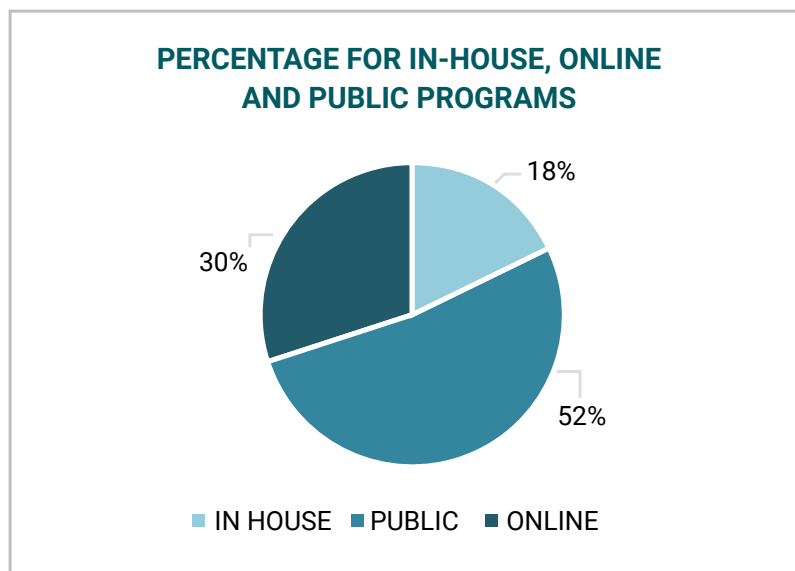
Some Major Training Programs Carried Out in 2023:

Conferences/ Seminars	Functional	Leadership/ Soft Skills
<ul style="list-style-type: none"> 2023 Budget Seminar MBAM Annual Safety & Health Conference 2023 Seminar Pengurusan Buangan Terjadual Dan Pematuhan Akta Kualiti Alam Sekeliling 1974 Seminar Percukaian Kebangsaan 2022 (BAJET 2023) Seminar Percukaian Kebangsaan 2023 1-Day MBAM Human Resources Conference Revised 2023 Budget: New Government, New Plans Seminar Pematuhan Peraturan Kualiti Alam Sekeliling (Efluen Perindustrian) 2009 & Peraturan-Peraturan Kualiti Alam Sekeliling (Udara Bersih) 2014 BIM for Contractor 	<ul style="list-style-type: none"> Construction Manager CM Certification Programme – Method 3 Interview Preparedness Training Preparation Course Certified Construction Project Manager (CCPM) Contractor's Quality Management System (CQMS) – An Alternate To Quality Management System Specially Designed For Contractors And Recognized By CIDB ISO 37001:2016 Anti-Bribery Management Systems, Understanding & Implementing Basic Scaffold Competency Training (Level 1) Kursus Sijil Kompetensi Kontraktor Kesihatan (SKKK) – Sesi 2 The PAM 2006-2018 Extension Of Time EOT Application & Assessment – The Architect's Dilemma Extension Of Time – Delay Analysis Training Lifting Supervisor Competency Training & Assessment One Day Intensive Awareness Course (QESH Awareness) ONE DAY Internal QESH Auditor Course Auditing The ISO 9001: 2005, ISO 14001: 2015 And ISO 45001: 2018 QESH Management System Intermediate Scaffold Competency Training For Frame, Tubular & Modular Type Certified Professional Environmental Officer In EIA Project Development (CePEOEIA) 	<ul style="list-style-type: none"> First Aid At Workplace MIA – Group Accounting (MFRS 3,10,11) – Basic To Intermediate By Using MS Excel Worksheets Essential Occupational First Aid, CPR And AED

SUSTAINABILITY REPORT (CONT'D)

PEOPLE (CONT'D)

Training & Education (Cont'd)



SUSTAINABILITY REPORT (CONT'D)

PEOPLE (CONT'D)

Foreign Labour Management

We understand that it is very difficult to be working far away from home and loved ones. We try to make our foreign workers as comfortable as we can. Our foreign workers are provided with housing equipped with amenities such as a centralised kitchen, canteen, toilet and bathing pools, surau for the Muslim staff, guard house with 24 hours security, and shaded waiting area beside the guard house. Our workers housing are compliant to Act 446 - Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. This not only ensures the wellbeing of the worker but also minimises the spread of contagious diseases such as COVID-19.

Recreational areas such as football field and badminton court are also made available to them to be able to participate in sports or simply to exercise during their off-days.

In order to ensure that we treat them equitably and for better understanding of our foreign labour force, we have taken the pro-active step of enrolling for courses such as Foreign Worker's Management and attending forum on Foreign Workers Employment.

Labour Practices Grievance Mechanisms

Every staff is free to bring up any grievances/complaint towards the corporation which they may have. Grievance can be any discontent or dissatisfaction, whether expressed or not, whether valid or not, arising out of anything connected with the Company or work which an employee thinks, believes or even feels to be unfair, unjust or inequitable. It is our policy that any grievance brought up should be settled as equitably and as quickly as possible in order to maintain continuous good relations and harmony between the parties concerned.

The following is our grievance resolution procedure.

Step 1

An employee having a grievance shall first refer the matter to his immediate superior/supervisor who will attempt to resolve the issue within five (5) working days from the time it was raised by the employee.

Step 2

If the matter is not resolved or if the grievance involves the immediate superior, the employee shall within three (3) working days refer it to the Departmental Head/manager concerned who, assisted by another representative of the Company if required, shall attempt to resolve the issue within seven (7) working days from the time when the matter was referred to him.

Step 3

In the event that no settlement is reached, the employee concerned may bring the matter in writing to the Human Resources & Admin Department within five (5) working days. The appointed Human Resources & Admin personnel shall attempt to resolve the matter within seven (7) working days on receipt of the matter in writing.

Step 4

If the matter still remains unsettled after step three, either party may refer the dispute to the Executive Director/Managing Director/Group Managing Director. The decision made by the Executive Director/Managing Director/Group Managing Director shall be final and will be communicated to the employee concerned.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL

We hold dear the concept of giving back to society. We endeavour to help make life a little easier for the underprivileged and less fortunate ones or those who just need a little bit of help to get back on their feet or to better their lives.

Local Communities

We carry out donations to Welfare Homes, Orphanages and Old Folks homes annually. We donate cash and items to these organisations, as well as conduct Gotong Royong activities to help perform some minor repairs and cleaning for these Homes. During festive seasons, we pay them a visit and arrange for meals and entertainment as well as donate hampers and other necessities.

In 2023, we visited three welfare homes namely Tong Sim Citizen Care Centre, Persatuan Insan Istimewa Cheras and Pertubuhan Kebajikan Yesuvin Mahligai (YM) Selangor.

Tong Sim Senior Citizen Care Centre, a home located at Jalan Dewan Bahasa, Kuala Lumpur, provides housing and care for 60 elderly folks who have been abandoned by their families. We engaged in conversations, played games, distributed ang pow and provided the residents with much-needed supplies like daily necessities and medical supplies. We also treated them to a special lunch and freshly baked cupcakes. It was a fulfilling experience as the elderly had a wonderful time and that showed us the power of small acts of kindness and empathy.

As part of Mitrajaya's Hari Raya CSR Programme, we contributed a cash donation of RM5,000 to Persatuan Insan Istimewa Cheras, Selangor in support of the special needs community. This non-profit organisation was founded in 2009 with the goal of providing children with various degrees of mental and physical impairments with expert care, rehabilitation programmes, specialised treatment, daily living skills training and educational assistance.



Visit to Tong Sim Citizen Care Centre – February 2023



Cash Donation to Persatuan Insan Istimewa Cheras – May 2023

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Local Communities (Cont'd)

In conjunction with the Deepavali celebrations, Mitrajaya organised a CSR program at Pertubuhan Kebajikan Yesuvin Mahligai (YM) Selangor, Taman Maju, Kajang. This charity cares for 60 people, including elderly abandoned by families and underprivileged children. Dr. M. Rajan, the founder, expressed gratitude for cash, supplies, and angpao.

For the last CSR event of the year, Mitrajaya organised a visit to an Orang Asli Village, the Jahai Tribe at Royal Belum Park, Perak. The main goal was to bring some cheer to the community and to learn their unique way of life. They live in their traditional way in bamboo huts, hunting small mammals using blow pipes, fishing, gathering plants and honey from the forest. We provided a donation of some grocery items for the families, small toys, colouring books and candies for the children there.



Visit to Pertubuhan Kebajikan Yesuvin Mahligai (YM),
Selangor – November 2023



Visit to Orang Asli Village at Royal Belum Park, Perak
– December 2023

The Sustainability Report has not been reviewed by the internal auditors or independent auditor.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	2.30
Executive	Percentage	1.90
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,374.17
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	39.103000
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	117
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	45.00
Management Above 50	Percentage	55.00
Executive Under 30	Percentage	21.00
Executive Between 30-50	Percentage	64.00
Executive Above 50	Percentage	15.00
Non-executive/Technical Staff Under 30	Percentage	16.00
Non-executive/Technical Staff Between 30-50	Percentage	69.00
Non-executive/Technical Staff Above 50	Percentage	15.00
General Workers Under 30	Percentage	41.00
General Workers Between 30-50	Percentage	55.00
General Workers Above 50	Percentage	4.00
Gender Group by Employee Category		
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executive Male	Percentage	58.00
Executive Female	Percentage	42.00
Non-executive/Technical Staff Male	Percentage	74.00
Non-executive/Technical Staff Female	Percentage	26.00
General Workers Male	Percentage	98.00
General Workers Female	Percentage	2.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	76.47
Female	Percentage	23.53
Under 30	Percentage	0.00
Between 30-50	Percentage	23.53
Above 50	Percentage	76.47

Internal assurance External assurance No assurance

(*) Restated

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2023
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	372
Executive	Hours	585
Non-executive/Technical Staff	Hours	610
General Workers	Hours	336
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	11.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	19
Non-executive/Technical Staff	Number	16
General Workers	Number	43
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	26,692.07
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	169

Internal assurance External assurance No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("the Board") of Mitrajaya Holdings Berhad ("MHB" or "the Company") is committed to ensure the fulfillment of the highest standards of Corporate Governance as set out in the Malaysian Code on Corporate Governance 2021 ("the Code"), which highlights the principles and recommendations of best practices on structures and processes that the Company may use in their operations towards achieving the optimal governance framework.

The Board welcomes the constructive recommendations of the Code and will always evaluate the MHB and its subsidiaries ("MHB Group" or "the Group") corporate governance practice and procedures as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

During the financial year ended 31 December 2023, the Board considers that it has fundamentally applied the principles and practices of the Code and is pleased to report the actions taken by the Company to conform to the Code in the Corporate Governance Report that is available in the Company's website www.mitrajaya.com.my.

Summary of Corporate Governance Practices

In MHB's commitment towards sound corporate governance, it has benchmarked its practices against the practices recommended by the Code as well as other best practices. MHB has applied all the Practices encapsulated in the Code for the financial year ended 31 December 2023 except:

- Practice 5.2 (At least half of the board comprises independent directors);
- Practice 5.9 (The Board comprises at least 30% women directors);
- Practice 8.2 (Disclosure of the top five Senior Management personnel's remuneration on a named basis in bands of RM50,000); and
- Practice 13.3 (Leverage technology to facilitate at General Meeting).

The Code does provide that if the Board finds that it is unable to implement any of the Code's practices, the Board should apply a suitable alternative practice to meet the Intended Outcome. In this respect, the Company has provided forthcoming and appreciable explanations for the departures from the said practices. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of the Code are available in the Corporate Governance Report.

A summary of how MHB has applied the Principles as laid out in the Code is described below.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

The Board of Directors

The Board Charter is the key point of reference for the Directors of the Board in relation to its role, powers, duties and functions and there is also a formal schedule of matters reserved for its decision. MHB is led and managed by a competent Board, comprising members with a wide range of experience, knowledge and skills in relevant fields such as engineering, construction, finance and legal. Together, the Directors contribute to successfully direct and supervise the Group's business activities, which are vital to the success of the Group and the enhancement of long-term shareholders' value.

The Board Charter is reviewed annually and updated from time-to-time to maintain its relevance and accuracy to current rules and regulations as well as to ensure consistency of governance practices and adherence to the relevant rules and regulations.

The Board Charter is available in the Company's website www.mitrajaya.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

The Board of Directors (Cont'd)

During the financial year ended 31 December 2023, the Board met a total of five (5) times. Details of the attendance are as follows:-

DIRECTORS		POSITION	BOARD MEETINGS ATTENDED
1.	General Tan Sri Ismail Bin Hassan (R) (Resigned on 30 April 2023)	Independent Non- Executive Chairman	2/2
2.	Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	Non-Independent Non-Executive Chairman	5/5
3.	Tan Eng Piow	Group Managing Director	5/5
4.	Cho Wai Ling	Executive Director	5/5
5.	Tan Mei Yin	Executive Director	5/5
6.	Bibhuti Nath Jha	Executive Director	5/5
7.	Ir Zakaria Bin Nanyan (Resigned on 30 April 2023)	Independent Non-Executive Director	2/2
8.	Roland Kenneth Selvanayagam	Non-Independent Non-Executive Director	5/5
9.	Datuk Mahdi Bin Morad (Appointed on 17 April 2023)	Independent Non-Executive Director	3/3
10.	Dato' Sivaloganathan A/L Yoganathan (Appointed on 17 April 2023)	Independent Non-Executive Director	3/3
11.	Ir Aik Siaw Kong (Appointed on 17 April 2023)	Independent Non-Executive Director	3/3

The Board has delegated specific responsibilities to the Audit Committee and the Nomination and Remuneration Committee. These Committees have the authority to examine particular issues and report back to the Board with their recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

BOARD BALANCE

In financial year 2023 with the appointment of three (3) new Directors and the resignation of two (2) Directors, the Board comprised of nine (9) Directors, categorised as follows:-

Three (3) Independent Non-Executive Directors
Two (2) Non-Independent Non-Executive Directors
Four (4) Executive Directors

A brief profile of the Directors is presented on pages 4 to 8 of the Annual Report.

The Board is expected to be active and responsible fiduciaries in the exercise of their oversight responsibilities and therefore it is essential for the Company to be able to rely on the independent judgement of the Board, to be objective and to be able to evaluate the performance of the Company without any material conflict of interest or undue influence from interested parties. The Board is consistently identifying candidates to comply with the recommendation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD BALANCE (cont'd)

The Board holds the view that the criteria for appointment of a Director should be based on the skills, experience and the contribution which the candidate can bring to the Company and not merely on gender. The evaluation of the suitability of candidates of the Board is based on the candidate's competency, character, time commitment, integrity and experience in meeting the needs of the Company. The Board agreed that having female board members can help manage gender-based opportunities and challenges and they can also add value to the Company's policies and practices, providing perspectives from women for women in the workplace. On the recommendation of the Nomination and Remuneration Committee, the Board agreed that the target be set for the appointment of an additional woman director by end of 2023. During the financial year 2020 the target was achieved as the Company appointed an additional woman director and the composition of women directors presently represent 22% of the Board. The gender diversity has already been in practice in the workplace and the appointment Ms Cho Wai Ling and Ms Tan Mei Yin to the Board was in recognition of their contribution to the Group and also the value lady members of the Board could bring to the Board's discussions.

The Board has included a formal policy on gender diversity in the Board Charter in November 2021 where the Board shall endeavour to maintain at least one (1) woman director on the Board and in seeking potential candidate(s) for new appointments, the Board takes into account ethnicity and age distribution of the Directors to maintain a balanced Board composition. The Board shall also review the participation of women in senior management to ensure there is a healthy talent pipeline. The Board in undertaking the process of reviewing and selecting potential candidates to fill in the vacancies on the Board shall be mindful of various diversity factors to strengthen the Board composition that meets the objectives and strategic goals of the Group.

There is a clear division of responsibility at the head of the Company to ensure that there is a balance of power and authority. The Board is led by the Non-Independent Non-Executive Chairman, Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim and Mr Tan Eng Piow, as the Group Managing Director who is in charge of running the business and implementing the policies and strategies adopted by the Board.

The Independent Non-Executive Directors participate at the Board Meetings and also contribute in Board Committees that have been set up as part of the practice of good corporate governance within the Company. They provide an objective and independent view of the performance of management in attempting to achieve the results to which the strategy of the Company is directed. The Board has upon their assessment, concluded that each of the three (3) Independent Non-Executive Directors serving at the end of 2023 continues to demonstrate conduct and behavior that are essential indicators of independence and find that their length of service does not in any way interfere with their exercise of independent judgement and ability to act in the interest of the Company. None of these Independent Directors of MHB has served more than 9 years.

Mr Tan Eng Piow, the Group Managing Director is steeped in the infrastructure and property construction sector since the beginning of his career, and has collectively extensive experience in engineering and construction. He has been with the MHB Group for more than 30 years. Ms Cho Wai Ling, the Executive Director in charge of Finance has been working with the Group for more than 20 years, starting her career in the Group as an Accounts Executive and rose from rank and file to her present position. Ms Tan Mei Yin is the Executive Director in charge of Human Resources & Administration, IT and Property Development of the Group. Mr Bibhuti Nath Jha, the Executive Director oversees the Construction Division of the Group. The Group Managing Director and the Executive Directors play a pivotal role in driving the Group's direction and overseeing the conduct of the Group's business.

BOARD COMMITTEES

The Board has established the Audit Committee and the Nomination and Remuneration Committee. Please refer to the Audit Committee Report and the Nomination and Remuneration Committee Report for further details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

SUPPLY OF INFORMATION

The Chairman ensures that each Director is provided with timely notices of every Board Meeting and board papers for each agenda item. For scheduled meetings, the notices and board papers are sent to the Directors seven days prior to the meetings. This is to ensure that Directors have sufficient time to prepare for discussions, and to obtain further explanation or clarification to facilitate the decision process and discharge of their duties. The Board has unrestricted access to timely and accurate information in the furtherance of its duties.

The Board has formalised procedures for Directors, whether as a full Board or in their individual capacity, to take independent advice where necessary, in the furtherance of their duties and at the Group's expense.

Every Director has access to the advice and services of the Company Secretary. The Board believes that the Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board and the terms of appointment of the Company Secretary permits her removal and appointment of a successor only by the Board as a whole.

Board Committee meetings are conducted separately from the Board meeting. At the Board meeting, the Chairman of the Board Committees will present a report on the discussions held at the Committee meetings for the Board's information and also brief the Board on the recommendation of the Committees.

DIRECTORS' TRAINING

The Directors are mindful that they should receive appropriate continuous training and they have attended seminars and briefings in order to broaden their perspectives and so that they keep abreast with developments in the market place and new statutory and regulatory requirements.

The Nomination and Remuneration Committee has assessed the training needs of the Directors and are satisfied that the trainings attended have been helpful in enabling the Directors to carry out their duties and responsibilities.

The Directors attended the following training programs in 2023:-

Name	Title of Course
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	<ul style="list-style-type: none"> Corporate Governance Monitor 2022 Amendments on Conflict of Interest Amendments on Sustainability Training for Directors
Tan Eng Piow	<ul style="list-style-type: none"> Corporate Governance Monitor 2022 Amendments on Conflict of Interest Amendments on Sustainability Training for Directors
Cho Wai Ling	<ul style="list-style-type: none"> Corporate Governance Monitor 2022 Amendments on Conflict of Interest Amendments on Sustainability Training for Directors Budget 2024: Unleash the T.I.G.E.R. How to get ready for E-invoicing Latest development on foreign source income and its exemption
Tan Mei Yin	<ul style="list-style-type: none"> Corporate Governance Monitor 2022 Amendments on Conflict of Interest Amendments on Sustainability Training for Directors Bursa's Sustainability Reporting Requirements for Listed Companies FTSE 4 goods ESG ratings of PLCs Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

DIRECTORS' TRAINING (cont'd)

Name	Title of Course
Bibhuti Nath Jha	<ul style="list-style-type: none"> Corporate Governance Monitor 2022 Amendments on Conflict of Interest Amendments on Sustainability Training for Directors
Roland Kenneth Selvanayagam	<ul style="list-style-type: none"> Growth Through Marketing – C suite perspective (Monash University) MIA Town Hall 2022/23 – Session 3 (All Sectors) Strategic Stakeholder Engagement – A case study on Carlsberg Brewery ACCA ANZ webinar series: Drawing the line – how to set healthy boundaries at work and home The Power of Generational Diversity: Building a Collaborative and Inclusive Work Environments Launch of Accounting Week 2023 – Monash University Cryptocurrency regulatory issues in Australia, Malaysia and Indonesia Integration of Corporate Social Due Diligence Directive - KPMG ACCA – Transformation Role of accounting in addressing global challenges, and its contribution to fostering thriving communities. Monash Marketing Dialogue CPA Australia – University of Melbourne Annual Research Lecture Corporate Governance Monitor 2022 Amendments on Conflict of Interest Amendments on Sustainability Training for Directors
Datuk Mahdi Bin Morad	<ul style="list-style-type: none"> Amendments on Conflict of Interest Amendments on Sustainability Training for Directors
Dato' Sivaloganathan A/L Yoganathan	<ul style="list-style-type: none"> Mandatory Accreditation Programme Amendments on Conflict of Interest Amendments on Sustainability Training for Directors
Ir Aik Siaw Kong	<ul style="list-style-type: none"> MIA Webinar Series: Mergers and Acquisitions of Companies: Liabilities of Directors under Section 17A MACC Act 2001 & Internal Controls Amendments on Conflict of Interest Amendments on Sustainability Training for Directors

The Board is regularly updated by the Company Secretary on the latest /amendments to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

RE-ELECTION OF DIRECTORS

The Company's Constitution provides for all Directors (including the Group Managing Director) to retire at least once in each three (3) years at the Annual General Meeting ("AGM") and the retiring Director shall be eligible for re-election. The Directors who are due for re-election at the AGM were first assessed by the Nomination and Remuneration Committee as to whether they meet the Board's expectations and have continued to perform in an exemplary manner and recommendation for their re-election were made to the Board for deliberation and approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

SUSTAINABILITY

The responsibility of governance of sustainability in the Group is overseen by the Board and the Sustainability Committee comprising members from each operational function and chaired by an Executive Director. The Sustainability Committee is tasked with integrating sustainability considerations in the day-to-day operations of the company and ensuring the effective implementation of the Group's sustainability strategies and plans. The Group has developed its sustainability strategy across the top management till every operational level from the economic, environmental and social perspectives.

The Group's sustainability strategies, priorities as well as targets and performance against these targets are communicated to the internal and external stakeholders of the Group. To keep the employees engaged on sustainability issues and to have them support actions on sustainability across the Group, briefings are held with the employees to bring awareness and understanding of the Group's approach to sustainability. The Group also use other means of engagement with the employees as highlighted in the Sustainability Report. External stakeholders are also informed through the various means such as engagements and corporate disclosures.

The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Group and its business, to discharge its role effectively. The material sustainability issues are presented by the Group Managing Director in his operations report and deliberated at each quarterly board meeting. The sustainability risks and opportunities are also assessed before major decisions are made by the Board. The Board will identify its professional development needs in the new financial year concerning sustainability and ensure these are addressed. The Board and Senior Management are evaluated on their understanding in deepening board focus and directing appropriate attention to various Environmental, Social and Governance areas, which can supplement the full board's oversight of how these matters are integrated into strategy, talent and risk management. The Board and Senior Management were satisfied with its performance in addressing the sustainability issues of the Group.

DIRECTORS' REMUNERATION

The Nomination and Remuneration Committee is entrusted under its terms of reference to assist the Board in determining the framework of Executive Director's remuneration and the remuneration package for each Executive Director, drawing from outside advice, as necessary. The Nomination and Remuneration Committee shall ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully.

The Board as a whole shall determine the Non-Executive Directors' fees with the individual concerned abstaining from deliberations and voting on discussions in respect of his fee. The level of Directors' fees shall reflect the experience and responsibilities undertaken by the particular Non-Executive Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

DIRECTORS' REMUNERATION (cont'd)

The breakdown of the remuneration of the Directors in the Group and Company during the financial year 2023 is as follows:-

Group level

Directors	Salary (RM)	EPF (RM)	SOCSSO (RM)	EIS (RM)	Allowance (RM)	Bonus (RM)	Fee (RM)	BIK & Others (RM)	TOTAL (RM)
Tan Eng Piow	1,080,000	49,600	743	–	–	160,000	–	15,438	1,305,781
Cho Wai Ling	348,000	48,480	1,040	119	–	56,000	–	10,430	464,069
Tan Mei Yin	336,000	43,620	1,040	119	–	27,500	–	7,500	415,779
Bibhuti Nath Jha	900,000	–	743	–	2,400	144,000	–	10,625	1,057,768
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	–	–	–	–	–	–	15,000	4,500	19,500
Roland Kenneth Selvanayagam	–	9,012	–	–	47,400	–	15,000	6,500	77,912
Datuk Mahdi Bin Morad (Appointed on 17 April 2023) ^{Note 1}	–	–	–	–	–	–	10,583	3,500	14,083
Dato' Sivaloganathan A/L Yoganathan (Appointed on 17 April 2023) ^{Note 1}	–	–	–	–	–	–	10,583	2,000	12,583
Ir Aik Siaw Kong (Appointed on 17 April 2023) ^{Note 1}	–	–	–	–	–	–	10,583	3,500	14,083
General Tan Sri Ismail Bin Hassan (R) (Resigned on 30 April 2023) ^{Note 1}	–	–	–	–	20,000	–	5,000	1,000	26,000
Ir Zakaria bin Nanyan (Resigned on 30 April 2023) ^{Note 1}	–	–	–	–	–	–	5,000	3,000	8,000

Note 1 – Amount disclosed is for the period they held Directorship

Company level

Directors	Salary (RM)	EPF (RM)	SOCSSO (RM)	EIS (RM)	Allowance (RM)	Bonus (RM)	Fee (RM)	BIK & Others (RM)	TOTAL (RM)
Tan Eng Piow	–	–	–	–	–	–	–	–	–
Cho Wai Ling	–	–	–	–	–	–	–	–	–
Tan Mei Yin	–	–	–	–	–	–	–	–	–
Bibhuti Nath Jha	–	–	–	–	–	–	–	–	–
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	–	–	–	–	–	–	15,000	4,500	19,500
Roland Kenneth Selvanayagam	–	9,012	–	–	47,400	–	15,000	6,500	77,912
Datuk Mahdi Bin Morad (Appointed on 17 April 2023) ^{Note 1}	–	–	–	–	–	–	10,583	3,500	14,083
Dato' Sivaloganathan A/L Yoganathan (Appointed on 17 April 2023) ^{Note 1}	–	–	–	–	–	–	10,583	2,000	12,583
Ir Aik Siaw Kong (Appointed on 17 April 2023) ^{Note 1}	–	–	–	–	–	–	10,583	3,500	14,083
General Tan Sri Ismail Bin Hassan (R) (Resigned on 30 April 2023) ^{Note 1}	–	–	–	–	–	–	5,000	1,000	6,000
Ir Zakaria bin Nanyan (Resigned on 30 April 2023) ^{Note 1}	–	–	–	–	–	–	5,000	3,000	8,000

Note 1 – Amount disclosed is for the period they held Directorship

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

DIRECTORS' REMUNERATION (cont'd)

The remuneration of the top five (5) Senior Management of the Group (excluding Executive Directors) for financial year 2023 is RM2,361,208 and represents 6.53% of the total staff cost of the Group. The disclosure is made on an aggregate basis as the Board opines that the disclosure of the Senior Management personnel' names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

FINANCIAL REPORTING

In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The Quarterly and Annual Financial Statements are reviewed by the Audit Committee and approved by the Board before its release to Bursa Securities.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have to be made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates as on pages 69 to 144.

The Directors have the responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company, which will then enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016.

The Directors have the overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

RISK MANAGEMENT AND INTERNAL CONTROL

Please refer to the Statement on Risk Management and Internal Control for further details.

RELATIONSHIP WITH THE AUDITORS

The External Auditors, Messrs. Baker Tilly Monteiro Heng PLT has continued to report to the Audit Committee on their findings which are included as part of the Company's financial report with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the External Auditors to meet their professional requirements.

The independent members of the Audit Committee make it a point to sit and discuss with the External Auditors without the presence of the Management Team to allow the External Auditors to broach issues in an uninhibited and private manner. For the financial year 2023, the Audit Committee met the External Auditors twice independently to discuss issues arising out of the audits. There were also exchange of views and opinions in relation to financial reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

RELATIONSHIP WITH THE AUDITORS

The Company has a policy to assess and monitor the performances and independence of External Auditors. The policy covers selection and appointment, independence, conflict of interest, non-audit services, rotation of lead engagement partner, annual assessment and audit fees. The External Auditors do provide their written assurance of their independence annually. Based on the assessment conducted by the Audit Committee, the Board is satisfied that the quality of service, adequacy of resources provided, communication, independence and professionalism demonstrated by the External Auditors in carrying out their function.

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

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board acknowledges the importance for shareholders to be informed of all key issues and major development affecting the Company. The dissemination of the information to shareholders and other stakeholders of the Company are made through the following:-

- The Annual Report;
- The AGM;
- The various disclosures and announcements made to the Bursa Securities including the Quarterly Financial Results and Annual Financial Statements; and
- The Company's website, www.mitrajaya.com.my.

Briefings are held with analysts to clarify information in relation to the announcements. Dialogues with institutional investors and the press are held from time to time.

The Company has in place an Investor Relations Policy to ensure that shareholders, stakeholders, investors and the investment community are provided with relevant, timely and comprehensive information about the Company. This policy provides the guidance for communication through its designated spokespersons.

ANNUAL GENERAL MEETING (AGM)

The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the External Auditors of the Company are present to answer questions raised at the meeting. The Executive Directors meet with members of the press after the AGM to answer any queries that may be raised.

In 2023, the 30th AGM was conducted physically at the Company's premises. A presentation on the projects that were undertaken in the previous year and the financial performance for the year 2022 was presented for the shareholders' information. All the Directors except Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, were present to provide responses to the questions posed by shareholders in relation to the agenda items. There were no questions received at the 30th AGM. The minutes of the 30th AGM were uploaded onto the Company's website within 30 business days after the AGM.

AUDIT COMMITTEE REPORT

The Audit Committee comprises of three (3) members, two of whom are Independent Non-Executive Directors and one Audit Committee Member, namely Mr Roland Kenneth Selvanayagam is a member of the Malaysian Institute of Accountants. The current members of the Audit Committee are as follow:-

CHAIRMAN

Datuk Mahdi Bin Morad (*Independent Non-Executive Director*)

MEMBERS

Ir Aik Siaw Kong (*Independent Non-Executive Director*)

Roland Kenneth Selvanayagam (*Non-Independent Non-Executive Director*)

DUTIES

The duties of the Committee shall be:-

- to consider the appointment of the External Auditors, the audit fee, and any questions of resignation or dismissal.
- to discuss with the External Auditors, the audit plan, the evaluation of the system of internal control, the audit report and the assistance given by the employees of the Company to the External Auditors.
- to review and recommend for Board's approval of the provision of non-audit service by the External Auditor and to ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the External Auditors.
- to review the Quarterly and Annual Financial Statements before submission to the Board of Directors ("Board") focusing particularly on:-
 - any changes in or implementation of major accounting policies and practices;
 - significant and unusual events or transactions;
 - significant judgements made by Management;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - financial reporting issues;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements; and
 - significant matters highlighted by Management, Internal Auditors or External Auditors and how these matters are addressed.
- to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- to review the internal audit programme, process, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- to consider the major findings of internal investigations and Management's response.
- to discuss problems and reservations arising from the audit and any matter the External Auditors may wish to discuss (in the absence of Management where necessary).
- to recommend the nomination of a person or persons as External Auditors.
- to review and report to the Board any related party transaction and conflict of interests situation that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts.
- to consider any other functions or duties as may be agreed to by the Audit Committee and the Board.

AUDIT COMMITTEE REPORT (CONT'D)

MEETING ATTENDANCE

The numbers of meetings attended by the Committee Members during the financial year ended 31 December 2023 were as follows:-

Members	No. of Attendance
Datuk Mahdi Bin Morad – Chairman	3/3
Ir Aik Siaw Kong	3/3
Roland Kenneth Selvanayagam	5/5
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Vacated on 30 April 2023)	2/2
Ir Zakaria Bin Nanyan (Resigned on 30 April 2023)	2/2

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2023, the Audit Committee carried out the following activities:-

- Reviewed the Audit Committee Memorandum issued by External Auditors on the findings in relation to the audit of the financial statements for financial year ended 31 December 2022;
- Reviewed the Internal Audit Reports, which highlighted the audit issues on the auditable areas of Group's Project Management and Foreign Worker Management undertaken by subsidiary;
- Reviewed and appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported;
- Reviewed the findings of the Internal Auditors and follow-up on the recommendations;
- Reviewed the unaudited quarterly financial results of the Group and the audited financial statements of the Group and Company and recommended the same to the Board;
- Reviewed the Audit Planning Memorandum for the financial year 2023 presented by the External Auditors;
- Reviewed and approved the Internal Audit Plan for 2023 - 2024;
- Reviewed the recurrent related party transactions;
- Reviewed the Risk Management Committee report on Human Resource and Information Technology division;
- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for the financial year ended 31 December 2022;
- Assessed the independence and performance of the External Auditors;
- Recommended the External Auditors' remuneration and the re-appointment of Auditors;
- Assessed the performance of the Internal Auditors;
- Reviewed the update on Whistleblowing Notification;
- Reviewed the change of Internal Auditors and recommended the same to the Board; and
- Reviewed the amendments to Terms of Reference of the Audit Committee and recommended the same to the Board.

The Audit Committee also held discussions with the External Auditors two (2) times during the year without the presence of the Executive Directors and Senior Management.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional audit firm ("Outsourced Internal Auditor") which reports directly to the Audit Committee. The Outsourced Internal Auditor serves to assist the Audit Committee in the discharge of its duties and responsibilities. For the financial year 2023, the cost incurred for the internal audit function was RM30,000.

The Internal Audit Function is carried out based on the Outsourced Internal Auditor's own internal audit approach, which is closely consistent with the International Professional Practice Framework (IPFF) of the Institute of the International Auditors. Its role is to undertake independent, regular and systematic reviews of internal controls, so as to provide the Audit Committee with independent and objective feedback and reports to enable the internal control systems to continue to operate satisfactorily and effectively. The Outsourced Internal Auditors annually confirm to the Audit Committee that all their staff are free from any relationships or conflict of interest with the Company.

The Outsourced Internal Auditor carried out internal audits within the Group based on a risk-based audit plan approved by the Audit Committee. It is prepared based on the understanding from the Group which has assessed and managed the business risks in a timely manner. They also proposed auditable areas to the management for consent and seek approval from the Audit Committee on an annual basis. The Board obtains sufficient assurance of the effectiveness of risk management, internal control and governance processes in the Group, where the root cause and impacts are identified and practical recommendations for improvement and followed up will be reported accordingly.

The activities carried out by the Internal Audit function were:-

- (a) Prepared and presented the Internal Audit Plan for 2023 - 2024 for the Audit Committee's consideration and approval;
- (b) Regularly performed risk-based audits on strategic business processes of the Company and the Group, which covered Group's Project Management and Foreign Worker Management undertaken by subsidiary;
- (c) Issued Internal Audit Reports to the Audit Committee and Senior Management identifying weaknesses and issues as well as highlighting recommendations for improvements and followed up on matters raised; and
- (d) Acted on comments made by the Audit Committee and/or Senior Management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee ("NRC") comprises of the following members who are all Independent Non-Executive Directors:

CHAIRMAN

Datuk Mahdi Bin Morad

MEMBERS

Dato' Sivaloganathan A/L Yoganathan
Ir Aik Siaw Kong

DUTIES

The duties of the NRC shall be:-

- To review regularly the Board of Directors ("Board") structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To propose new nominees for appointment to the Board. In making the recommendations, the NRC shall consider the candidates:-
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;
 - conflict of interest; and
 - in the case of candidates for the position of Independent Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- To recommend to the Board, Directors to fill the seats on the Board Committees.
- To review annually the Board's mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.
- To recommend to the Board for the continuation (or not) in service of Executive Director(s) and Director(s) who are due for retirement by rotation.
- To orientate and educate new Directors as to the nature of the business, current issues within the Group and the corporate strategy, the expectations of the Group concerning input from the Directors and the general responsibilities of Directors.
- To recommend the remuneration policy and review the payment of Directors' fees and allowance.
- To assess the training needs of each Directors and make recommendations to the Board.

NOMINATION AND REMUNERATION COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2023, the NRC in discharging its functions and duties carried out the following activities:-

- Reviewed the size and composition of the Board and Board Committee;
- Reviewed the fitness and probity of the Directors;
- Reviewed the mix of skill and experience and other qualities of the Board;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the Directors;
- Assessed the performance of the individual Directors;
- Discussed and recommended the re-election of retiring Directors;
- Assessed and confirmed the independence of the Independent Directors;
- Assessed the training needs of the Directors;
- Discussed and recommended the payment of Directors fees and benefits; and
- Discussed and recommended the appointment of new Independent Directors.

The NRC upon its annual assessment carried out for financial year 2023, was satisfied that:-

- The size and composition of the Board is optimum with appropriate mix of knowledge skills, attribute and core competencies;
- All the Directors meet the fit and proper criteria;
- The Board has been able to discharge its duties professionally and effectively;
- All the Directors continue to uphold the highest governance standards in discharging their duties and responsibilities;
- All the members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective working experience, academic and professional qualifications, depth of knowledge, skills and experience and their personal qualities;
- The Independent Directors, Datuk Mahdi Bin Morad, Dato' Sivaloganathan A/L Yoganathan and Ir Aik Siaw Kong are demonstrably independent;
- The Directors are able to devote sufficient time commitment to their roles and responsibilities as evidenced by their attendance records; and
- The Directors have received training during the financial year ended 31 December 2023 that is relevant and would serve to enhance their effectiveness in the Board.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Mitrajaya Holdings Berhad ("MHB") is committed towards maintaining a sound system of risk management and internal control and is pleased to present this Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2023, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). This statement outlines the nature of risk management and internal control of MHB and its subsidiaries ("the Group").

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's risk management practice and internal controls system, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity to safeguard shareholders' investments and the Group's assets. Such system is however, designed to manage, rather than eliminate, the risk of failure to achieve business and corporate objectives. The system can therefore only provides reasonable, but not absolute assurance, against material misstatement or loss.

There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. This process is reviewed by the Board via the Audit Committee and Risk Management Committee. The Board annually reviews the results of this process for each business segment on cycle basis, including measures taken by Management to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement.

The Board is assisted by management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and thereafter design, implement and monitor appropriate internal controls to manage and mitigate those risks.

RISK MANAGEMENT

The Group has a risk management framework, which includes a risk management assessment process to identify significant risks and the mitigating measures thereof. The framework also addresses the specific risk profiles of each business division and the key functional unit identified within the Group. The Board has also established a Risk Management Committee to focus on risk management, and which comprises key management staff and is chaired by an Executive Director. Significant risks affecting the Group's strategic and business plans are escalated to the Board at scheduled meeting through the Risk Assessment Report. The Risk Assessment Report is reviewed annually at a minimum to ensure it remains adequate and effective. These risk management practices serve as an on-going process to identify, evaluate and manage significant risks of the Group.

Insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

The Board is committed to continue to foster a risk-aware culture in all decision-making and to manage all key risks proactively and effectively. This is to enable the Group to respond effectively to the changing business and competitive environment which are critical for the Group's sustainability and the enhancement of shareholders' value.

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

RISK MANAGEMENT (CONT'D)

The Board has implemented and formalised Anti Bribery and Corruption Procedures in 2020. The Group has since performed risk assessment on the Bribery and Corruption risks across the Group which include the followings:

- Promoted understanding and awareness of the Corporate Liability as stipulated in newly enacted S17A MACC (Amendment) Act 2018 through training which was attended by Senior Management and Board of Directors,
- Established the Anti-Bribery and Anti-Corruption (ABAC) Policy for the Group
- Conducted training for all staff and third parties on the implementation of the ABAC policy and its procedures
- Established Whistleblowing Policies and channels of reporting
- Established the Integrity and Governance Unit (IGU) to manage the implementation and compliance of the ABAC policy. The IGU comprises of Quality, Environment, Safety and Health Department and reports to the Executive Director.
- Established Code of Business Conduct for Third Parties to convey the Group's expectations regarding the ethical conduct expected from all Third Parties who have a relationship with the Group.
- Revised Code of Conduct for Employees to promote and maintain a uniform ethical standard or code of ethics within the Group.

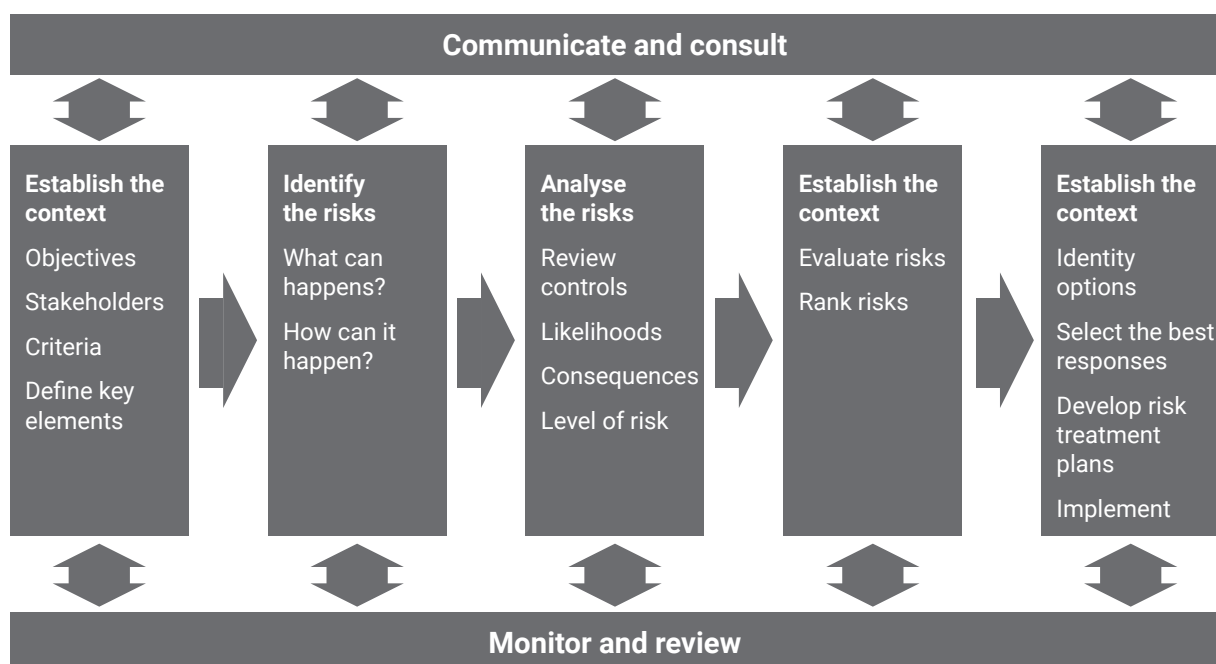
The policies and procedures are available on the Company's website at www.mitrajaya.com.my.

RISK MANAGEMENT FRAMEWORK

The risk management processes in identifying, analyse, evaluating and managing significant risks faced by the organisation is embraced in the operating and business processes. The effectiveness of the risk management is monitored and evaluated by all levels of management on an ongoing basis.

These processes are reviewed on annually basis, along with progress updates on the mitigation measures implemented on the identified residual risks. Adequacy and effectiveness of the mitigation measures will be assessed and further enhanced where necessary.

The key aspects of the risk management framework are summarised below:



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

RISK MANAGEMENT FRAMEWORK (CONT'D)

In managing risk at the enterprise level, the following approach is being practised:

1. Risk Communication & Consultation Management

A continual and iterative process is conducted to provide, share or obtain information and to engage stakeholders regarding risk management at enterprise level.

2. Context Establishment

Define the external and internal factors when managing risks, understand the Group's objectives, set the scope and risk criteria; identify, analyse and evaluate the risk.

3. Risk Treatment Management

Make decisions on risks that have been identified, analysed and evaluated; document the chosen treatment options; and subsequently prepare and implement the risk treatment plan.

4. Risk Monitoring & Review Management

Monitor the risk and its control; review the existing risks or any new emerging risk; and subsequently record and report to management the results of monitoring and review.

INTERNAL CONTROLS

The Board receives and reviews quarterly reports from the management on key financial data, and operational matters. This is to ensure that matters that require the Board and Management's attention are highlighted for review and deliberated for decision making purposes on a timely basis. The results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

The Management Team, led by the Group Managing Director, comprises experienced personnel with vast specialised industry experience in both Construction and Property Development. The Management Team meets on fortnightly basis to discuss and review performance and operational matters within respective business division.

The other salient features of the Group's system of internal controls are as follows:

- Organisation structure and limits of authority

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the Standard Operating Procedures, organizational structures and appropriate authority limits.

- Written policies and procedures

Clearly defined internal policies and procedures as set out in the Group's Standard Operating Procedures Manual based on the business unit are periodically updated to reflect changing risks or to address operational deficiencies.

- Planning, monitoring and reporting

- o The Audit Committee reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board; and
- o Financial and non-financial information, which includes the quarterly management reports covering key financial and performance indicators based for the respective business units, is provided to Senior Management for monitoring.

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

INTERNAL CONTROLS (CONT'D)

The other salient features of the Group's system of internal controls are as follows: (Cont'd)

- **International Standards Certification**

The Group's integrated QESH policies and procedures are implemented by its wholly-owned subsidiary, Pembinaan Mitrajaya Sdn Bhd ("PMSB").

PMSB was initially certified to ISO 9001 Quality Management System in year 2000 and subsequently have integrated ISO 14001 for Environmental Management System and OHSAS 18001 with MS 1722 for Occupational Safety and Health Management System in year 2010 which is known as QESH Management System.

As part of continual improvement, PMSB have over the years upgraded its Management System in accordance to the latest revisions series for Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Health and Safety Management System (ISO 45001:2018).

Periodical audits are carried out to ensure adherence and conformity to the QESH Management Systems implemented. In addition to the Integrated QESH Management System, the Group have also embarked in incorporating 5-S Culture as part of the organisation's business operations. This initiative runs hand-in-hand with the established QESH Management System to enhance the Group's intended outcomes and deliverables.

- **Related Party Transactions**

Related party transactions are disclosed, reviewed, and monitored by the Board on a quarterly basis.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional services firm, as part of its effort to ensure that the Group's system of internal controls is adequate and effective. The internal audit function assists the Board and Audit Committee in providing independent assessment of the effectiveness and adequacy of the Group's system of internal controls. The internal audit function reports directly to the Audit Committee.

During the financial year ended 31 December 2023, there were 2 formal internal audit reviews carried out in accordance with an internal audit plan that has been reviewed and approved by the Audit Committee. The Internal audit reports provided insight on the effectiveness of the internal control system in areas under review. Observations from these audits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review.

REVIEW BY THE BOARD

The Board has considered the adequacy and effectiveness of the risk management and internal controls process in the Group during the financial year.

Before producing this Statement, the Group Managing Director and Executive Director-Finance have provided assurance to the Board in writing stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects during the financial year under review.

Taking into consideration the above assurance from the Management Team and inputs from the relevant assurance providers, the Board is of the view, and to the best of its knowledge, that the risk management and internal control systems are satisfactory and is adequate to safeguard shareholders' investments and the Group's assets. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

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

REVIEW BY THE EXTERNAL AUDITORS

The external auditors, Messrs Baker Tilly Monteiro Heng PLT, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2023 in accordance with Malaysian Approved Standard on *Assurance Engagements, ISAE 3000 (Revised)*, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and the *Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* issued by the Malaysian Institute of Accountants. The external auditors reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This Statement was presented and approved by the Board on 17 April 2024.

OTHER INFORMATION

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees payable to Messrs. Baker Tilly Monteiro Heng PLT for services rendered for the financial year 2023 is as follows

	Audit fees (RM)	Non-Audit fees (RM)
Company level	83,000	7,000
Group level	305,300	12,700

MATERIAL CONTRACTS INVOLVING THE INTEREST OF DIRECTORS OR MAJOR SHAREHOLDERS

There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests for the financial year under review.

UTILISATION OF PROCEEDS

There were no fund raising exercise undertaken in 2023.

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, net of tax	13,401,384	(7,521,043)
Attributable to:		
Owners of the Company	14,104,143	(7,521,043)
Non-controlling interests	(702,759)	–
	13,401,384	(7,521,043)

DIVIDEND

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM
First and final single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2022, paid on 26 July 2023	3,814,641

At the forthcoming Annual General Meeting, a first and final single tier dividend of 1 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profit in the financial year ending 31 December 2024.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report was made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration paid or payable to auditors of the Group and of the Company for their services as auditors during the financial year were RM372,476 and RM83,000 respectively.

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

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES OR DEBENTURES

During the financial year, the Company issued a total of 140 new ordinary shares at a price of RM1.06 per ordinary share arising from the exercise of Warrant E.

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

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

WARRANTS

Warrants E

By virtue of a Deed Poll executed on 12 March 2018 for the 68,889,075 free detachable Warrants E issued in connection with the rights issue allotted, each Warrants E entitles the registered holder the right at any time during the exercise period from 18 April 2018 to 17 April 2023 to subscribe in cash for one (1) new ordinary share at an exercise price of RM0.94 each.

	At 1.1.2023	Number of warrants			At 31.12.2023
		Allotted	Exercised	Lapsed	
Warrants E	68,889,075	–	(140)	(68,888,935)	–

Warrants E lapsed on 17 April 2023.

TREASURY SHARES

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

During the financial year, the Company repurchased 8,861,000 shares from the open market at an average price of RM0.25 per share. The total consideration paid for the repurchase shares was RM2,215,812 and they were financed by internally generated funds.

As at 31 December 2023, the Company held 17,278,349 treasury shares out of its 776,148,910 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM3,987,706.

DIRECTORS

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

Bibhuti Nath Jha*	
Cho Wai Ling*	
Roland Kenneth Selvanayagam	
Tan Eng Piow*	
Tan Mei Yin*	
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	
Datuk Mahdi Bin Morad	(Appointed on 17 April 2023)
Dato' Sivaloganathan A/L Yoganathan	(Appointed on 17 April 2023)
Ir Aik Siaw Kong	(Appointed on 17 April 2023)
General Tan Sri Ismail Bin Hassan (R)*	(Resigned on 30 April 2023)
Ir Zakaria Bin Nanyan	(Resigned on 30 April 2023)

*Directors of the Company and certain subsidiaries

DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

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

Chan Yeen Kong
Datin Yap Ai Choo
Ho Chon Teck
Kok Siew Leng
Liew Choon Siong
Ng Jer Yiing
Tan Ah Huat
See Wee Wah

DIRECTORS' INTERESTS

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

	At 1.1.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
The Company				
Direct interest				
Tan Eng Piow	371,648,463	–	–	371,648,463
Tan Mei Yin	4,797,975	–	–	4,797,975
Cho Wai Ling	28,600	–	–	28,600
Indirect interest				
Tan Eng Piow ¹	4,550,000	–	–	4,550,000

	At 1.1.2023	Number of Warrants E Issued Pursuant To the Deed Poll dated 12.3.2018 exercisable at any time from 18.4.2018 to 17.4.2023		At 31.12.2023
		Exercised	Lapsed	
The Company				
Direct interest				
Tan Eng Piow	29,934,463	–	(29,934,463)	–
Tan Mei Yin	369,075	–	(369,075)	–
Cho Wai Ling	2,200	–	(2,200)	–
Indirect interest				
Tan Eng Piow ¹	350,000	–	(350,000)	–

¹ Shares/Warrants held through children.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Tan Eng Piow is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

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

The details of remuneration of directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Directors of the Company		
- salaries, allowances and bonuses	3,158,900	47,400
- defined contribution plans	150,712	9,012
- fees	71,750	71,750
- estimated monetary value of benefits-in-kind	43,993	–
- others	30,203	24,000
	3,455,558	152,162

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

INDEMNITY TO DIRECTORS AND OFFICERS

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

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements, which also serve for the purpose of this report.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

AUDITORS

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

DIRECTORS' REPORT (CONT'D)

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

.....
TAN ENG PIOW
Director

.....
TAN MEI YIN
Director

Date: 17 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	68,487,314	60,562,862	1	1
Inventories	4	271,950,064	273,296,730	–	–
Investment properties	5	88,955,709	88,782,244	–	–
Investments in subsidiaries	6	–	–	440,807,187	451,262,187
Goodwill on consolidation	7	2,373,189	2,356,595	–	–
Deferred tax assets	8	22,649,632	31,024,476	–	–
Trade receivables	10	–	3,303,974	–	–
Amounts due from subsidiaries	12	–	–	5,340,606	7,926,001
Total non-current assets		454,415,908	459,326,881	446,147,794	459,188,189
Current assets					
Inventories	4	273,597,040	307,843,682	–	–
Contract assets	9	51,156,064	71,808,708	–	–
Trade and other receivables	10	132,391,836	169,871,410	1,594,473	1,594,473
Current tax assets		3,599,290	4,377,664	2,044,747	2,051,176
Other investments	11	4,347,177	5,363,646	–	–
Amounts due from subsidiaries	12	–	–	3,471,421	350,681
Deposits, cash and bank balances	13	23,868,215	7,778,480	5,149	19,932
Total current assets		488,959,622	567,043,590	7,115,790	4,016,262
TOTAL ASSETS		943,375,530	1,026,370,471	453,263,584	463,204,451

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

		2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
	Note				
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	402,364,255	402,364,106	402,364,255	402,364,106
Treasury shares	15	(3,987,706)	(1,771,894)	(3,987,706)	(1,771,894)
Other reserves	16	(21,524,107)	(11,690,006)	–	8,597,356
Retained earnings		308,553,812	289,666,971	47,764,640	50,502,985
		685,406,254	678,569,177	446,141,189	459,692,553
Non-controlling interests		89,195,771	92,068,530	–	–
TOTAL EQUITY		774,602,025	770,637,707	446,141,189	459,692,553
Non-current liabilities					
Loans and borrowings	17	–	1,532,082	–	–
Lease liabilities	20	430,579	294,361	–	–
Deferred tax liabilities	8	2,327,195	2,185,476	–	–
Total non-current liabilities		2,757,774	4,011,919	–	–
Current liabilities					
Contract liabilities	9	28,805,502	46,286,945	–	–
Trade and other payables	21	110,038,412	140,742,431	122,395	166,317
Amount due to subsidiaries	22	–	–	7,000,000	3,345,581
Loans and borrowings	17	23,411,000	57,510,296	–	–
Lease liabilities	20	179,241	116,226	–	–
Provision	23	3,245,055	5,856,156	–	–
Current tax liabilities		336,521	1,208,791	–	–
Total current liabilities		166,015,731	251,720,845	7,122,395	3,511,898
TOTAL LIABILITIES		168,773,505	255,732,764	7,122,395	3,511,898
TOTAL EQUITY AND LIABILITIES		943,375,530	1,026,370,471	453,263,584	463,204,451

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	24	294,777,197	259,579,320	–	–
Cost of sales	25	(245,927,278)	(215,594,348)	–	–
Gross profit		48,849,919	43,984,972	–	–
Other income	26	6,403,406	4,622,751	72	–
Sales and marketing expenses		(2,031,022)	(4,113,406)	–	–
Administrative expenses		(18,757,850)	(17,076,131)	(486,842)	(614,216)
Reversal of impairment losses on receivables		593,941	172,425	–	2,704,232
Other expenses		(11,418,770)	(17,879,647)	(7,289,152)	(2,811,081)
Operating profit/(loss)		23,639,624	9,710,964	(7,775,922)	(721,065)
Finance income	27	1,452,826	3,759,589	488,835	379,012
Finance costs	28	(1,595,791)	(3,516,085)	(205,027)	(842,504)
Profit/(Loss) before tax	29	23,496,659	9,954,468	(7,492,114)	(1,184,557)
Income tax (expense)/credit	32	(10,095,275)	(3,148,745)	(28,929)	2,959
Profit/(Loss) for the financial year		13,401,384	6,805,723	(7,521,043)	(1,181,598)
Other comprehensive loss, net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translation of foreign operations		(1,236,745)	(453,659)	–	–
Other comprehensive loss for the financial year, net of tax		(1,236,745)	(453,659)	–	–
Total comprehensive income/ (loss) for the financial year		12,164,639	6,352,064	(7,521,043)	(1,181,598)
Profit/(Loss) attributable to:					
Owners of the Company		14,104,143	7,395,252	(7,521,043)	(1,181,598)
Non-controlling interests		(702,759)	(589,529)	–	–
		13,401,384	6,805,723	(7,521,043)	(1,181,598)
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		12,867,398	6,941,593	(7,521,043)	(1,181,598)
Non-controlling interests		(702,759)	(589,529)	–	–
		12,164,639	6,352,064	(7,521,043)	(1,181,598)
Earnings per share attributable to ordinary shareholders of the Company (sen):					
- Basic	33	1.85	0.93		
- Diluted	33	1.85	0.93		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company					
		Share capital RM	Other reserves RM	Retained earnings RM	Treasury shares RM	Sub-total RM	Non-controlling interests RM
At 31 December 2022		402,364,106	(11,690,006)	289,666,971	(1,771,894)	678,569,177	92,068,530
							770,637,707
Total comprehensive income/(loss) for the financial year							
Profit/(Loss) for the financial year		-	-	14,104,143	-	14,104,143	(702,759)
Other comprehensive loss for the financial year		-	(1,236,745)	-	-	(1,236,745)	-
Total comprehensive income/(loss)		-	(1,236,745)	14,104,143	-	12,867,398	(702,759)
							12,164,639
Transactions with owners							
Purchase of treasury shares	15	-	-	-	(2,215,812)	(2,215,812)	-
Dividends on ordinary shares	34	-	-	(3,814,641)	-	(3,814,641)	-
Issuance of ordinary shares arising from exercise of Warrants	14	149	(17)	-	-	132	-
Warrants lapsed	16	-	(8,597,339)	8,597,339	-	-	-
Redemption of preference shares		-	-	-	-	-	(2,170,000)
Total transactions with owners		149	(8,597,356)	4,782,698	(2,215,812)	(6,030,321)	(8,200,321)
At 31 December 2023		402,364,255	(21,524,107)	308,553,812	(3,987,706)	685,406,254	89,195,771
							774,602,025

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(CONT'D)

Group	Note	Attributable to owners of the Company						Total equity RM
		Share capital RM	Other reserves RM	Retained earnings RM	Treasury shares RM	Sub-total RM	Non-controlling interests RM	
At 31 December 2021		433,468,769	(11,236,347)	264,417,464	(5,490,089)	681,159,797	83,855,630	765,015,427
Total comprehensive income/(loss) for the financial year								
Profit/(Loss) for the financial year		-	-	7,395,252	-	7,395,252	(589,529)	6,805,723
Other comprehensive loss for the financial year		-	(453,659)	-	-	(453,659)	-	(453,659)
Total comprehensive income/(loss)		-	(453,659)	7,395,252	-	6,941,593	(589,529)	6,352,064
Transactions with owners								
Cancellation of treasury shares	15	(31,104,663)	-	17,854,255	13,250,408	-	-	-
Purchase of treasury shares	15	-	-	-	(9,532,213)	(9,532,213)	-	(9,532,213)
Subscription of shares by non-controlling interest		-	-	-	-	-	8,802,429	8,802,429
Total transactions with owners		(31,104,663)	-	17,854,255	3,718,195	(9,532,213)	8,802,429	(729,784)
At 31 December 2022		402,364,106	(11,690,006)	289,666,971	(1,771,894)	678,569,177	92,068,530	770,637,707

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(CONT'D)

Company	Note	Share capital RM	Other reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 31 December 2021		433,468,769	8,597,356	(5,490,089)	33,830,328	470,406,364
Loss for the financial year		–	–	–	(1,181,598)	(1,181,598)
Transactions with owners						
Purchase of treasury shares	15	–	–	(9,532,213)	–	(9,532,213)
Cancellation of treasury shares	15	(31,104,663)	–	13,250,408	17,854,255	–
Total transactions with owners		(31,104,663)	–	3,718,195	17,854,255	(9,532,213)
At 31 December 2022		402,364,106	8,597,356	(1,771,894)	50,502,985	459,692,553
Loss for the financial year		–	–	–	(7,521,043)	(7,521,043)
Transactions with owners						
Purchase of treasury shares	15	–	–	(2,215,812)	–	(2,215,812)
Dividends on ordinary shares	34	–	–	–	(3,814,641)	(3,814,641)
Issuance of ordinary shares arising from exercise of Warrants	14	149	(17)	–	–	132
Warrants lapsed	16	–	(8,597,339)	–	8,597,339	–
Total transactions with owners		149	(8,597,356)	(2,215,812)	4,782,698	(6,030,321)
At 31 December 2023		402,364,255	–	(3,987,706)	47,764,640	446,141,189

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities				
Profit/(Loss) before taxation	23,496,659	9,954,468	(7,492,114)	(1,184,557)
Adjustments for:				
Bad debts written off	10,205	–	–	–
Income from short term funds	(31,271)	(166,339)	–	–
Depreciation of:				
- property, plant and equipment	3,221,691	3,944,080	–	–
- investment properties	503,863	513,684	–	–
Gain on disposal of property, plant and equipment	(337,619)	(27,359)	–	–
Gain on disposal of investment property	–	(25,047)	–	–
(Reversal)/Impairment loss on:				
- amount due from subsidiary	–	–	7,000,000	(2,704,232)
- trade receivables	(593,941)	(172,426)	–	–
- investment in subsidiary	–	–	250,000	2,699,901
(Reversal)/Provision of liquidated ascertained damage	(2,611,101)	3,456,156	–	–
Interest expense	1,595,791	3,516,085	205,027	842,504
Interest income	(1,421,555)	(3,593,250)	(488,835)	(379,012)
Investment in subsidiary written off	–	–	–	164,332
Property, plant and equipment written off	62,618	595,680	–	–
Unrealised loss from foreign exchange	343,261	157,856	–	–
Operating profit/(loss) before changes in working capital	24,238,601	18,153,588	(525,922)	(561,064)
<u>Changes in working capital:</u>				
Inventories	34,274,473	10,468,563	–	–
Trade and other receivables	39,797,284	33,611,288	–	–
Contract assets/liabilities	3,171,201	3,477,217	–	–
Trade and other payables	(31,304,019)	(15,219,991)	(43,922)	(96,896)
Cash generated from/ (used in) operations	70,177,540	50,490,665	(569,844)	(657,960)
Income tax paid	(3,971,012)	(4,238,110)	(22,500)	(81,096)
Income tax refunded	2,261,277	1,631,280	–	1,573,287
Interest received	740,405	3,035,593	–	–
Net cash from/(used in) operating activities	69,208,210	50,919,428	(592,344)	834,231

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

		Group	Company		
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Subscription of shares in subsidiary	6(h)	–	–	(250,000)	(499,900)
Income from short term funds		31,271	166,339	–	–
Interest received		681,150	425,118	488,835	379,012
Advances to subsidiaries		–	–	–	(20,729,024)
Repayment from subsidiaries		–	–	564,655	1,493,303
Redemption of other investment		1,016,469	180,953	–	–
Proceeds from disposal of investment property		–	308,000	–	–
Proceeds from disposal of property, plant and equipment		421,292	10,257,099	–	–
Expenditure on land held for development		1,346,666	(8,034,666)	–	–
Addition in investment property		(454,051)	(457,214)	–	–
Purchase of property, plant and equipment		(11,432,658)	(18,762,398)	–	–
Subscription of shares by non-controlling interest		–	8,802,429	–	–
Net cash (used in)/from investing activities		(8,389,861)	(7,114,340)	803,490	(19,356,609)
Cash flows from financing activities					
	(a)				
Interest paid		(1,595,791)	(3,516,085)	(205,027)	(842,504)
Advances from subsidiaries		–	–	6,009,419	29,053,506
Repayment to subsidiaries		–	–	–	(156,641)
Dividend paid		(3,814,641)	–	(3,814,641)	–
Repayment of term loans		(2,946,378)	(3,404,951)	–	–
Repayment of other borrowings:					
- bankers' acceptance		(6,596,000)	(6,173,000)	–	–
- invoice financing		–	(1,173,000)	–	–
- short term revolving credit		(26,089,000)	(15,960,000)	–	–
Payment of lease liabilities		(146,084)	(113,734)	–	–
Purchase of treasury shares		(2,215,812)	(9,532,213)	(2,215,812)	(9,532,213)
Proceeds from conversion of warrants		132	–	132	–
Net cash (used in)/from financing activities		(43,403,574)	(39,872,983)	(225,929)	18,522,148

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

		Group	Company		
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Net increase/(decrease) in cash and cash equivalents		17,414,775	3,932,105	(14,783)	(230)
Cash and cash equivalents at the beginning of the financial year		7,778,480	4,337,890	19,932	20,162
Effect of exchange rate changes on cash and cash equivalents		(1,325,040)	(491,515)	–	–
Cash and cash equivalents at the end of the financial year		23,868,215	7,778,480	5,149	19,932
Cash and cash equivalents comprise:					
Cash and bank balances	13	10,218,450	6,593,992	5,149	19,932
Deposits with licensed banks	13	13,649,765	1,184,488	–	–
		23,868,215	7,778,480	5,149	19,932

(a) Reconciliation of liabilities arising from financing activities:

Group	At 1 January 2023 RM	Cash flows RM	Non cash Acquisition (Note 6) RM	At 31 December 2023 RM
Bankers' acceptance	6,596,000	(6,596,000)	–	–
Term loan	2,946,378	(2,946,378)	–	–
Short term revolving credit	49,500,000	(26,089,000)	–	23,411,000
Lease liabilities	410,587	(146,084)	345,317	609,820
	59,452,965	(35,777,462)	345,317	24,020,820
Company				
Amounts due to subsidiaries	3,345,581	6,009,419	(2,355,000)	7,000,000

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(CONT'D)

(a) Reconciliation of liabilities arising from financing activities: (Cont'd)

Group	At 1 January 2022 RM	Cash flows RM	Non cash Offset of acquisition (Note 6) RM	At 31 December 2022 RM
Bankers' acceptance	12,769,000	(6,173,000)	–	6,596,000
Term loan	6,351,329	(3,404,951)	–	2,946,378
Short term revolving credit	65,460,000	(15,960,000)	–	49,500,000
Invoice financing	1,173,000	(1,173,000)	–	–
Lease liabilities	524,321	(113,734)	–	410,587
	86,277,650	(26,824,685)	–	59,452,965
Company				
Amounts due to subsidiaries	55,622,948	28,896,865	(81,174,232)	3,345,581

(b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

Group	2023 RM	2022 RM
Purchase of property, plant and equipment	11,777,975	18,762,398
Financed by way of lease arrangements	(345,317)	–
Cash payments on purchase of property, plant and equipment	11,432,658	18,762,398

(c) During the financial year, the Group had total cash outflows for leases of RM1,212,479 (2022: RM1,096,998).

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mitrajaya Holdings Berhad ("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 registered office and principal place of business of the Company are located at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan.

The Company is principally engaged in investment holding activity. The principal activities of the subsidiaries are disclosed in Note 6.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17	Insurance Contracts
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Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above amendments to MFRSs did not have significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 Amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- 2.3.1 The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 101 Presentation of Financial Statements

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

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

The initial application of the above applicable amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2.5 Basis of measurement

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.6 Basis of consolidation

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns through its power over the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Fixtures, fittings and office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Bearer plants (immature) RM	Right-of- use assets RM	Total RM
Group 2023									
Cost									
At 1 January 2023	3,017,032	9,932,177	8,372,651	2,556,675	11,791,442	159,350,194	516,255	41,981,159	237,517,585
Additions	-	525,510	18,610	-	1,413,262	9,218,560	220,566	381,467	11,777,975
Disposals	-	(188,000)	(19,610)	-	(91,055)	(5)	-	-	(298,670)
Written off	-	-	(73,548)	-	-	(259,744)	-	-	(333,292)
Transfer to investment properties (Note 5)	-	(412,388)	-	-	-	-	-	-	(412,388)
Exchange differences	(3,029)	(45,861)	(5,618)	-	(12,568)	(23,059)	-	(12,425)	(102,560)
At 31 December 2023	3,014,003	9,811,438	8,292,485	2,556,675	13,101,081	168,285,946	736,821	42,349,661	248,148,650
Accumulated depreciation									
At 1 January 2023	-	2,756,599	7,462,310	2,070,454	11,753,979	152,237,707	-	673,674	176,954,723
Depreciation for the financial year	-	168,159	332,361	142,215	162,314	1,816,051	-	628,422	3,249,522
Disposals	-	(104,339)	(19,604)	-	(91,054)	-	-	-	(214,997)
Written off	-	-	(72,836)	-	-	(197,838)	-	-	(270,674)
Transfer to investment properties (Note 5)	-	(6,186)	-	-	-	-	-	-	(6,186)
Exchange differences	-	(17,255)	(4,317)	-	(12,568)	(13,014)	-	(3,898)	(51,052)
At 31 December 2023	-	2,796,978	7,697,914	2,212,669	11,812,671	153,842,906	-	1,298,198	179,661,336
Carrying amount									
At 31 December 2023	3,014,003	7,014,460	594,571	344,006	1,288,410	14,443,040	736,821	41,052,003	68,487,314

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Freehold land RM	Buildings RM	Fixtures, fittings and office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Bearer plants (immature) RM	Right-of- use assets RM	Total RM
Group 2022									
Cost									
At 1 January 2022	800,258	9,127,314	8,375,160	2,556,675	14,098,017	189,271,029	206,068	26,934,571	251,369,092
Additions	2,217,847	821,118	31,434	-	-	328,786	310,187	15,053,026	18,762,398
Disposals	-	-	(14,933)	-	(2,214,905)	(27,991,188)	-	-	(30,221,026)
Written off	-	-	(16,710)	-	(88,165)	(2,248,524)	-	-	(2,353,399)
Exchange differences	(1,073)	(16,255)	(2,300)	-	(3,505)	(9,909)	-	(6,438)	(39,480)
At 31 December 2022	3,017,032	9,932,177	8,372,651	2,556,675	11,791,442	159,350,194	516,255	41,981,159	237,517,585
Accumulated depreciation									
At 1 January 2022	-	2,587,652	7,076,523	1,927,921	13,715,888	165,799,028	-	303,386	191,410,398
Depreciation for the financial year	-	177,016	413,670	142,533	344,409	5,865,694	-	375,806	7,319,128
Disposals	-	-	(14,928)	-	(2,214,649)	(17,761,709)	-	-	(19,991,286)
Written off	-	-	(11,058)	-	(88,164)	(1,658,497)	-	-	(1,757,719)
Exchange differences	-	(8,069)	(1,897)	-	(3,505)	(6,809)	-	(5,518)	(25,798)
At 31 December 2022	-	2,756,599	7,462,310	2,070,454	11,753,979	152,237,707	-	673,674	176,954,723
Carrying amount									
At 31 December 2022	3,017,032	7,175,578	910,341	486,221	37,463	7,112,487	516,255	41,307,485	60,562,862

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Office equipment	
	2023 RM	2022 RM
Company		
Cost		
At 1 January/31 December	1,511	1,511
Accumulated depreciation		
At 1 January/31 December	1,510	1,510
Carrying amount		
At 31 December	1	1

(a) Material accounting policy information

- (i) Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost of bearer plants consists of plantation development costs incurred from the commencement of planting of durian trees and fertilisation up to the maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon the commencement of commercial harvesting of the agricultural produce.

Freehold land has an unlimited useful life and therefore is not depreciated. The immature bearer plants are not depreciated until such time when the trees start to produce fruits. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease. All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

The estimated useful lives used for this purpose are as follows:

	Years
Leasehold land	89 - 96
Buildings	50
Fixtures, fittings and office equipment	3 - 10
Renovations	5 - 10
Plant and machinery	3 - 10
Motor vehicles	4 - 5

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(b) Right-of-use assets

Information about leases for which the Group is a lessee is presented below:

	Leasehold land RM	Group Plant and machinery RM	Total RM
Carrying amount			
At 1 January 2023	40,920,852	386,633	41,307,485
Additions	36,150	345,317	381,467
Depreciation for the financial year	(480,444)	(147,978)	(628,422)
Exchange differences	–	(8,527)	(8,527)
At 31 December 2023	40,476,558	575,445	41,052,003
At 1 January 2022	26,120,115	511,070	26,631,185
Additions	15,053,026	–	15,053,026
Depreciation for the financial year	(252,289)	(123,517)	(375,806)
Exchange differences	–	(920)	(920)
At 31 December 2022	40,920,852	386,633	41,307,485

The Group leases certain equipment for its operation use with lease term of 5 years.

The Group also leases land with remaining lease term of 88 to 94 (2022: 89 to 95) years.

- (c) Included in the depreciation for the financial year is amount of RM27,831 (2022: RM3,375,048) recognised as part of cost of inventories.

4. INVENTORIES

	2023 RM	2022 RM
Group		
Non-current		
At cost		
Property held for development		
- Freehold land at cost	68,170,240	68,625,325
- Leasehold land at cost	174,606,570	176,612,262
- Development costs	29,173,254	28,059,143
	271,950,064	273,296,730

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. INVENTORIES (CONT'D)

	2023 RM	2022 RM
Group		
Current		
At cost		
Property under development		
- Freehold land at cost	566,499	2,222,344
- Leasehold land at cost	641,249	5,751,575
- Development costs	11,577,497	171,491,705
Completed properties	260,801,068	128,367,331
Other inventories	10,727	10,727
	273,597,040	307,843,682
	545,547,104	581,140,412

(a) Material accounting policy information

Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Land held for property development will be reclassified to properties under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property under development and completed properties

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs.

The cost of unsold completed properties is determined on a specific identification basis.

- (b) The carrying amount of RM41,947,522 (2022: RM41,947,522) of the land cost in property held for development of the Group has been pledged to financial institutions to secure the banking facility granted to the Group as disclosed in the Notes 17 and 18.
- (c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM64,917,303 (2022: RM61,728,411).
- (d) On 26 November 2019, the Group entered into a sale and purchase agreement to dispose of several parcels of land with carrying amount of RM28.42 million for a total consideration of RM63.00 million ("Disposal"). The Disposal was completed on 24 March 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTIES

	2023 RM	2022 RM
Group Cost		
At 1 January	95,355,261	95,632,769
Addition	454,051	457,214
Transfer from property, plant and equipment (Note 3)	406,202	–
Disposal	–	(606,400)
Exchange differences	(354,898)	(128,322)
At 31 December	95,860,616	95,355,261
Accumulated depreciation		
At 1 January	1,927,482	1,553,894
Depreciation for the financial year	503,863	513,684
Disposal	–	(137,450)
Exchange differences	(159,482)	(2,646)
At 31 December	2,271,863	1,927,482
Accumulated impairment losses		
At 1 January	4,645,535	4,835,960
Disposal	–	(185,997)
Exchange differences	(12,491)	(4,428)
At 31 December	4,633,044	4,645,535
Carrying amount		
At 31 December	88,955,709	88,782,244

(a) Material accounting policy information

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

No depreciation is provided on the freehold land as it has indefinite useful life. Depreciation of buildings is provided for on a straight-line basis to write down the cost of each asset to its residual value over the estimated useful life, at 2% of annual rate.

(b) In the prior financial year, the carrying amount of RM9,671,757 of the investment properties has been pledged to financial institution to secure the term loan facility granted to the Group as disclosed in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

- (c) The Group's investment properties comprise freehold land, leasehold land, commercial buildings and shopping complex. Commercial buildings and shopping complex are leased to third parties with an initial non-cancellable period of 1 to 3 years with option to renew. The rental for subsequent renewal is subject to negotiation with the lessees.

The following are recognised in profit and loss in respect of investment properties:

	2023 RM	Group 2022 RM
Rental income	1,165,020	1,200,354
Direct operating expenses:		
- income generating investment properties	837,380	1,201,174
- non-income generating investment properties	1,707	1,690

- (d) The maturity analysis of operating lease payments to be received after the reporting date is as follows:

	2023 RM	Group 2022 RM
Within one year	586,949	716,773
One to two years	136,087	421,867
Two to three years	–	128,892
Total undiscounted lease payments	723,036	1,267,532

- (e) Fair value information

The fair value for the above investment properties of approximately RM114.60 million (2022: RM93.51 million) are determined based on information available through independent valuation or internal research and directors' best estimate.

Fair value of investment properties are categorised as follows:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023	–	–	114,604,311	114,604,311
2022	–	–	93,511,095	93,511,095

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property. The most significant input into this valuation approach is price per square foot of properties, market rentals, inflation and discount rate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES

	2023 RM	Company 2022 RM
Unquoted shares, at cost	215,642,161	215,392,161
Investment in redeemable cumulative convertible preference shares ("RCCPS") of subsidiaries	213,018,232	223,473,232
ESOS granted to employees of subsidiaries	15,232,699	15,232,699
	443,893,092	454,098,092
Less: Impairment losses	(3,085,905)	(2,835,905)
At 31 December	440,807,187	451,262,187

Movement in accumulated impairment losses were as follows:

	2023 RM	Company 2022 RM
At 1 January	2,835,905	395,320
Impairment losses recognised during the financial year (Note 29)	250,000	2,699,901
Written off	–	(259,316)
At 31 December	3,085,905	2,835,905

(a) Material accounting policy information

In the Company's statement of financial position, investments in subsidiaries are measured at cost less any accumulated impairment losses.

(b) During the financial year, a full impairment loss on an investment in a subsidiary of RM250,000 (2022: RM2,699,901) was recognised and included in other expenses line in profit or loss in view of its unfavourable operating performance.

(c) Details of the subsidiaries are as follows:

Name of Company	Principal place of business/ country of incorporation	Ownership interest		Principal Activities
		2023	2022	
		%	%	
Held by the Company:				
Pembinaan Mitrajaya Sdn. Bhd.	Malaysia	100	100	Civil engineering, building and road construction works and supply of construction material
Dutawani Sdn. Bhd.	Malaysia	100	100	Maintenance of properties
Mitrajaya Homes Sdn. Bhd.	Malaysia	100	100	Construction and property development

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Details of the subsidiaries are as follows: (Cont'd)

Name of Company	Principal place of business/ country of incorporation	Ownership interest		Principal Activities
		2023 %	2022 %	
Held by the Company: (Cont'd)				
Mitrajaya Warisan Sdn. Bhd.	Malaysia	60	60	Construction and property development
Mitrajaya Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Primaharta Development Sdn. Bhd.	Malaysia	100	100	Property development
Leo Vista Sdn. Bhd.	Malaysia	100	100	Property development
Awana Prisma Sdn. Bhd.	Malaysia	100	100	Property development
Kina-Bijak Sdn. Bhd.	Malaysia	100	100	Property development
Mitrajaya Construction Sdn. Bhd.	Malaysia	100	100	Civil engineering, building and road construction works and supply of construction material
Skyway Development Sdn. Bhd.	Malaysia	99.74	99.74	Property development
Kemajuan Sekim Baru Sdn. Bhd.	Malaysia	100	100	Property development
Centennial March Sdn. Bhd.	Malaysia	60	60	Construction and property development
Eminent Earnings Sdn. Bhd.	Malaysia	60	60	Property investment
Premier Discovery Sdn. Bhd.	Malaysia	60	60	Plantation works and sand extraction
Held through Mitrajaya Development Sdn. Bhd.:				
Mitrajaya SA (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Civil Engineering (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Details of the subsidiaries are as follows: (Cont'd)

Name of Company	Principal place of business/ country of incorporation	Ownership interest		Principal Activities
		2023 %	2022 %	
Held through Mitrajaya Development Sdn. Bhd.: (Cont'd)				
Kyalami & Mitrajaya Builders (Pty) Ltd. *	South Africa	100	100	Builders
Mitrajaya Development SA (Pty) Ltd. *	South Africa	100	100	Property development and property investment
Held through Mitrajaya Development SA (Pty) Ltd.:				
Blue Valley Golf and Country Club (Pty) Ltd.*	South Africa	100	100	Golf management

* Audited by an independent member firm of Baker Tilly International.

(d) In the prior financial year, the Company had written off its entire cost of investment net of impairment loss of RM164,332 in Daya Asphalt Sdn. Bhd ("DASB") as DASB was struck off from the Registrar of Companies' Register.

(e) Share capital reduction

In the prior financial year, Kemajuan Sekim Baru Sdn. Bhd. and Pembinaan Mitrajaya Sdn. Bhd. had undertaken a share capital reduction and return capital of RM3,600,000 and RM50,000,000 respectively to the Company by way of offsetting against amount owing by the Company.

(f) Redemption of Redeemable Convertible Cumulative Preference Shares ("RCCPS") in subsidiaries

During the financial year, the subsidiaries namely:

- (i) Mitrajaya Homes Sdn. Bhd. ("MHSB") redeemed 240,000 (2022: 829,000) RCCPS at RM30 each by way of offsetting against amount owing by the Company to MHSB of RM7,200,000 (2022: RM24,870,000);
- (ii) Centennial March Sdn. Bhd. ("CMSB") redeemed 2,355,000 RCCPS at RM1 each by way of offsetting against amount owing by the Company to CMSB of RM2,355,000; and
- (iii) Mitrajaya Warisan Sdn. Bhd. ("MWSB") redeemed 900,000 RCCPS at RM1 each by the way of offsetting against amount owing by the Company to MWSB of RM900,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) Subscription of RCCPS in subsidiaries

In the prior financial year, the Company subscribed for:

- (i) 5,950,000 RCCPS in Awana Prisma Sdn. Bhd. ("APSB") at RM1 each by way of offsetting against amount owing to the Company by APSB of RM5,950,000;
- (ii) 2,775,000 RCCPS in MWSB at RM1 each by way of offsetting against amount owing to the Company by MWSB of RM2,775,000;
- (iii) 2,200,000 RCCPS in Mitrajaya Construction Sdn. Bhd. ("MCSB") at RM1 each by way of offsetting against amount owing to the Company by MCSB of RM2,200,000; and
- (iv) 10,428,645 RCCPS in Premier Discovery Sdn. Bhd. ("PDSB") at RM1 each by way of offsetting against amount owing to the Company by PDSB of RM10,428,645.

(h) Subscription of ordinary shares in a subsidiary

During the financial year, the Company subscribed for 250,000 (2022: 499,900) ordinary shares in MCSB at RM1 each amounting to RM250,000 (2022: RM499,900).

(i) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Eminent Earnings Sdn. Bhd. RM	Centennial March Sdn. Bhd. RM	Mitrajaya Warisan Sdn. Bhd. RM	Premier Discovery Sdn. Bhd. RM	Total RM
2023					
NCI effective ownership					
interest and voting interest	40%	40%	40%	40%	
Carrying amount of NCI	22,038,852	31,518,293	19,319,618	13,855,381	86,732,144
Loss allocated to NCI	(16,674)	(21,857)	(96,096)	(487,268)	(621,895)
Total comprehensive loss allocated to NCI	(16,674)	(21,857)	(96,096)	(487,268)	(621,895)
2022					
NCI effective ownership					
interest and voting interest	40%	40%	40%	40%	
Carrying amount of NCI	22,055,525	33,110,150	20,015,714	15,897,191	91,078,580
Loss allocated to NCI	(17,477)	(10,854)	(49,298)	(512,318)	(589,947)
Total comprehensive loss allocated to NCI	(17,477)	(10,854)	(49,298)	(512,318)	(589,947)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (j) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as of the reporting date are as follows:

	Eminent Earnings Sdn. Bhd. RM	Centennial March Sdn. Bhd. RM	Mitrajaya Warisan Sdn. Bhd. RM	Premier Discovery Sdn. Bhd. RM
Summarised statements of financial position				
2023				
Non-current assets	56,000,000	78,713,143	49,992,859	37,730,983
Current assets	33,586	97,219	253,398	19,878
Non-current liabilities	(448,823)	–	–	–
Current liabilities	(487,634)	(14,629)	(1,947,213)	(3,112,409)
Net assets	55,097,129	78,795,733	48,299,044	34,638,452
2022				
Non-current assets	56,000,000	78,713,143	51,572,500	37,851,091
Current assets	42,012	4,080,332	5,100	162,183
Non-current liabilities	(448,823)	–	–	–
Current liabilities	(454,376)	(18,100)	(1,538,316)	(2,244,470)
Net assets	55,138,813	82,775,375	50,039,284	35,768,804
Summarised statements of comprehensive income				
2023				
Revenue	89,200	–	–	133,786
Loss for the financial year	(41,684)	(54,642)	(240,240)	(1,218,170)
Total comprehensive loss for the financial year	(41,684)	(54,642)	(240,240)	(1,218,170)
2022				
Revenue	78,000	–	–	153,499
Loss for the financial year	(43,692)	(27,136)	(123,246)	(1,368,612)
Total comprehensive loss for the financial year	(43,692)	(27,136)	(123,246)	(1,368,612)
Summarised cash flow information				
2023				
Cash flows (used in)/from:				
- operating activities	5,122	732,371	18,990	472,091
- investing activities	–	(723,928)	79,641	(345,547)
- financing activities	(13,548)	–	(99,056)	(145,190)
	(8,426)	8,443	(425)	(18,646)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (j) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as of the reporting date are as follows: (Cont'd)

	Eminent Earnings Sdn. Bhd. RM	Centennial March Sdn. Bhd. RM	Mitrajaya Warisan Sdn. Bhd. RM	Premier Discovery Sdn. Bhd. RM
Summarised cash flow information (Cont'd) 2022				
Cash flows (used in)/from:				
- operating activities	158,673	(96,584)	91,874	(827,618)
- investing activities	–	95,807	(4,865,880)	(17,684,870)
- financing activities	(154,589)	–	4,775,304	18,523,806
	4,084	(777)	1,298	11,318

Significant restrictions

Pursuant to shareholders' agreements, Eminent Earnings Sdn. Bhd., Centennial March Sdn. Bhd., Mitrajaya Warisan Sdn. Bhd. and Premier Discovery Sdn. Bhd. shall not declare any dividends unless the subsidiaries have settled all interest payable and principal loans advanced by the shareholders.

7. GOODWILL ON CONSOLIDATION

	2023 RM	Group 2022 RM
At 1 January	2,356,595	2,350,703
Exchange differences	16,594	5,892
At 31 December	2,373,189	2,356,595

Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to business segments as follows:

	2023 RM	2022 RM
Investment in South Africa	2,373,189	2,356,595

Goodwill is tested for impairment on an annual basis by comparing the carrying amount against the recoverable amount. As the Group is of the opinion that since the CGU are to be held on a long term basis, value-in-use would best reflect its recoverable amount. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each cash-generating unit.

There remains a risk that, due to unforeseen changes in the economies in which the CGU operates and/or global economic conditions, the ability to achieve management's business plan will be adversely affected.

The Group believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. DEFERRED TAX ASSETS/(LIABILITIES)

	2023 RM	Group 2022 RM
At 1 January	28,839,000	26,855,976
Recognised in profit or loss (Note 32)	(8,491,833)	1,998,431
Exchange differences	(24,730)	(15,407)
At 31 December	20,322,437	28,839,000

Presented after appropriate offsetting as follows:

	2023 RM	Group 2022 RM
Deferred tax assets	22,649,632	31,024,476
Deferred tax liabilities	(2,327,195)	(2,185,476)
	20,322,437	28,839,000

The components of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	As at 1 January 2022 RM	Recognised in profit or loss RM	As at 1 January 2023 RM	Recognised in profit or loss RM	As at 31 December 2023 RM
Group					
Deferred tax assets:					
Property development	18,386,513	(31,443)	18,355,070	(9,161,047)	9,194,023
Tax implication arising from development property activities transferred to investment property	809,404	194,063	1,003,467	(325,238)	678,229
Difference between the carrying amounts of property, plant and equipment and its tax base	(1,005,836)	723,174	(282,662)	495	(282,167)
Impairment losses on receivables	2,693,941	(41,382)	2,652,559	(142,546)	2,510,013
Unutilised tax losses	7,705,982	708,995	8,414,977	1,177,112	9,592,089
Unabsorbed capital allowances	2,838,506	(1,957,441)	881,065	76,380	957,445
	31,428,510	(404,034)	31,024,476	(8,374,844)	22,649,632
Deferred tax liabilities:					
Difference between the carrying amounts of property, plant and equipment and its tax base	4,572,534	(2,387,058)	2,185,476	141,719	2,327,195

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (a) Significant accounting judgement, estimates and assumptions

Deferred tax assets are recognised for unutilised tax losses and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future taxable profits of the subsidiaries and there are inherent uncertainties in projecting the amounts.

- (b) Deferred tax assets have not been recognised in respect of the following temporary difference items:

	2023 RM	Group 2022 RM
Unutilised tax losses	71,539,515	55,171,509
Unabsorbed capital allowances	3,890,722	3,049,417
Others	3,638,107	50,040
	79,068,344	58,270,966

- (c) The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses are available indefinitely for offset against future taxable profits of the subsidiaries except for the tax losses which are expiring in the following financial years:

	2023 RM	Group 2022 RM
2028	24,186,660	24,329,739
2029	20,933,410	25,837,738
2030	2,293,171	2,293,171
2031	1,382,117	1,483,622
2032	1,227,239	1,227,239
2033	21,516,918	–
	71,539,515	55,171,509

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. CONTRACT ASSETS/(LIABILITIES)

	2023 RM	Group 2022 RM
Contract assets relating to construction service contracts	50,037,360	71,808,708
Contract assets relating to property development contracts	1,118,704	–
	51,156,064	71,808,708
Contract liabilities relating to construction service contracts	(16,126,866)	(22,229,425)
Contract liabilities relating to property development contracts	(12,678,636)	(24,057,520)
	(28,805,502)	(46,286,945)
	22,350,562	25,521,763

The contract assets relate to the Group's rights to consideration for work completed on property development and construction works but not yet billed. Contract assets transferred to receivables when the rights to economic benefits become unconditional. This occurs when the Group issued progress billing to its customer. Payment is typically expected within 30 to 90 days.

The contract liabilities represent progress billings and deposits received for property development and construction works for which performance obligations have not been satisfied. Contract liabilities are recognised as revenue when performance obligations are satisfied.

(a) Material accounting policy information

The Group has applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Group otherwise would have recognised are one year or less.

(b) Significant accounting judgement, estimates and assumptions

The expected credit losses for contract assets are based on assumptions about risk of default and expected loss. The Group uses judgement in making these assumptions based on the assessment of outcome of the arbitration proceedings, financial capability of the receivables, payment trends, existing market conditions, forward-looking estimates as well as solicitors' advice for balances which are currently in arbitration proceedings.

(c) Significant changes in contract balances

	2023 RM	Group 2022 RM
At 1 January	25,521,763	28,998,980
Revenue recognised during the year	289,273,387	254,098,137
Progress billings during the year	(292,444,588)	(257,575,354)
At 31 December	22,350,562	25,521,763

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(d) Revenue recognised in relation to contract balances

	2023 RM	Group 2022 RM
Contract liabilities at the beginning of the reporting period recognised as revenue	(46,286,945)	(31,544,269)

10. TRADE AND OTHER RECEIVABLES

	2023 RM	2022 RM
Group		
Non-current Trade		
Trade receivables from contracts with customers	–	3,303,974
Current Trade		
Trade receivables from contracts with customers	71,210,906	86,377,675
Retention sums	44,510,822	61,004,700
Stakeholders' sums	1,127,165	–
	116,848,893	147,382,375
Less: Allowance for impairment losses	(10,458,386)	(11,052,327)
	106,390,507	136,330,048
Current Non-trade		
Other receivables	2,632,200	3,234,932
GST refundable	108,541	137,837
Advances to sub-contractors	15,504,384	26,568,635
Deposits	2,807,416	3,255,436
Prepayments	4,948,788	344,522
Total current trade and non-trade receivables	132,391,836	169,871,410
Total trade and non-trade receivables	132,391,836	173,175,384
Company		
Non-trade		
Deposits	1,594,473	1,594,473

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Significant accounting judgement, estimates and assumptions

The expected credit losses for trade receivables are based on assumptions about risk of default and expected loss. The Group uses judgement in making these assumptions based on the assessment of outcome of the arbitration proceedings, financial capability of the receivables, payment trends, existing market conditions, forward-looking estimates as well as solicitors' advice for balances which are currently in arbitration proceedings.

(b) Trade receivables

- (i) In the prior financial year, the non-current trade receivables are due from contract customers and house buyers which were to be settled based on instalment plans. These balances represent instalments due after 12 months. Therefore, these trade receivables are neither past due nor impaired. The amount has imputed interest of 6.00% per annum.
- (ii) Included in the trade receivables and contract assets of the Group are approximately RM28.99 million and RM14.93 million (2022: RM28.99 million and RM14.93 million) respectively due from customers for contracts under arbitration proceedings. Details are as follows:

Customer A

Pembinaan Mitrajaya Sdn. Bhd. ("PMSB"), a subsidiary of the Company, was a claimant in respect of 6 adjudications commenced under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against the customer in respect of a construction project for outstanding balances totalling approximately RM40.13 million. On 23 and 24 January 2019, the total adjudicated amounts awarded in favour of PMSB amounting to approximately RM31.86 million.

However, the customer has failed to make payment of the aforesaid amount within the timeline given. The customer had subsequently issued a notice to set-off in respect of rectification of defective work and/or non-conformance works, which were previously dismissed by the CIPAA, and further sought to make a demand on a bank guarantee amounting to approximately RM13.49 million. On 21 February 2019, the customer issued a notice for arbitration for rectification of defective work and/or non-conformance works amounting to approximately RM42.20 million in respect of the main contract.

On 29 May 2019, PMSB and the customer entered into a consent order with the following terms:

- the customer agreed not to receive any payment made under the bank guarantee;
- the customer shall pay a sum of RM10 million; and
- both parties agree to refer the disputes to arbitration for final determination.

On 31 July 2019, PMSB received the aforesaid sum of RM10 million.

On 12 November 2019, PMSB issued notices of arbitration to refer all the disputes arising out of the other 5 related contracts to arbitration.

Both parties have appointed the arbitrator and the exchange of pleadings and bundle of documents are completed. The hearing has commenced during the financial year and next hearing will be held in April 2024.

The trade receivable balance and contract assets in relation to the above claim at the reporting date are approximately RM14.98 million and RM14.93 million (2022: RM14.98 million and RM14.93 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Trade receivables (Cont'd)

- (ii) Included in the trade receivables and contract assets of the Group are approximately RM28.99 million and RM14.93 million (2022: RM28.99 million and RM14.93 million) respectively due from customers for contracts under arbitration proceedings. Details are as follows: (Cont'd)

Customer B

On 10 April 2019, PMSB had initiated adjudication proceedings under CIPAA against the customer claiming for total outstanding balance under interim payment certificate of approximately RM10.05 million. PMSB obtained the adjudication decision on 10 August 2019 in its favour for the claimed amount and adjudication costs but the customer had failed to make the aforesaid payment within the timeline given. On 19 September 2019, the customer had filed an originating summons under KL High Court to set aside the adjudication decision whilst on 1 October 2019, PMSB had filed an originating summons under KL High Court to enforce the adjudication decision. All the enforcement, setting aside and stay application were heard on 17 August 2020 which had allowed the Company to enforce the adjudication decision and dismissed the customer's application to set aside the adjudication decision.

On 25 September 2019, PMSB initiated a second adjudication proceeding against the customer for a sum of approximately RM4.77 million in respect of further interim payment certificates. PMSB had obtained an adjudication decision on 10 March 2020 in its favour for the sum of approximately RM3.64 million together with interest and adjudication costs.

On 10 October 2019, the customer issued a notice of arbitration against PMSB to claim approximately RM13.81 million arising from PMSB's alleged delay in completing the awarded project and the sum of RM0.16 million for the costs to remedy the non-conformances and defects.

On 19 March 2021, the customer received a sealed order and a proof of deposit amounting to RM15.14 million was received from the customer's solicitor pursuant to this sealed order from the High Court.

Both parties are in the midst of preparing the Written Submission and Submissions in Reply which are to be submitted in April and May 2024.

The trade receivable balance in relation to the above claim at the reporting date is approximately RM14.01 million (2022: RM14.01 million).

- (iii) The current trade receivables are non-interest bearing and the Group's normal trade credit terms ranging from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customer to customer after taking into consideration their payment track record, financial background, length of business relationship and size of transactions. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Trade receivables (Cont'd)

- (iv) The stakeholders' sums and retention sums which are recoverable upon expiry of defect liability period as provided in the contracts with customers, are expected to be collected as follows:

	Retention sums RM	Group Stakeholder sums RM
2023		
Within one year	22,885,602	563,583
Later than one year	21,625,220	563,582
Total	44,510,822	1,127,165
2022		
Within one year	38,093,931	-
Later than one year	22,910,769	-
Total	61,004,700	-

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	2023 RM	Group 2022 RM
At 1 January	11,052,327	11,224,753
Reversal for the financial year (Note 29) - individually assessed	(593,941)	(172,426)
At 31 December	10,458,386	11,052,327

(c) Other receivables

In the prior financial year, included in the other receivables of the Group are amounts totalling RM1,383,032 due from a corporate shareholder of certain subsidiaries which bear interest at rate of 5.40% per annum. The amount is unsecured, repayable on demand and is to be settled in cash.

(d) Deposits

Included in the deposits of the Group and the Company is the deposit paid to directors of a subsidiary for the acquisition of additional interest in a subsidiary, Skyway Development Sdn. Bhd. amounting to RM1,593,772 (2022: RM1,593,772).

In the prior financial year, included in the deposits of the Group is deposit paid to a company in which certain directors of the subsidiaries have substantial interest in for the acquisition of land amounting to RM905,600.

(e) Prepayments

Included in the prepayments of the Group are the advances paid to suppliers for the acquisition of plant and machinery amounting to RM4,407,747 (2022: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. OTHER INVESTMENTS

	2023 RM	Group 2022 RM
Financial assets at fair value through profit or loss:		
Short term funds		
- redeemable upon 1 day notice	4,347,177	5,363,646

Short term funds comprise money market fund placed with a licensed asset management company.

12. AMOUNTS DUE FROM SUBSIDIARIES

	2023 RM	Company 2022 RM
Non-current	5,340,606	7,926,001
Current	10,471,421	350,681
Less: Allowance for impairment losses	(7,000,000)	–
	3,471,421	350,681
Total non-current and current	8,812,027	8,276,682

Movement in accumulated impairment losses were as follows:

	2023 RM	Company 2022 RM
At 1 January	–	2,704,232
Impairment losses/(Reversal) recognised during the financial year (Note 29)	7,000,000	(2,704,232)
At 31 December	7,000,000	–

Included in the amounts due from subsidiaries are amounts of RM8,812,027 (2022: RM8,276,682) which bear interest at rates of 5.01% to 5.65% (2022: 4.80% to 5.40%) per annum. The non-current portion is not expected to be settled within the next twelve (12) months whilst the current portion is expected to be settled within the next twelve (12) months. These amounts are unsecured, non-trade in nature and are expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. DEPOSITS, CASH AND BANK BALANCES

Group	2023 RM	2022 RM
Cash in hand and at banks	10,218,450	6,593,992
Deposits with licensed banks	13,649,765	1,184,488
	23,868,215	7,778,480

Company

Cash on hand and at banks	5,149	19,932
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(a) Included in cash and bank balances for the Group is an amount of RM41,596 (2022: RM141,665) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which are not available for general use.

(b) The interest rates and maturity period of deposits are as follows:

	2023	Group 2022
Interest rates (%) per annum	4.00% - 8.55%	2.20% - 3.81%
Maturity period (days)	30 - 90	30 - 90

14. SHARE CAPITAL

	Group and Company			
	2023 Number of shares		2022 Number of shares	
	Unit	RM	Unit	RM
Issued and fully paid (no par value):				
At 1 January	776,148,770	402,364,106	836,148,770	433,468,769
Issuance of shares:				
- exercise of Warrants E	140	149	-	-
Cancellation of treasury shares	-	-	(60,000,000)	(31,104,663)
At 31 December	776,148,910	402,364,255	776,148,770	402,364,106

(a) Share Capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. SHARE CAPITAL (CONT'D)

(b) Warrants

Warrants E

By virtue of a Deed Poll executed on 12 March 2018 for the 68,889,075 free detachable Warrants E issued in connection with the rights issue allotted, each Warrants E entitles the registered holder the right at any time during the exercise period from 18 April 2018 to 17 April 2023 to subscribe in cash for one new ordinary share at an exercise price of RM0.94 each.

The salient features of the Warrants E are as follows:

- (i) entitles its registered holder for one (1) free Warrant for every two (2) rights shares subscribed;
- (ii) the Warrants may be exercised at any time within a period commencing on or after the date the Warrants are used and ending at 5pm on the date immediately preceding the fifth anniversary not exercised during the exercise period shall thereafter lapse and cease to be valid; and
- (iii) the new ordinary shares to be issued pursuant to the exercise of the Warrants shall, upon issue and allotment rank pari passu in all respects with the then existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of the allotment of the new ordinary shares arising from the exercise of the Warrants.

The movement of Warrants E during the financial year is as follows:

	Warrant E	
	2023 Units	2022 Units
At 1 January	68,889,075	68,889,075
Exercised	(140)	–
Lapsed	(68,888,935)	–
At 31 December	–	68,889,075

Warrants E lapsed on 17 April 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. TREASURY SHARES

During the financial year, the Company repurchased 8,861,000 (2022: 44,551,600) shares from the open market at an average price of RM0.25 (2022: RM0.21) per share. The total consideration paid for the repurchase was RM2,215,812 (2022: RM9,532,213) and they were financed by internally generated funds.

The movements in treasury shares are as follows:

	Group and Company		
	Number of treasury shares Unit	Cost RM	Average cost per share RM
At 1 January 2022	23,865,749	5,490,089	0.23
Repurchase of treasury shares	44,551,600	9,532,213	0.21
Cancellation of treasury shares	(60,000,000)	(13,250,408)	0.22
At 31 December 2022/1 January 2023	8,417,349	1,771,894	0.21
Repurchase of treasury shares	8,861,000	2,215,812	0.25
At 31 December 2023	17,278,349	3,987,706	0.23

16. OTHER RESERVES

	Exchange reserve RM	Capital reserve RM	Warrants reserve RM	Total RM
Group				
At 1 January 2022	(20,077,703)	244,000	8,597,356	(11,236,347)
Other comprehensive income:				
Foreign currency translation	(453,659)	–	–	(453,659)
At 31 December 2022	(20,531,362)	244,000	8,597,356	(11,690,006)
Other comprehensive income:				
Foreign currency translation	(1,236,745)	–	–	(1,236,745)
Transaction with owners:				
Exercise of Warrants	–	–	(17)	(17)
Lapsed of Warrants	–	–	(8,597,339)	(8,597,339)
At 31 December 2023	(21,768,107)	244,000	–	(21,524,107)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. OTHER RESERVES (CONT'D)

	Warrants reserve RM
Company	
At 1 January 2022/31 December 2022	8,597,356
Transaction with owners:	
Exercise of Warrants	(17)
Lapsed of Warrants	(8,597,339)
At 31 December 2023	–

(a) *Exchange reserve*

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

(b) *Capital reserve*

This capital reserve represents the capitalisation of retained earnings equivalent to the nominal value of the redeemable cumulative convertible preference shares of a subsidiary redeemed by the Company.

(c) *Warrants reserve*

The Company allotted and issued free detachable Warrants E issued in connection with the rights issue allotted constituted under the deed poll dated 12 March 2018.

The salient features of the warrants are disclosed in Note 14(b).

17. LOANS AND BORROWINGS

	2023 RM	Group 2022 RM
Current		
Secured:		
Short term revolving credit (Note 18)	18,541,000	22,000,000
Term loans (Note 19)	–	1,414,296
	18,541,000	23,414,296
Unsecured:		
Bankers' acceptance (Note 18)	–	6,596,000
Short term revolving credit (Note 18)	4,870,000	27,500,000
	23,411,000	57,510,296

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. LOANS AND BORROWINGS (CONT'D)

	2023 RM	Group 2022 RM
Non-current		
Secured:		
Term loans (Note 19)	–	1,532,082
Total Borrowings		
Secured:		
Short term revolving credit (Note 18)	18,541,000	22,000,000
Term loans (Note 19)	–	2,946,378
	18,541,000	24,946,378
Unsecured:		
Bankers' acceptance (Note 18)	–	6,596,000
Short term revolving credit (Note 18)	4,870,000	27,500,000
	23,411,000	59,042,378

18. SHORT TERM BORROWINGS

The secured short term revolving credit amounting to RM18,541,000 (2022: RM22,000,000) bear interest at rates of 4.87% to 4.89% (2022: 4.36% to 4.37%) per annum and are secured and supported by land held for property development as disclosed in Note 4 and corporate guarantee provided by the Company.

The unsecured short term revolving credit amounting to RM4,870,000 (2022: RM27,500,000) bear interest at rates of 4.82% to 5.08% (2022: 3.70% to 4.71%) per annum and are supported by corporate guarantee provided by the Company.

In the prior financial year, the bankers' acceptance amounting to RM6,596,000 bear interest at rates of 3.53% to 4.41% per annum and are supported by corporate guarantee provided by the Company.

19. TERM LOANS

	2022 RM
Group	
Within the next twelve months	1,414,296
After the next twelve months - not later than two years	1,532,082
	2,946,378

In the prior financial year, the term loan bears interest at rate of 4.65% per annum and repayable by 84 instalments. The term loan is secured and supported by land held for property development as disclosed in Note 4 and corporate guarantee provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. LEASE LIABILITIES

	2023 RM	Group 2022 RM
Non-current	430,579	294,361
Current	179,241	116,226
	609,820	410,587

(a) Material accounting policy information

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

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

(b) The incremental borrowing rate implicit in the leases is 11.75% (2022: 7.25%) per annum.

(c) Future minimum lease payments together with the present value of minimum lease payments are as follows:

	2023 RM	Group 2022 RM
Minimum lease payments:		
- not later than one year	231,017	142,182
- later than one year and not later than five years	498,420	319,908
	729,437	462,090
Less: Future finance charges	(119,617)	(51,503)
Present value of minimum lease payments	609,820	410,587
Present value of minimum lease payments:		
- not later than one year	179,241	116,226
- later than one year and not later than five years	430,579	294,361
	609,820	410,587
Less: Amount due within 12 months	(179,241)	(116,226)
Amount due after 12 months	430,579	294,361

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. TRADE AND OTHER PAYABLES

	2023 RM	2022 RM
Group Trade		
Trade payables	67,140,418	56,547,730
Retention sums	30,524,227	63,091,962
	97,664,645	119,639,692
Non-trade		
Other payables	4,643,913	5,380,511
Deposits	2,543,139	10,225,335
Accruals	4,926,357	5,270,146
GST payable	260,358	226,747
	12,373,767	21,102,739
	110,038,412	140,742,431
Company Non-trade		
Other payables	44,445	55,817
Accruals	77,950	110,500
	122,395	166,317

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (2022: 30 to 90 days).

Included in trade payables of the Group are amounts totalling RM379,596 (2022: RM73,842) due to companies in which certain directors have substantial interest in.

The retention sums which are payable upon the expiry of defect liability period as provided in the contracts with sub-contractors are expected to be settled as follows:

	Group Retention sums RM
2023	
Within one year	12,551,344
Later than one year	17,972,883
Total	30,524,227
2022	
Within one year	40,088,435
Later than one year	23,003,527
Total	63,091,962

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. TRADE AND OTHER PAYABLES (CONT'D)

(b) Other payables

Included in other payables of the Group are amounts of RM354,876 (2022: RM230,003) due to a corporate shareholder of certain subsidiaries which are unsecured, bear no interest, repayable on demand and are expected to be settled in cash.

22. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are non-trade in nature, unsecured and are expected to be settled in cash. The amounts due to subsidiaries bear interest at rate of Nil (2022: 4.80% to 5.40%) per annum.

23. PROVISION

	2023 RM	Group 2022 RM
At 1 January	5,856,156	2,400,000
Recognised in profit or loss (Note 29)	–	3,456,156
Reversal during the year (Note 29)	(2,611,101)	–
At 31 December	3,245,055	5,856,156

Provision represents liquidated ascertained damages ("LAD") of construction projects estimated based on the terms of contracts with customers.

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

24. REVENUE

		2023 RM	Group 2022 RM
Revenue from contract customers			
Revenue from construction works	(i)	162,179,167	167,820,133
Revenue from development and completed properties	(ii)	127,094,220	86,278,004
Building management income	(iii)	101,781	185,579
Golf club management	(iii)	3,296,461	3,321,392
Plantation and sales of sand		133,786	153,499
		292,805,415	257,758,607
Revenue from other source			
Rental income	(iv)	1,971,782	1,820,713
		294,777,197	259,579,320

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

(a) Material accounting policy information

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(i) Construction contracts

The Group construct properties and infrastructures under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

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

Billings are issued with a credit term of 30 to 60 days, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of properties and infrastructures based on achieving a series of performance-related milestones.

When another entity assumes the Group's construction services and contractual rights in the customer contract so that the Group is no longer obliged to deliver the construction services to the customer, the revenue for that construction services are not recognised.

The considerations of the contracts include variable consideration as penalty charges are imposed for late completion of work and the Group applies the most likely outcome method in estimating the amount.

Defect liability period from the date of completion which is provided in the contract with customer generally ranging from 12 months to 30 months.

(ii) Revenue from property development and completed properties

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

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

Billings are issued based on the scheduled payments in the contract with credit term of 14 to 90 days, therefore, no element of financing is deemed present.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

(a) Material accounting policy information (Cont'd)

(ii) Revenue from property development and completed properties (Cont'd)

Revenue from sale of properties held for development and completed properties are recognised at a point in time when the control of the properties has been transferred to the customers i.e. upon delivery to purchasers, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the properties held for development and completed properties sold.

The considerations of the contracts include variable consideration as penalty charges are imposed for late completion of work and the Group applies the most likely outcome method in estimating the amount.

Where legal fees are borne by the Group, revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision, if determined to be significant.

For commercial properties, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a certain period as stipulated in the contract after the purchaser takes vacant possession of the property are recognised as a provision, if determined to be significant.

(iii) Building and golf club management income

Revenue from building and golf club management are recognised at a point in time when services are rendered.

Sales are made with a credit term of 30 to 60 days, therefore, no element of financing is deemed present.

(iv) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(b) Significant accounting judgement, estimates and assumptions

(i) Construction revenue

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects.

(ii) Property development revenue

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs as well as any potential liquidated ascertained damages.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

(c) Disaggregation of revenue

The Group reports the following major segments: construction, property development, investment in South Africa, plantation and others. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary geographical markets, major goods or services, timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Construction RM	Property development RM	Investment in South Africa RM	Plantation RM	Others RM	Total RM
Group						
2023						
Primary geographical market:						
Malaysia	225,179,167	59,598,917	–	133,786	101,781	285,013,651
South Africa	–	–	7,791,764	–	–	7,791,764
	225,179,167	59,598,917	7,791,764	133,786	101,781	292,805,415
Major goods or services:						
Construction services	162,179,167	–	–	–	–	162,179,167
Sale of properties	63,000,000	59,598,917	4,495,303	–	–	127,094,220
Management of property and golf club	–	–	3,296,461	–	101,781	3,398,242
Plantation and sales of sand	–	–	–	133,786	–	133,786
	225,179,167	59,598,917	7,791,764	133,786	101,781	292,805,415
Timing of revenue recognition:						
At a point of time	–	34,635,900	7,791,764	133,786	101,781	42,663,231
Over time	225,179,167	24,963,017	–	–	–	250,142,184
	225,179,167	59,598,917	7,791,764	133,786	101,781	292,805,415

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

(c) Disaggregation of revenue (Cont'd)

	Construction RM	Property development RM	Investment in South Africa RM	Plantation RM	Others RM	Total RM
Group						
2022						
Primary geographical market:						
Malaysia	167,787,024	75,669,472	–	153,499	185,579	243,795,574
South Africa	–	–	13,963,033	–	–	13,963,033
	167,787,024	75,669,472	13,963,033	153,499	185,579	257,758,607
Major goods or services:						
Construction services	167,787,024	–	33,109	–	–	167,820,133
Sale of properties	–	75,669,472	10,608,532	–	–	86,278,004
Management of property and golf club	–	–	3,321,392	–	185,579	3,506,971
Plantation and sales of sand	–	–	–	153,499	–	153,499
	167,787,024	75,669,472	13,963,033	153,499	185,579	257,758,607
Timing of revenue recognition:						
At a point of time	–	69,095,687	13,929,924	153,499	185,579	83,364,689
Over time	167,787,024	6,573,785	33,109	–	–	174,393,918
	167,787,024	75,669,472	13,963,033	153,499	185,579	257,758,607

(d) Transaction price allocated to the remaining performance obligations

As of 31 December 2023, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM480.48 million (2022: RM511.90 million) and the Group will recognise this revenue as the properties or construction works are completed, which is expected to occur over the next one (1) to four (4) years (2022: one (1) to four (4) years).

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. COST OF SALES

	2023 RM	Group 2022 RM
Construction costs	180,814,828	153,569,148
Development and property costs	64,917,303	61,728,411
Building management cost	93,681	95,433
Plantation works	101,466	201,356
	245,927,278	215,594,348

26. OTHER INCOME

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Gain on disposal of:				
- property, plant and equipment	337,619	181,425	-	-
- investment properties	-	25,047	-	-
Insurance compensation	13,746	64,944	-	-
Penalty	514,938	344,419	-	-
Rental income:				
- land	1,686,131	1,632,203	-	-
- buildings	3,063,605	1,216,799	-	-
- others	15,000	16,400	-	-
Renovation packages	14,550	9,160	-	-
Sales of scrap	430,078	462,761	-	-
Sundry income	327,739	669,593	72	-
	6,403,406	4,622,751	72	-

27. FINANCE INCOME

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Income from money market funds	31,271	166,339	-	-
Interest income from:				
- subsidiaries	-	-	488,835	379,003
- banks	681,150	425,118	-	-
- others	740,405	3,168,132	-	9
	1,452,826	3,759,589	488,835	379,012

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses				
- lease liabilities	46,185	35,364	-	-
- bank borrowings	1,319,400	3,480,721	38	767
- amount due to subsidiaries	-	-	204,989	841,737
- amount due to shareholders	16,805	-	-	-
- others	213,401	-	-	-
	1,595,791	3,516,085	205,027	842,504

29. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit/(loss) before tax:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- statutory audit:				
- Baker Tilly Monteiro Heng PLT				
• current financial year	305,300	285,000	83,000	77,000
• prior financial years	-	9,850	-	6,500
- Member firm of Baker Tilly International				
• current financial year	67,176	73,059	-	-
• prior financial years	-	17,373	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit/(loss) before tax: (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- other services:				
- Baker Tilly Monteiro Heng PLT				
• current financial year	12,700	12,500	7,000	7,000
• prior financial years	—	(500)	—	—
- Member firm of Baker Tilly International				
• current financial year	17,567	—	—	—
Depreciation of:				
- property, plant and equipment	3,221,691	3,944,080	—	—
- investment properties	503,863	513,684	—	—
Directors' remuneration (Note 31)	5,039,090	4,484,791	152,162	136,412
Employee benefits expense (Note 30)	34,596,690	31,063,063	—	—
Expenses relating to short term lease	1,020,210	947,900	—	—
(Reversal)/Impairment loss of:				
- amounts due from subsidiary (Note 12)	—	—	7,000,000	(2,704,232)
- investments in subsidiary (Note 6)	—	—	250,000	2,699,901
- trade receivables (Note 10)	(593,941)	(172,426)	—	—
Investments in subsidiary written off (Note 6)	—	—	—	164,332
Bad debts written off	10,205	—	—	—
Loss on disposal of property, plant and equipment	—	154,066	—	—
Loss on foreign exchange:				
- unrealised	343,261	157,856	—	—
Property, plant and equipment written off	62,618	595,680	—	—
(Reversal)/Provision of liquidated ascertained damage (Note 23)	(2,611,101)	3,456,156	—	—

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. EMPLOYEE BENEFITS EXPENSE

The employee benefit expenses of the Group excluding directors' remuneration are as follow:

	2023 RM	Group 2022 RM
Wages, salaries and fees	31,180,233	26,380,770
Social security costs	331,507	260,158
Defined contribution plans	2,682,370	2,441,962
Other staff related expenses	402,580	1,980,173
	34,596,690	31,063,063

31. DIRECTORS' REMUNERATION

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Directors of the Company				
Executive				
- salaries, allowances and bonuses	3,051,500	1,723,885	-	-
- defined contribution plans	141,700	123,624	-	-
- others	50,196	33,683	-	-
	3,243,396	1,881,192	-	-
Non-executive				
- salaries and allowances	107,400	107,400	47,400	47,400
- defined contribution plans	9,012	9,012	9,012	9,012
- fees	71,750	60,000	71,750	60,000
- others	24,000	20,000	24,000	20,000
Total	3,455,558	2,077,604	152,162	136,412
Directors of subsidiaries				
Executive				
- salaries, allowances and bonuses	1,389,267	2,202,960	-	-
- defined contribution plans	138,720	134,536	-	-
- others	55,545	69,691	-	-
	1,583,532	2,407,187	-	-
Total	5,039,090	4,484,791	152,162	136,412

The estimated monetary value of benefits-in-kind received and receivable by directors of the Company from the Group amounted to RM43,993 (2022: RM30,625).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax				
- current financial year				
- Malaysian income tax	1,248,900	4,975,117	28,929	-
- Foreign income tax	290,871	233,529	-	-
- prior financial years				
- Malaysian income tax	63,671	(101,703)	-	(2,959)
- Foreign income tax	-	40,233	-	-
	1,603,442	5,147,176	28,929	(2,959)
Deferred tax (Note 8)				
- current financial year	9,508,693	(1,476,186)	-	-
- prior financial years	(1,016,860)	(522,245)	-	-
	8,491,833	(1,998,431)	-	-
Tax expense/(credit)	10,095,275	3,148,745	28,929	(2,959)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year whilst the taxation of the subsidiaries in South Africa is calculated at 27% (2022: 28%).

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation	23,496,659	9,954,468	(7,492,114)	(1,184,557)
Tax at applicable statutory income tax rate of 24% (2022: 24%)	5,639,198	2,389,072	(1,798,107)	(284,294)
Tax effects arising from				
- effect of different tax rate in other country	8,155	78,484	-	-
- non-deductible expenses	540,140	1,220,502	1,827,036	933,310
- non-taxable income	(130,400)	(74,694)	-	(649,016)
Deferred tax assets not recognised	5,025,710	510,211	-	-
Utilisation of previously unrecognised deferred tax assets	(34,339)	(391,115)	-	-
Under/(Over) provision in prior financial years				
- current tax	63,671	(61,470)	-	(2,959)
- deferred tax	(1,016,860)	(522,245)	-	-
Tax expense/(credit) for the year	10,095,275	3,148,745	28,929	(2,959)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

(a) Basic

Basic earnings per share are calculated by dividing the net profit for the financial year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2023 RM	Group 2022 RM
Profit for the financial year attributable to owners/ordinary shareholders of the Company	14,104,143	7,395,252
	Number of shares Unit	Unit
Weighted average number of ordinary shares for basic earnings per share	764,022,952	791,862,667
Basic earnings per share (sen)	1.85	0.93

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year.

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, arising from warrants.

	2023 RM	Group 2022 RM
Profit for the financial year attributable to ordinary shareholders of the Company	14,104,143	7,395,252
	Number of shares Unit	Unit
Weighted average number of ordinary shares for basic earnings per share	764,022,952	791,862,667
Effect of dilution from:		
- Warrants	^	^
Weighted average number of ordinary shares for diluted earnings per share	764,022,952	791,862,667
Diluted earnings per share (sen)	1.85	0.93

^ No dilution effect as the exercise price of warrants was above the average market price.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements other than repurchase of 849,800 ordinary shares from the open market.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. DIVIDENDS

	2023 RM	2022 RM
Group and Company		
First and final single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2022, paid on 26 July 2023	3,814,641	–

At the forthcoming Annual General Meeting, a first and final single tier dividend of 1 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profit in the financial year ending 31 December 2024.

35. CORPORATE AND PERFORMANCE GUARANTEES

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Corporate guarantees to financial institutions for:				
- banking facilities granted to subsidiaries	–	–	52,237,236	133,690,347
Performance guarantees extended to third parties				
- project related	6,077,132	888,591	5,727,132	608,591
	6,077,132	888,591	57,964,368	134,298,938

At the end of the financial year, it was not probable that the counterparties to the corporate guarantee contracts will claim under the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT REPORTING

General Information

The Group identifies its operating segments on the basis of internal reports that are regularly reviewed by the Group Managing Director in order to allocate resources to the segments and assess their performance.

The information reported to the Group Managing Director to make decisions about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current tax assets and deferred tax assets.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current tax liabilities and deferred tax liabilities.

(a) Business segments

The Group operates predominantly in the construction and property development, involving various types of activities as disclosed in Note 6.

During the financial year, the Group identified its plantation activities as a separate business segment, which was previously included in other business segment. Accordingly, the comparative information in business segment reporting also was restated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Construction		Property development		Investment in South Africa		Plantation		Others		Eliminations		Note	Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue															
External sales	225,179	167,787	59,599	75,669	9,674	15,706	134	153	191	264	-	-		294,777	259,579
Inter-segment sales	171,561	111,422	-	-	-	-	-	-	-	-	(171,561)	(111,422)		-	-
Total segment revenue	396,740	279,209	59,599	75,669	9,674	15,706	134	153	191	264	(171,561)	(111,422)		294,777	259,579
Segment results	18,359	4,247	13,145	12,385	821	2,537	(1,073)	(1,203)	(62)	(325)	(6,098)	(4,171)	(b)	25,092	13,470
Results from operating activities	18,359	4,247	13,145	12,385	821	2,537	(1,073)	(1,203)	(62)	(325)	(6,098)	(4,171)		25,092	13,470
Finance costs	(506)	(2,393)	(6,177)	(3,876)	(618)	(575)	(145)	(77)	(230)	(862)	6,080	4,267	(b)	(1,596)	(3,516)
Taxation														(10,095)	(3,149)
Profit net of tax														13,401	6,805
Non-controlling interest														703	590
Net profit attributable to owners of the Company														14,104	7,395
Segment assets	231,745	288,434	531,781	543,803	52,024	56,782	43,681	43,932	57,896	58,017	-	-		917,127	990,968
Current tax assets														3,599	4,378
Deferred tax assets														22,650	31,024
Total assets														943,376	1,026,370

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Construction		Property development		Investment in South Africa		Plantation		Others		Eliminations		Note	Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Segment liabilities	106,111	169,855	51,795	74,276	4,472	5,314	3,112	2,244	620	649	-	-		166,110	252,338
Current tax liabilities														337	1,209
Deferred tax liabilities														2,327	2,186
Total liabilities														168,774	255,733
Capital expenditure	10,154	952	639	571	1,094	12	345	17,685	-	-	-	-		12,232	19,220
Depreciation	2,633	3,468	59	137	480	443	553	410	-	-	-	-		3,725	4,458
Reversal on trade receivables	(594)	(172)	-	-	-	-	-	-	-	-	-	-		(594)	(172)
Non-cash items other than depreciation	1	590	62	6	353	158	-	-	-	-	-	-	(c)	416	754
	(593)	418	62	6	353	158	-	-	-	-	-	-		(178)	582

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT REPORTING (CONT'D)

(b) Reconciliation of segment results are as follow:

	2023 RM'000	2022 RM'000
Elimination of inter-segment finance costs	6,080	4,267
Elimination of inter-segment profits	(12,178)	(8,438)
	(6,098)	(4,171)

(c) Other non-cash items consist of the following:

	2023 RM'000	2022 RM'000
Unrealised loss from foreign exchange	343	158
Bad debts written off	10	–
Property, plant and equipment written-off	63	596
	416	754

(d) Geographical information

The Group's five (5) major business segments are operating in two (2) principal geographical areas. In Malaysia, its home country, the Group is principally involved in the civil engineering, building and road construction works, property development and plantation. In South Africa, the Group is principally involved in civil engineering, construction works, property development and golf management.

	Malaysia		South Africa		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total revenue from external customers	285,103	243,873	9,674	15,706	294,777	259,579
Non-current assets (exclude deferred tax assets and financial assets)	402,218	395,420	29,548	29,578	431,766	424,998

(e) Information about major customers

Six (2022: Six) major customers from construction segment contribute approximately 53% (2022: 64%) of the Group revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group and of the Company include:

- (i) Subsidiaries;
- (ii) Companies in which the directors have substantial controlling interests; and
- (iii) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Related party transactions and balances

Related party transactions other than disclosed elsewhere in the financial statements are shown below. Information on outstanding balances with related parties of the Company are disclosed in Notes 10, 12, 21 and 22.

Group	2023 RM	2022 RM
Transactions with companies in which the directors have substantial controlling interests:		
Purchases of hardware from Mitrajaya Trading Sdn. Bhd., a company in which directors of the Company have substantial interest in	929,397	3,046,106
Mobilisation cost, hire of plant and machinery and transportation charges payable to Pembinaan Segamuda Sdn. Bhd., a company in which a person connected to a director of the Company has substantial interest in	287,941	283,096
Interest receivables by subsidiaries from Gema Padu Sdn. Bhd., a company in which certain directors of the subsidiaries have substantial interest in	(50,945)	(77,024)
Purchases of leasehold land from Nova Systems Sdn. Bhd., a company in which certain directors of the subsidiaries have substantial interest in	–	14,139,157
Purchases of freehold land from Optima Melangit Sdn. Bhd., a company in which certain directors of the subsidiaries have substantial interest in	–	710,499

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. RELATED PARTIES (CONT'D)

(b) Related party transactions and balances (Cont'd)

Group	2023 RM	2022 RM
Purchases of freehold land from Globemax Holdings Sdn. Bhd., a company in which certain directors of the subsidiaries have substantial interest in	–	1,357,572
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Company		
Interest income from:		
- Mitrajaya Construction Sdn. Bhd.	–	(12,293)
- Mitrajaya Development Sdn. Bhd.	(208,857)	(164,513)
- Mitrajaya Homes Sdn. Bhd.	(23,705)	(1,424)
- Mitrajaya Warisan Sdn. Bhd.	(99,056)	(66,571)
- Skyway Development Sdn. Bhd.	(244)	(1,077)
- Eminent Earning Sdn. Bhd.	(13,547)	(19,336)
- Premier Discovery Sdn. Bhd.	(143,426)	(76,836)
- Awana Prisma Sdn. Bhd.	–	(33,749)
- Leo Vista Sdn. Bhd.	–	(1,790)
- Kina-Bijak Sdn. Bhd.	–	(1,414)
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Management fee paid to:		
- Mitrajaya Homes Sdn. Bhd.	104,177	131,355
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Interest expenses paid to:		
- Centennial March Sdn. Bhd.	64,621	75,247
- Mitrajaya Homes Sdn. Bhd.	85,248	103,062
- Pembinaan Mitrajaya Sdn. Bhd.	55,120	652,736
- Kemajuan Sekim Baru Sdn. Bhd.	–	10,692
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

Total compensation of key management personnel comprise:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term employee benefits	5,946,991	5,331,937	143,150	127,400
Post employment benefits	437,860	405,494	9,012	9,012
	6,384,851	5,737,431	152,162	136,412

Other key management personnel comprises persons other than directors of the Company and its subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, either directly or indirectly.

38. CAPITAL COMMITMENT

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Approved and contracted for:				
- Property, plant and equipment	5,420,756	765,678	—	—
- Inventories - property held for development	—	8,147,700	—	—
- Non-controlling interests of a subsidiary	10,666,012	10,666,012	10,666,012	10,666,012
	16,086,768	19,579,390	10,666,012	10,666,012

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Fair value through profit or loss
- (ii) Amortised cost

	Carrying amount RM	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Financial liabilities at amortised cost RM
2023				
Group				
Financial Assets				
Trade and other receivables *	110,236,351	110,236,351	–	–
Other investments	4,347,177	–	4,347,177	–
Deposits, cash and bank balances	23,868,215	23,868,215	–	–
	138,451,743	134,104,566	4,347,177	–
Financial Liabilities				
Loans and borrowings	23,411,000	–	–	23,411,000
Trade and other payables #	109,778,054	–	–	109,778,054
	133,189,054	–	–	133,189,054
2023				
Company				
Financial Assets				
Amount due from subsidiaries	8,812,027	8,812,027	–	–
Deposits, cash and bank balances	5,149	5,149	–	–
	8,817,176	8,817,176	–	–
Financial Liabilities				
Amount due to subsidiaries	7,000,000	–	–	7,000,000
Trade and other payables	122,395	–	–	122,395
	7,122,395	–	–	7,122,395

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	Carrying amount RM	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Financial liabilities at amortised cost RM
2022 Group				
Financial Assets				
Trade and other receivables *	143,625,018	143,625,018	–	–
Other investments	5,363,646	–	5,363,646	–
Deposits, cash and bank balances	7,778,480	7,778,480	–	–
	156,767,144	151,403,498	5,363,646	–
Financial Liabilities				
Loans and borrowings	59,042,378	–	–	59,042,378
Trade and other payables #	140,515,684	–	–	140,515,684
	199,558,062	–	–	199,558,062
Company				
Financial Assets				
Amount due from subsidiaries	8,276,682	8,276,682	–	–
Deposits, cash and bank balances	19,932	19,932	–	–
	8,296,614	8,296,614	–	–
Financial Liabilities				
Amount due to subsidiaries	3,345,581	–	–	3,345,581
Trade and other payables	166,317	–	–	166,317
	3,511,898	–	–	3,511,898

* Down payment paid for acquisition of plant and equipment, acquisition of non-controlling interests of a subsidiary, advances to sub-contractors, prepayments and GST refundable were excluded from trade and other receivables.

GST payable was excluded from trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives

The Group seeks to manage effectively the various risks namely credit, interest rate, liquidity and foreign currency risks, to which the Group is exposed to in its daily operations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

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

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

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

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets

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

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the ageing profile of its trade receivables on an on-going basis. The Group's trade receivables credit risk is mainly concentrated in Malaysia.

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by business segment profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

Trade receivables:

	2023		2022	
	RM	%	RM	%
Group				
Construction	94,406,876	88.7%	118,973,135	85.2%
Property development	11,631,873	10.9%	19,489,060	14.0%
Investment in South Africa	351,758	0.3%	1,135,276	0.8%
Others	–	0.0%	36,551	0.0%
	106,390,507	100.0%	139,634,022	100.0%

Contract assets:

	2023		2022	
	RM	%	RM	%
Group				
Construction	50,037,360	97.8%	71,808,708	100.0%
Property development	1,118,704	2.2%	–	0.0%
	51,156,064	100.0%	71,808,708	100.0%

The Group and the Company apply the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit losses also incorporate forward looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over the settlement period would not materially impact the impairment calculation of the receivables.

The Group assessed the risk of each customer individually based on their financial capacity, past trend of payments and other external information relating to the customers that are publicly available.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about credit risk exposure on the Group's contract asset, operating financial assets and trade receivables are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group 2023			
Contract assets			
Current (not past due)	36,223,129	–	36,223,129
> 90 days past due *	14,932,935	–	14,932,935
Trade receivables			
Current (not past due)	72,398,520	–	72,398,520
1 - 30 days past due	8,530,544	–	8,530,544
31 - 60 days past due	1,148,000	–	1,148,000
61 - 90 days past due	1,335,739	–	1,335,739
> 90 days past due *	22,977,704	–	22,977,704
Credit impaired:			
- Individually assessed *	10,458,386	(10,458,386)	–
	168,004,957	(10,458,386)	157,546,571
2022			
Contract assets			
Current (not past due)	56,875,773	–	56,875,773
> 90 days past due *	14,932,935	–	14,932,935
Non-current trade receivables			
Current (not past due)	3,303,974	–	3,303,974
Trade receivables			
Current (not past due)	91,704,074	–	91,704,074
1 - 30 days past due	7,178,689	–	7,178,689
31 - 60 days past due	1,025,833	–	1,025,833
61 - 90 days past due	1,400,704	–	1,400,704
> 90 days past due *	35,020,748	–	35,020,748
Credit impaired:			
- Individually assessed *	11,052,327	(11,052,327)	–
	222,495,057	(11,052,327)	211,442,730

* Included in trade receivables and contract assets are amounts of RM28,992,442 (2022: RM28,992,442) and RM14,932,935 (2022: RM14,932,935) respectively, due from customers with contracts under arbitration proceedings as disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Deposits with licensed banks, bank balances and other investments are placed with reputable financial institutions with high quality external credit ratings.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

Other than the credit-impaired receivables, the Group and the Company consider the other financial assets to have low credit risk. As at the end of the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

Financial guarantee contacts

The Company is exposed to credit risk in relation to corporate guarantees in respect of bank facilities granted to certain subsidiaries and trade payables of subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks is disclosed in Note 35.

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

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives (Cont'd)

(ii) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group had no substantial long term interest-bearing assets as at 31 December 2023. The investments in financial assets are mainly short term in nature and have been mostly placed in short term funds and bank deposit.

The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. 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.

The Group's primary interest rate risk relates to interest-bearing loans and borrowings as at 31 December 2023.

Interest rate risk sensitivity

An increase in market interest rate by 1% on loans and borrowings of the Group which have floating interest rates at the end of the reporting period would decrease the profit after tax by RM177,924 (2022: RM448,722). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on borrowings of the Group which have floating interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

(iii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying Amount RM	Contractual Cash Flows		
		On demand or within one year RM	One to five years RM	Total RM
Group 2023				
Financial liabilities				
Loans and borrowings	23,411,000	23,411,000	–	23,411,000
Lease liabilities	609,820	231,017	498,420	729,437
Trade and other payables #	109,778,054	109,778,054	–	109,778,054
	133,798,874	133,420,071	498,420	133,918,491

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives (Cont'd)

(iii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. (Cont'd)

	Carrying Amount RM	Contractual Cash Flows		
		On demand or within one year RM	One to five years RM	Total RM
Group 2022				
Financial liabilities				
Loans and borrowings	59,042,378	57,617,160	1,573,638	59,190,798
Lease liabilities	410,587	142,182	319,908	462,090
Trade and other payables #	140,515,684	140,515,684	–	140,515,684
	199,968,649	198,275,026	1,893,546	200,168,572

GST payable were excluded from trade and other payables.

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within one year RM
Company 2023			
Financial liabilities			
Amount due to subsidiaries	7,000,000	7,000,000	7,000,000
Trade and other payables	122,395	122,395	122,395
Financial guarantee contracts *	–	52,237,236	52,237,236
	7,122,395	59,359,631	59,359,631
2022			
Financial liabilities			
Amount due to subsidiaries	3,345,581	3,345,581	3,345,581
Trade and other payables	166,317	166,317	166,317
Financial guarantee contracts *	–	133,690,347	133,690,347
	3,511,898	137,202,245	137,202,245

* The Company has given corporate guarantee to banks and trade payables on behalf of certain subsidiaries. The potential exposure of the financial guarantee contracts is equivalent to the amount of the banking facilities being utilised by the said subsidiaries and outstanding trade payables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and objectives (Cont'd)

(iv) Foreign currency risk

The Group is exposed to currency translation risk arising from its net investments in subsidiaries in South Africa.

The Group does not hedge its investment in South Africa.

(c) Fair values

(i) Determination of fair value

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

- *Deposits, cash and bank balances, trade and other receivables and payables*

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and liabilities.

- *Other investment*

The fair value of short term funds is derived based on their redemption price.

- *Borrowings*

The carrying amounts of bankers' acceptance and short term revolving credits approximate fair values due to the relatively short term maturities of these financial liabilities.

The carrying amounts of long term floating rate loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

(ii) Fair value hierarchy

The table below analyses financial instruments carried at fair value, together with their carrying amounts shown in the statement of financial position.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
Group						
2023						
Financial assets						
Other investments	4,347,177	–	–	4,347,177	4,347,177	4,347,177
2022						
Financial assets						
Other investments	5,363,646	–	–	5,363,646	5,363,646	5,363,646

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, bank borrowings, trade and other payables, less cash and cash equivalents and highly liquid other investments. Total capital represents total equity.

	2023 RM	Group 2022 RM
Loans and borrowings (Note 17)	23,411,000	59,042,378
Lease liabilities (Note 20)	609,820	410,587
Trade and other payables (Note 21) #	109,778,054	140,515,684
Less:		
- Deposits, cash and bank balances (Note 13)	(23,868,215)	(7,778,480)
- Other investments (Note 11)	(4,347,177)	(5,363,646)
Net debt	105,583,482	186,826,523
Total equity	774,602,025	770,637,707
Total equity and net debt	880,185,507	957,464,230
Gearing ratio	12%	20%

GST payable were excluded from trade and other payables.

A subsidiary of the Company is required to maintain certain gearing ratio for its revolving credit and bank guarantee facilities granted by a financial institution.

STATEMENT BY DIRECTORS

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

We, **TAN ENG PIOW** and **TAN MEI YIN**, being two of the directors of MITRAJAYA HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 75 to 144 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

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

.....
TAN ENG PIOW
Director

.....
TAN MEI YIN
Director

Selangor Darul Ehsan

Date: 17 April 2024

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **CHO WAI LING**, being the director primarily responsible for the financial management of MITRAJAYA HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 75 to 144 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
CHO WAI LING
MIA Membership No: 18688

Subscribed and solemnly declared by the abovenamed at Puchong in Selangor on 17 April 2024.

Before me,

.....
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mitrajaya Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 144.

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 financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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 judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Deferred tax assets (Note 8 to the financial statements)

As at 31 December 2023, the Group has recognised deferred tax assets for unutilised tax losses and unabsorbed capital allowances that it believes are recoverable. The recoverability of recognised deferred tax assets is dependent on the Group's ability to generate future taxable profits sufficient to be utilised against the unutilised tax losses and unabsorbed capital allowances.

We focused on this area because judgement is made by the Group in estimating the realisation of these deferred tax assets which is often dependent on future taxable profits and there are inherent uncertainties involved in projecting the amounts.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to understand the performance of the business;
- comparing key inputs used in the profit projections against our understanding gathered from audit procedures performed relating to existing projects and historical results; and
- checking the mathematical computation of the profit projection.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD (CONT'D)

Key Audit Matters (Cont'd)

Trade receivables and contract assets (Note 9 and 10 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 December 2023 which include certain amounts which are long outstanding and/or currently under arbitration proceedings. We focused on this area because the directors made significant judgements on assumptions about the outcome of the arbitration proceedings, which is individually assessed, and the estimated credit losses are individually assessed.

In making assumptions for expected credit loss, the directors assessed the financial capability of the receivables, payment trends, existing market conditions, forward-looking information as well as solicitors' advice for balances which are currently in arbitration proceedings.

Our response:

Our audit procedures included, among others:

- obtaining an understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by the Group and historical payment trend of customers;
- obtaining and reading legal opinion and where necessary, enquiring with the solicitors for significant receivables under arbitration proceedings;
- checking subsequent receipts and the level of activity with the customers and obtaining the Group's explanation on recoverability of receivables with significantly past due balances; and
- checking the calculation of expected credit losses recognised during the financial year.

Revenue recognition for construction and property development activities (Notes 24 to the financial statements)

The revenue of the Group's construction and property development activities are recognised over the period of contract or development by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction or development costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction or development costs incurred and the estimated total construction or development revenue and costs, as well as any potential liquidated ascertained damages ("LAD"). The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on a sample of major projects included, among others:

- understanding the design and implementation of key controls over the Group's process in preparing or updating project budget and the calculation of the stage of completion;
- comparing the Group's major assumptions of identified projects against contractual terms, quotations, variation orders and our understanding gathered from the analysis of changes in the assumptions from previous year;
- obtaining explanation from the Group on the cause of delays, correspondences with customers and corroborating key judgement made by the Group on any potential LAD; and
- checking the mathematical computation of the recognised revenue recognised during the financial year.

Company

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD (CONT'D)

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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD (CONT'D)

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

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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 6 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kuala Lumpur

Date: 17 April 2024

Lee Kong Weng
No. 02967/07/2025 J
Chartered Accountant

SHAREHOLDING ANALYSIS

Issued Shares	:	776,148,910 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
No. of treasury shares held	:	18,128,149 ordinary shares
No. of voting shares	:	758,020,761 ordinary shares

ANALYSIS OF SHAREHOLDINGS AS AT 25 MARCH 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Less than 100	427	6.90	18,673	0.00
100 – 1,000	524	8.47	275,762	0.04
1,001 – 10,000	2,231	36.07	12,791,489	1.65
10,001 – 100,000	2,494	40.32	85,229,809	10.98
100,001 – less than 5% of issued shares	508	8.21	318,056,565	40.98
5% and above of issued share	1	0.02	341,648,463	44.02
Treasury shares	N/A	N/A	18,128,149	2.34
TOTAL	6,185	100.00	776,148,910	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 25 MARCH 2024

(excluding treasury shares)

NO.	NAME	NO. OF SHARES	%
1.	Tan Eng Piow	341,648,463	45.07
2.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Bank Of Singapore Limited	30,000,000	3.96
3.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Khoo Yok Kee	22,553,900	2.98
4.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	22,500,000	2.97
5.	Song Kim Lee	13,500,000	1.78
6.	Aw Eng Soon	13,353,236	1.76
7.	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kok Siew Leng	7,996,257	1.05
8.	Ng Seng Beng	5,602,200	0.74
9.	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Mei Yin	4,797,975	0.63
10.	Pintaras Jaya Bhd	4,561,900	0.60

SHAREHOLDING ANALYSIS (CONT'D)

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 25 MARCH 2024 (CONT'D)

(excluding treasury shares)

NO.	NAME	NO. OF SHARES	%
11.	Tan Mei Wan	4,550,000	0.60
12.	Datin Sri Wong Pui Yoong	4,456,800	0.59
13.	Teo Guan Lee Holdings Sendirian Berhad	4,025,600	0.53
14.	Tan Kia Loke	3,801,945	0.50
15.	Geoffrey Lim Fung Keong	3,171,000	0.42
16.	Melodi Ragam Sdn Bhd	2,806,300	0.37
17.	Khoo Yok Kee	2,277,200	0.30
18.	Kok Yee Meng	2,230,012	0.29
19.	Alliancegroup Nominees (Tempatan) Sdn Bhd Yap Ai Choo	2,187,377	0.29
20.	Khor Keng Saw @ Khaw Ah Soay	2,158,600	0.28
21.	Anchor Point Sdn Bhd	2,125,032	0.28
22.	Kok Siew Leng	2,093,901	0.28
23.	Chen Kin Kuen	2,056,700	0.27
24.	Lau Chuan Aik	1,912,311	0.25
25.	Kok Siew Keng	1,910,050	0.25
26.	Ideal Structure Sdn Bhd	1,906,300	0.25
27.	Choo Yee Ling	1,801,500	0.24
28.	Tan Eng @ Tan Chin Huat	1,740,040	0.23
29.	Wong Choi Kim	1,700,505	0.22
30.	Foo Chek Lee	1,679,566	0.22

SHAREHOLDING ANALYSIS (CONT'D)

SUBSTANTIAL SHAREHOLDERS AS AT 25 MARCH 2024

	Direct Interest	Ordinary Shares %	Indirect Interest	%
Tan Eng Piow	371,648,463	49.03	—	—

DIRECTORS' INTEREST AS AT 25 MARCH 2024

Directors	Direct Interest	Ordinary Shares %	Indirect Interest	%
Tan Eng Piow	371,648,463	49.03	4,550,000	0.60
Tan Mei Yin	4,797,975	0.63	—	—
Cho Wai Ling	28,600	0.00	—	—

The other Directors do not have interest.

SHARES IN RELATED CORPORATION

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Tan Eng Piow is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

LIST OF PROPERTIES

LIST OF MATERIAL PROPERTIES HELD BY MITRAJAYA GROUP AS AT 31 DECEMBER 2023

LOCATION	DESCRIPTION	TENURE	DATE OF EXPIRY	LAND AREA	NET BOOK VALUE RM	DATE OF ACQUISITION
Lot 11535, Lot 11846, Lot 12376, Lot 11517 to 11522 Lot 12374, Lot 11536, Lot 12375 HS (D) 128459A, PT 22682 Mukim Setul, Daerah Seremban, Negeri Sembilan.	Land for development	Leasehold	13.12.2082	252.63 acres	78,713,143	26.05.2017
Geran 322001, Lot 108264 Mukim Dengkil, Daerah Sepang, Selangor.	Commercial land	Freehold	N/A	21.55 acres	56,233,978	26.05.2017
HS(D) 58786, PT870 HS(D) 58787, PT871 PM4593, Lot 19003 Mukim Dengkil, Daerah Sepang, Selangor.	On-going development	Leasehold Leasehold Leasehold	30.12.2092 30.12.2092 25.05.2104	22.28 acres	49,992,859	03.11.2017 03.11.2017 21.07.2017
HS(D) 97248, PT 29 'A' Seksyen 28, Mukim Bandar Petaling Jaya, Daerah Petaling, Selangor.	Industrial land	Leasehold	11.04.2067	9.30 acres	41,947,522	28.08.2009
HS(D) 311924, PT7357 Mukim Pekan Puchong Perdana, Daerah Petaling, Selangor.	Land for Development	Freehold	N/A	14.53 acres	38,298,352	17.05.1999
Geran 25563, Lot 481, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor.	Land for Development	Freehold	N/A	198 acres	29,558,605	19.01.2007

LIST OF PROPERTIES (CONT'D)

LIST OF MATERIAL PROPERTIES HELD BY MITRAJAYA GROUP AS AT 31 DECEMBER 2023 (CONT'D)

LOCATION	DESCRIPTION	TENURE	DATE OF EXPIRY	LAND AREA	NET BOOK VALUE RM	DATE OF ACQUISITION
PN24432, Lot no. 41149 PN24433, Lot no. 41151 PN24436, Lot no. 41879 PN24437, Lot no. 41880 Mukim and District of Bentong, State of Pahang.	Land for Plantation	Leasehold Leasehold Leasehold Leasehold	25.12.2111 25.12.2111 21.01.2113 21.01.2113	264.42 acres	25,629,423	04.01.2021
HS(D) 537316, PTD 199669 Mukim of Pulai District of Johor Bahru, State of Johor	Land for Development	Leasehold	14.02.2107	3.34 acres	21,782,892	22.12.2021
PN24435, Lot no. 41878 PN24434, Lot no. 41147 PN24431, Lot no. 41146 GRN 9120, Lot no. 4352 GM 4678, No. PT12833 Mukim and District of Bentong, State of Pahang.	Land for Plantation and Development	Leasehold Leasehold Leasehold Freehold Freehold	21.01.2113 25.12.2111 25.12.2112 N/A N/A	213.62 acres	17,065,522	16.02.2022
Portion 237 (a Portion of Portion 7) of the farm Knopjeslaagte Number 385, Registration Division J.R. City of Tshwane Metropolitan Municipality, South Africa	Land for Development	Freehold	N/A	215 acres	10,305,786	23.10.2015

Net book value of the development properties are stated at Group land cost together with the related development expenditure incurred to the remaining unsold properties

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty First Annual General Meeting ("31st AGM") of the Company will be held at Mitrajaya Training Centre, B-04-10, Block B, Jalan Prima 5/5, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan on Wednesday, 12 June 2024 at 10.00 a.m. for the following purposes:

AGENDA

- | | | |
|-----|--|--------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon. | |
| 2. | To declare a first and final single tier cash dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2023. | Resolution 1 |
| 3. | To approve the payment of Directors' Fees of RM75,000 to the Non-Executive Directors for the period from 1 July 2023 to 30 June 2024. | Resolution 2 |
| 4. | To approve the payment of allowances of not more than RM155,000 for the period from January 2024 to June 2025. | Resolution 3 |
| 5. | To re-elect the following Directors who are retiring pursuant the Article 129 of the Constitution of the Company: | |
| 5.1 | Tan Eng Piow | Resolution 4 |
| 5.2 | Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim | Resolution 5 |
| 5.3 | Tan Mei Yin | Resolution 6 |
| 6. | To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration. | Resolution 7 |

SPECIAL BUSINESS

7. To consider and if thought fit, pass the following Resolutions:

ORDINARY RESOLUTION

Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

Resolution 8

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit without first offer to holders of existing issued shares of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

ORDINARY RESOLUTION

Resolution 9

Proposed Renewal of Authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company ("Proposed Renewal of Share Buy-Back")

"THAT subject to the provisions under the Companies Act 2016 ("Act"), the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all prevailing laws, rules, regulations, orders and guidelines as well as the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("MHB Shares") 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 the aggregate number of MHB Shares purchased pursuant to this resolution or held as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase;

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back shall not exceed the Company's retained profits account;

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders and guideline and requirements issued by any relevant authorities for the time being in force to deal with any MHB Shares so prescribed by the Company in the following manner:-

- (i) to cancel the MHB Shares so purchased;
- (ii) to retain the MHB Shares so purchased as treasury shares for distribution as share dividends to the shareholders of MHB and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently;
- (iii) to transfer as share award or share consideration; or
- (iv) combination of (i), (ii) and (iii) above;

THAT the authority conferred by this resolution will be effective immediately from the passing of this Ordinary Resolution until:-

- (i) the conclusion of the Company's next Annual General Meeting following the general meeting at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution;
- (ii) the passing of the date on which the Company's next Annual General Meeting is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution that the shareholders pass in general meeting;

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the aforesaid Proposed Renewal of Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by the relevant authorities."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a first and final single tier cash dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2023, if so approved at the Thirty First Annual General Meeting, will be paid on 24 July 2024 to Shareholders whose names appear in the Records of Depositors at the close of business on 28 June 2024.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 28 June 2024 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

LEONG OI WAH (MAICSA 7023802)
SSM Practicing Certificate No. 201908000717
Company Secretary

30 April 2024

Notes:

1. A member entitled to attend and vote at the 31st AGM is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead.
2. When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.
5. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 31st AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
6. Depositors who appear in the Record of Depositors as at 4 June 2024 shall be regarded as Members of the Company entitled to attend the 31st AGM or appoint a proxy to attend and vote on his behalf.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes

1. Ordinary Resolutions No. 4, 5 and 6

For the purpose of determining the eligibility of the Directors to stand for re-election at the 31st AGM, the Board through its Nomination and Remuneration Committee had assessed Mr Tan Eng Piow, Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim and Ms Tan Mei Yin (collectively "the Retiring Directors"). The Retiring Directors were assessed on their performance and understanding of the Group's business. Their active participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. No circumstances have arisen in the past year to impair the independent judgement of Retiring Directors on matters brought for Board discussion and they have always acted in the best interest of the Company as a whole.

Based on the wealth of experience of the Retiring Directors and the skills that they can bring to the Company, the Board views that their re-election would bring benefits to the Company.

Based on the above, the Board supports the re-election of the Retiring Directors.

2. Ordinary Resolution No. 8

The General Mandate to allot and issue shares, if passed, will give authority to the Directors of the Company, from the date of the AGM, to allot and issue shares or to make or grant offers, agreements or options in respect of shares to such persons, in their absolute discretion including to make or grant offers, agreements or options which would or might require shares in the Company to be issued after the expiration of the approval, without having to convene a general meeting, provided that the aggregate number of shares issued does not exceed 10% of the total number of issued shares of the Company for the time being.

The Board is of the view that the General Mandate is in the best interest of the Company and its shareholders as the Company may need to undertake a fund-raising exercise expediently and for larger amount of proceeds to be raised to counter any potential bearish market price of the Company's shares.

The tabling of the General Mandate at the 31st AGM is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this General Mandate is for possible fund-raising exercises including but not limited to placement of shares for purpose of funding of working capital, capital expenditures, settlement of trade and non-trade creditors, repayment of banking facilities or as consideration for strategic investments.

The General Mandate approved at the 30th AGM was not used.

3. Ordinary Resolution No. 9

Please refer to the Statement to Shareholders dated 30 April 2024.



MITRAJAYA HOLDINGS BERHAD
Registration No. 199301013519 (268257-T)

FORM OF PROXY

I/We,.....(NRIC/ Co. No

of

being a *member/members of **MITRAJAYA HOLDINGS BERHAD** hereby appoint

.....(NRIC/ Co. No

of

and(NRIC/ Co. No

of

or the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty First Annual General Meeting ("31st AGM") of the Company to be held at Mitrajaya Training Centre, B-04-10, Block B, Jalan Prima 5/5, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan on Wednesday, 12 June 2024 at 10.00 a.m. and at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:-

	Resolutions	For	Against
Ordinary Resolution 1	To declare a first and final single tier cash dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2023.		
Ordinary Resolution 2	To approve the payment of Directors' Fees for the period from 1 July 2023 to 30 June 2024.		
Ordinary Resolution 3	To approve the payment of allowances for the period from January 2024 to June 2025.		
Ordinary Resolution 4	To re-elect Tan Eng Piow as Director.		
Ordinary Resolution 5	To re-elect Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim as Director.		
Ordinary Resolution 6	To re-elect Tan Mei Yin as Director.		
Ordinary Resolution 7	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.		
Ordinary Resolution 8	To approve the authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	To approve the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company.		

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion).

Dated this..... of.....2024

.....
[Signature/Common Seal of Shareholder(s)]
[*Delete if not applicable]

CDS Account No.	
Number of shares	



Notes:

1. A member entitled to attend and vote at the 31st AGM is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead.
2. When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
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AFFIX
STAMP

MITRAJAYA HOLDINGS BERHAD

Registration No. 199301013519 (268257-T)

No. 9, Blok D

Pusat Perdagangan Puchong Prima

Persiaran Prima Utama

Taman Puchong Prima

47150 Puchong

Selangor Darul Ehsan

Malaysia

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MITRAJAYA HOLDINGS BERHAD

Registration No. 199301013519 (268257-T)

NO. 9, BLOK D, PUSAT PERDAGANGAN PUCHONG PRIMA
PERSIARAN PRIMA UTAMA, TAMAN PUCHONG PRIMA
47150 PUCHONG, SELANGOR DARUL EHSAN

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