TUJU SETIA

builder of choice

TUJU SETIA BERHAD
Registration No. 202001005607 (1361927-V)

Annual Report 2022

COVER RATIONALE

As our name indicates, Tuju Setia Berhad is committed to advancing forward and steadfast in upholding the trust of reputable clients as the Builder of Choice. We render our best efforts in transforming blueprints into reality; harnessing our expertise in value engineering and adopting advanced technologies to bring about the desired outcome.

3rd Annual General Meeting of Tuju Setia Berhad

Kuala Lumpur
Golf & Country Club,
Banquet Hall,
No. 10, Jalan 1/70D,
Bukit Kiara,
60000 Kuala Lumpur

Thursday
8 June 2023

9.00 a.m.

Scan to view our Annual Report 2022

INSIDE THIS REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj
Independent Non-Executive Chairman

Wee Eng Kong
Managing Director

Wee Beng Chuan
Executive Director

Dato' Wee Beng Aun
Non-Independent Non-Executive Director

Datin Seri Raihanah Begum binti Abdul Rahman
Independent Non-Executive Director

Loo Ming Chee
Independent Non-Executive Director

Nor Adha bin Yahya
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Nor Adha bin Yahya
Chairman

Datin Seri Raihanah Begum binti Abdul Rahman
Member

Loo Ming Chee
Member

NOMINATION AND REMUNERATION COMMITTEE

Loo Ming Chee
Chairman

Datin Seri Raihanah Begum binti Abdul Rahman
Member

Nor Adha bin Yahya
Member

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143)
(SSM PC No. : 202008001023)

Tia Hwei Ping
(MAICSA 7057636)
(SSM PC No. : 202008001687)

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

Hong Leong Bank Berhad

HSBC Bank Malaysia Berhad

United Overseas Bank (Malaysia) Bhd

EXTERNAL AUDITORS

KPMG PLT
(LLP0010081-LCA & AF0758)

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Telephone No. : (03) 7890 4700
Facsimile No. : (03) 7890 4670

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Telephone No. : (03) 7890 4800
Facsimile No. : (03) 7890 4650

HEAD OFFICE

No. 31-1, Jalan Puteri 4/8
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan
Malaysia

Telephone No. : (03) 8066 8800
Facsimile No. : (03) 8066 8777
Email : enquiry@tujusetia.my
Website : www.tujusetia.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Listing Date : 19 May 2021
Stock Name : TJSETIA
Stock Code : 5297

CORPORATE PROFILE

Tuju Setia Berhad ("Tuju Setia") was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") under the construction sector since 19 May 2021.

OUR VISION

To Be The Builder Of Choice

OUR MISSION

To Achieve High Client Satisfaction Rating Through Performance

Quality Control And Assurance At Every Stage of Works

Timely Completion For All Projects

Excel In Cost Management And Control

Since commencement in 2006, Pembinaan Tuju Setia Sdn Bhd ("PTS"), a wholly-owned subsidiary of Tuju Setia, provides construction services as a main contractor with experience in high-rise commercial, residential, and institutional buildings, as well as design & construction of hospitals.

PTS is accredited with:

ISO 9001:2015 Quality Management System for the provision of project management for construction of buildings and engineering works

QLASSIC (Quality Assessment System in Construction)

CONQUAS (Construction Quality Assessment System) quality certification

SHASSIC (Safety and Health Assessment System) assessment for health and safety performance.

On top of that, PTS is a Grade G7 contractor registered with the Construction Industry Development Board (CIDB) of Malaysia, allowing us to undertake projects with unlimited value. Additionally, PTS is registered under Category B29 to undertake construction of hospitals and healthcare facilities.

With the Sijil Perolehan Kerja Kerajaan, PTS is able to participate in tenders for Government projects.

CORPORATE PROFILE

CORPORATE STRUCTURE

TUJU SETIA
builder of choice

Tuju Setia Berhad
Registration No. 202001005607
(1361927-V)

100%

Pembinaan Tuju Setia Sdn Bhd
Registration No. 200501029302
(711437-P)

CONSTRUCTION

We have completed notable mixed development projects, including, Lakeside Condominiums (South Towers) at Emerald Hills, Mutiara Central Office Suites, SetiaWalk, Setia Sky Residences (Celeste & Divina Towers), TWY Mont Kiara, and St. Joseph's Institution International School Malaysia; as well as residential projects such as Grand Medini Residence, Idaman Residence, and PPAM (Perumahan Penjawat Awam Malaysia) Sofiya Residensi in Desa ParkCity, Kuala Lumpur.

Our core competencies include:

- **Value Engineering**
  Our in-house civil and structural, as well as mechanical and electrical engineering expertise allows us to offer value engineering such as providing alternative designs on certain parts of the building construction to fulfil clients' objectives.
- **Design and Construction of Hospitals and Healthcare Facilities**
  We are registered with CIDB under category B29, which permits us to undertake construction of hospitals and healthcare facilities, as well as procurement and installation of Group 1 medical equipment such as diagnostic imaging system, operating room equipment and dental equipment.
- **Industrialised Building System ("IBS")**
  We employ IBS techniques comprising the use of aluminium formwork system for cast in situ construction, and prefabricated concrete components manufactured on-site and off-site. We also use prestressed concrete slab fabricated on-site, which allow for longer spans of up to 13.5 metres between columns for our building construction.
- **Building Information Modelling ("BIM")**
  We utilise this three-dimensional digital platform to integrate the planning, scheduling, costing, procurement, design, specification, construction and facility operation data and information required to simulate the physical construction of the project.

FINANCIAL HIGHLIGHTS

Financial Year Ended ("FYE") 31 December 2022

For FYE 31 December (RM' 000)	2018 [1]	2019 [1]	2020 [1]	2021	2022
FINANCIAL RESULTS					
Revenue	327,794	421,635	255,768	245,773	393,302
Profit Before Taxation	12,430	21,550	21,794	11,144	(44,895)
Profit After Taxation	8,895	15,551	16,268	8,277	(33,535)
FINANCIAL POSITIONS					
Total Assets	241,934	231,219	189,281	306,510	381,191
Total Liabilities	213,592	187,326	135,121	199,891	309,691
Net Assets	28,342	43,893	54,160	106,620	71,500
FINANCIAL RATIOS					
Net Assets per share [2] (sen)	8.9	13.9	17.1	33.7	22.6
Basic Earnings per share [3] (sen)	2.8	4.9	5.1	2.6	(10.6)
Net Gearing [4] (Times)	Net Cash	Net Cash	Net Cash	Net Cash	0.28

Notes:

(1) Tuju Setia Berhad ("Tuju Setia" or the "Group") was incorporated on 18 February 2020 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 19 May 2021. The combined financial statements shown (for comparison purposes) on the basis of combined group i.e, the Group completed the acquisition of its subsidiary, Pembinaan Tuju Setia Sdn Bhd on 31 March 2021 and is assumed to be under common control prior to the Acquisitions.

(2) Net Assets per share is calculated based on Net Assets divided by the issued share capital of 316,828,700 ordinary shares.

(3) Basis Earning per share is calculated based on PAT divided by the issued share capital of 316,828,700 ordinary shares.

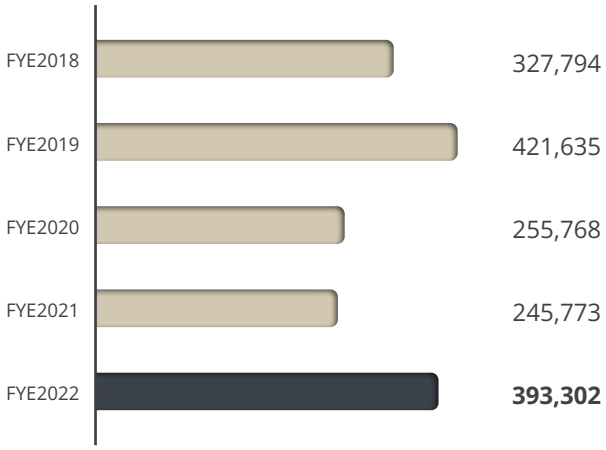
(4) Total Borrowings minus Cash and Cash Equivalents, divided by Shareholders' Equity

FINANCIAL HIGHLIGHTS

Financial Year Ended ("FYE") 31 December 2022

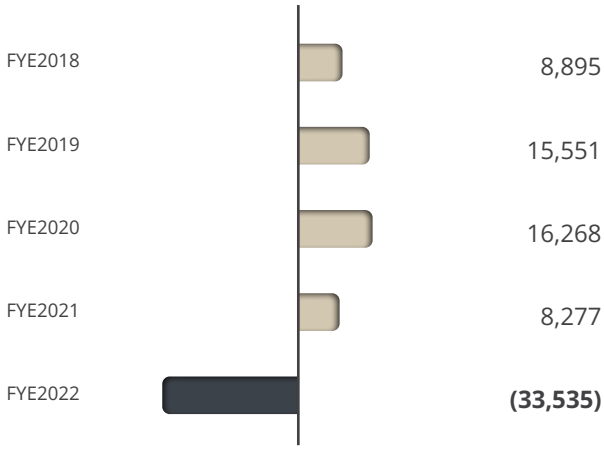
REVENUE

(RM' 000)



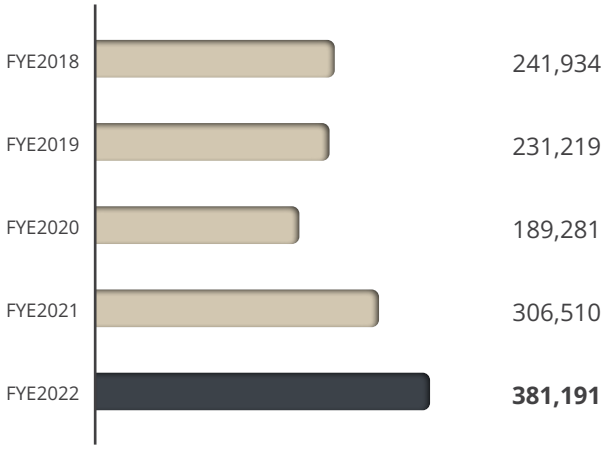
PROFIT/(LOSS) AFTER TAX

(RM' 000)



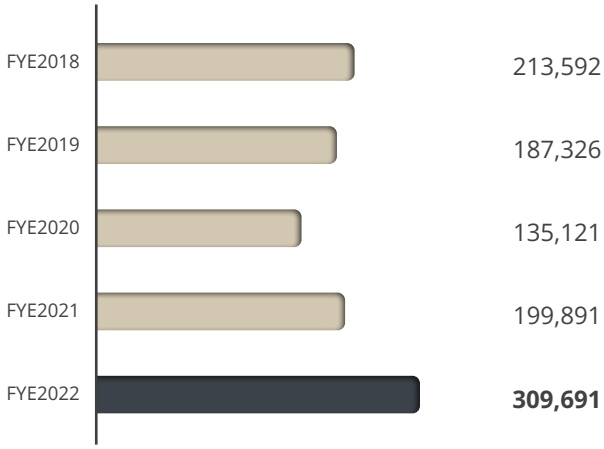
TOTAL ASSETS

(RM' 000)



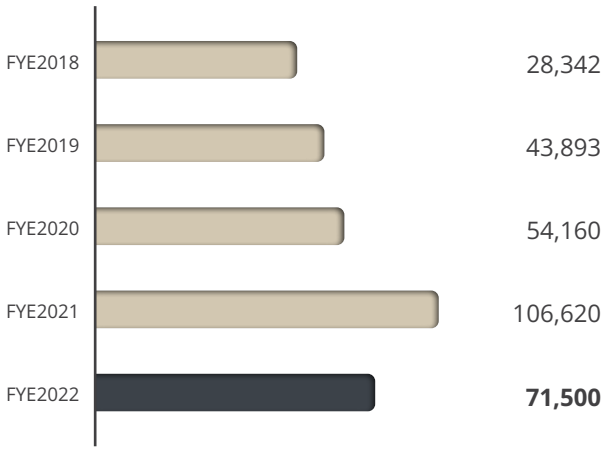
TOTAL LIABILITIES

(RM' 000)



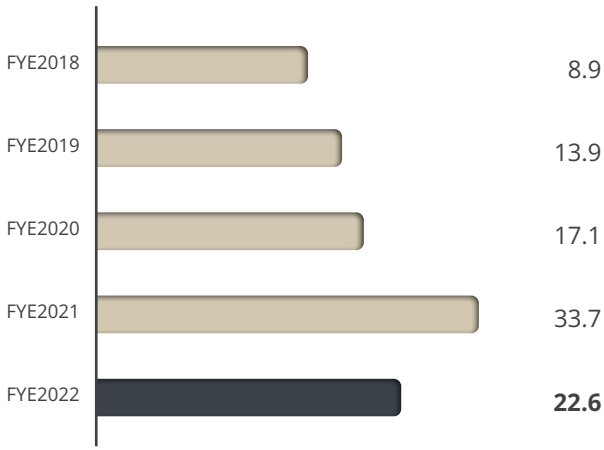
TOTAL EQUITY

(RM' 000)



NET ASSETS PER SHARE

(RM' 000)



CHAIRMAN'S STATEMENT

Dear esteemed shareholders,

In 2022, the construction sector experienced one of the most challenging times, having to deal with elevating building material prices and labour supply shortage. In this unprecedented time, Tuju Setia Berhad ("Tuju Setia" or "the Group") recorded the first loss in our corporate history for the financial year ended 31 December 2022 ("FYE2022"), despite achieving a higher revenue from normalisation of construction activities after the COVID-19 pandemic restrictions were lifted. Notwithstanding the difficult time, the Group achieved high quality score and timely completion of our projects in the year consistent with previous years.

On behalf of the Board of Directors of Tuju Setia Berhad ("Tuju Setia" or "the Group"), I hereby present the Annual Report and Audited Financial Statements for FYE2022.

Mutiara Central

ECONOMIC REVIEW

The Russia-Ukraine tensions in February 2022 created economic and financial turmoil of global scale, causing the prices of commodities, such as crude oil, natural gas, and steel to rise relentlessly.

According to the International Monetary Fund ("IMF"), the global Gross Domestic Product ("GDP") saw a 3.4% lower growth in 2022, from 6.0% growth a year ago, due to global inflationary pressures and lower economic activities.

Meanwhile, Malaysia has transitioned to the endemicity phase since April 2022, allowing businesses and the construction industry to resume works in earnest. The Malaysian GDP grew 8.7% in 2022, from 3.1% in 2021, according to Bank Negara Malaysia.

However, the construction sector was impacted by challenges such as escalating building material prices resulted from increasing commodity and energy costs, and acute labour shortage caused by the foreign worker hiring freeze from June 2020 to August 2022. Nonetheless, the reopening of Malaysia's economic activities led value of work done in the construction sector to grow by 8.8% in 2022, from negative 5.0% in 2021.

CHAIRMAN'S STATEMENT

OPERATION AND FINANCIAL HIGHLIGHTS

In FYE2022, Tuju Setia continued to deliver quality works and completed 2 projects in Cheras, Kuala Lumpur, namely Mutiara Central, and Lakeside Condominium (South Towers) at Emerald Hills.

We also achieved 80.8% marks under the BuildQAS (Building Quality Assessment System) standards for Lakeside Condominium (South Towers). This credential not only acknowledges our building quality but also helps us stand out in our tenders for new projects.

Additionally, the Group secured 2 projects with total worth of RM521.0 million in FYE2022. These wins enabled the Group to maintain a strong order book of RM1.5 billion as at 31 December 2022, which will be recognised in the next 3 to 4 years.

With the gradual normalisation of construction activities in the year, we achieved a revenue of RM393.3 million for the year as compared to RM245.8 million for FYE2021 and RM255.8 million for FYE2020; the improvement commensurates with our pre-pandemic works momentum of RM421.6 million for FYE2019 which set our pace for FYE2023 and beyond.

DIVIDEND

Tuju Setia has a dividend policy to distribute at least 25% of our annual profit after tax to shareholders, subject to various factors, such as reservation of funds and operating cash flow requirements.

Due to the challenging year and loss recorded, the Board of Directors have decided to not declare dividends for FYE2022, as it is essential to ensure there are sufficient funds to maintain the Group's business operations.

FORWARD OUTLOOK

The IMF World Economic Outlook in its January 2023 report forecasted global growth to moderate to 2.9% from 3.4% expansion in 2022, due to the continued global inflationary impact on the world commodity prices. The ongoing geopolitical tensions in Europe are not helping to ease the price volatility.

Bank Negara Malaysia is projecting Malaysia's GDP to expand between 4.0% and 5.0% in 2023, supported by firm domestic demand amid continued improvements in the labour market.

In addition to the growth optimism, the recent approval of the revised Budget 2023, of which RM99 billion allocated to development expenditure would provide the additional support to the construction sector.

Notably, the Government also allocated RM36.3 billion from the budget to the Ministry of Health to improve the nation's healthcare including constructing of new hospitals and expansion of existing hospitals and healthcare facilities. The budget allocation for the healthcare sector would give Tuju Setia opportunities to pursue new hospital and healthcare facility projects.

With the projected GDP growth, the Group anticipates to leverage on its reputation of quality and timely delivery to secure the anticipated growth in high-rise and industrial buildings.

APPRECIATION

I wish to express my deep gratitude to Tuju Setia's Board of Directors, management, and all of our employees for their dedication to our company's aspirations for growth. With your help, we've been able to stay on course to our vision to maintain our position as the builder of choice.

I also wish to acknowledge the valuable roles played by our clients, and business associates in our success, as well as my thanks to our shareholders that continued to have confidence in Tuju Setia.

Yang Amat Mulia Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

SetiaSky Residence – Divina

Dear valued shareholders,

In 2022, the construction sector in Malaysia was faced with challenges, as building materials including cement, steel, and concrete experienced increasing prices due to the fluctuations in global commodity market resulting from geopolitical tension in Europe. The construction sector also encountered higher operating costs from rising wages due to the acute shortage of foreign workers, caused by the prolonged hiring freeze for the past 2 years since the COVID-19 pandemic started in 2020.

However, Tuju Setia endured to ensure the ongoing projects were still on track for completion. The Group was able to onboard new foreign workers to improve our construction efficiency, as well as securing RM521.0 million new wins from existing customers.

I hereby present to you the financial and operational performance for the year ended 31 December 2022 ("FYE2022"), as well as the growth strategies and potential risks as we head into the financial year ending 31 December 2023 ("FYE2023").

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONS OVERVIEW

Secured RM521.0 million new wins

Tuju Setia secured 2 contracts in total worth RM521.0 million in 2022, continuing to establish our presence in the construction sector as professional high-rise builders. These 2 wins were awarded by existing customers, namely the subsidiaries of Sunway Berhad and GuocoLand (Malaysia) Berhad. We continued to obtain new project wins from reputable developers.

FYE2022 new wins:

JERNIH RESIDENCE

DEVELOPER
Daksina Harta Sdn Bhd
(Joint venture of Sunway Bhd and MKH Bhd)

PROJECT VALUE
RM257.0 million

LOCATION
Bandar Kajang, Selangor

SECURED IN
June 2022

EMERALD 9 (PHASE 2)

DEVELOPER
GLM Emerald Square (Cheras) Sdn Bhd
(subsidiary of GuocoLand (Malaysia) Bhd)

PROJECT VALUE
RM264.0 million

LOCATION
Cheras, Selangor

SECURED IN
December 2022

Construction works remain on track

As at 31 December 2022, our RM1.5 billion order book included ongoing projects namely, Riana Dutamas – Phase 2, Lakeside Condominium (North Towers), 121 Residences, The Pulse Residence, One Equine, TUAI Residence, Sunway d'hill Residence, and the Kajang Women and Children Hospital. Meanwhile, newly secured contracts in 2022 are Jernih Residence, and Emerald 9 (Phase 2).

The projects are progressing smoothly and are expected to complete within the next three to four years.

Kajang Women and Children Hospital

Riana Dutamas II, Segambut

121 Residence, Petaling Jaya

TUAI Residence, Setia Alam

Sunway d'hill Residence, Kota Damansara

The Pulse Residence, Bandar Puteri Puchong

Meanwhile, we successfully completed works for Lakeside Condominium (South Towers) in January 2022 and Mutiara Central in October 2022, both located in Cheras, Kuala Lumpur. We scored 80.8% under BuildQAS for Lakeside Condominium (South Towers).

Lakeside Condominium @ Emerald Hills, Cheras

Mutiara Central, Cheras

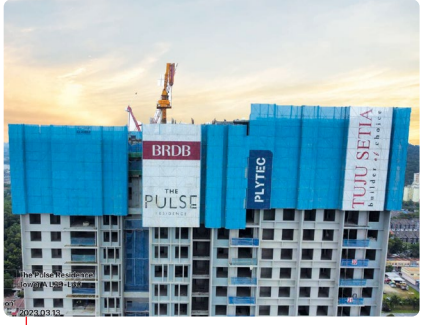
MANAGEMENT DISCUSSION & ANALYSIS

Enhance construction capabilities with new equipment and machinery

In FYE2022, the Group invested RM30.2 million, utilising funds from our listing proceeds, internally generated funds, and borrowings, to purchase new equipment and machinery to enhance our construction efficiency and work safety. These additional equipment and machinery will put us in better position during tender processes for new projects.

Sunway d'hill Residence, Kota Damansara

121 Residence, Petaling Jaya



The Pulse, Bandar Puteri Puchong

FINANCIAL OVERVIEW

Tuju Setia was able to record higher revenues from increased productivity in FYE2022. However, our profitability was impacted by higher building material and operating costs.

Statements of Profit or Loss and Other Comprehensive Income

Since the nation's transition to the endemic phase in April 2022, the Group was able to carry out works at a faster pace for our projects, which led our revenue in FYE2022 to increase by 60.0% to RM393.3 million versus RM245.8 million in the previous financial year ended 31 December 2021. However, due to the impact of rising building material and operating costs, we recorded loss before tax of RM44.9 million and loss after tax of RM33.5 million, in comparison to profit before tax of RM11.1 million and profit after tax of RM8.3 million a year ago.

Statement of Financial Position

Despite the challenges faced by Tuju Setia, the Group continued to safeguard our financial position by ensuring adequate cashflow while carrying out construction works for the ongoing projects. In FYE2022, Tuju Setia's total assets saw a 24.4% increase to RM381.2 million versus RM306.5 million previously, mainly on higher right-of-use assets, trade and other receivables and contract assets.

Meanwhile, the Group's total liabilities in FYE2022 rose 54.9% to RM309.7 million from RM199.9 million previously, primarily due to increased lease liabilities, borrowings and higher trade and other payables in line with the increased work volume.

Shareholders' equity decreased 32.9% to RM71.5 million from RM106.6 million previously, on decreased retained earnings arising from the Group's loss after tax in FYE2022.

The Group's net gearing position in FYE2022 was at 0.28 times versus net cash previously, due to the higher lease liabilities and borrowings, in addition to decreased shareholders' equity.

GROWTH STRATEGIES

Tuju Setia's long-term vision is to maintain our reputation as the builder of choice for our reputable clientele. Our expansion strategies going forward are:

To selectively tender for new jobs

As at 31 December 2022, Tuju Setia's tenders stood at RM3.0 billion comprising high-rise buildings, hospitals and healthcare facilities, and industrial buildings.

The Group will continue to adopt a prudent approach in selecting projects to secure more new wins from our tenders to build on our RM1.5 billion order book as at 31 December 2022. Our established track records in delivering timely completion and good quality works served as a reference for potential new clients.

The Group is also working to make inroads to the nation's growing industrial building sector. This new segment will provide us project diversity and enhance our growth. Additionally, in line with the Government's revised Budget 2023 for healthcare sector, the Group is set to leverage on our expertise in design and build of hospital and healthcare facilities to increase our order book in this sector.

Increase efficiency and cost control

Under the current challenging time, optimisation of work efficiency and productivity and cost control is an integral part of our growth strategy. The Group is continuously working to improve and streamline our work processes, upskilling our staff, optimise assets utilisation, implement stringent budgetary control to propel our growth.

Menara TCM, Kuala Lumpur

RISKS

Tuju Setia is mindful of the risks that can possibly have a material impact on our operation and growth performance. Circumspect of the risks, we are committed to look for solutions to mitigate them effectively.

The key risks that have been identified by the Group are presented as follows:

Rising costs of building materials and global economic impacts

Building materials such as steel reinforcing bar, cement, and concrete are exposed to global commodity price fluctuations influenced by supply and demand. For example, global supply chain disruptions caused by the ongoing COVID-19 pandemic and the Ukraine-Russian tensions have heightened the prices of various metals and crude oil, which can lead to inflationary pressures globally.

Tuju Setia strives to lessen the impact of rising material costs by providing value engineering solutions through alternative designs on construction projects.

Shortage in labour supply

The construction sector is a labour intensive industry, in which the availability of labour in the market is crucial. For example, the construction sector saw lower productivity and higher labour cost due to the foreign labour hiring freeze from June 2020 to August 2022.

Tuju Setia has obtained approvals for the direct recruitment of foreign workers to expedite work volume to ensure timely delivery of projects. Tuju Setia has also increased the use of industrial building system to increase operational efficiency and reduce the dependency on labour.

Intense competition in construction sector

Intense competition in the construction sector may adversely inflict pricing and profitability of projects, if our peers engage in aggressive tender pricing. Apart from that, construction capabilities are also measured by track record, technology advancement of machinery and manpower to support operations.

Tuju Setia's management have long history of impeccable track record and reputation in the industry to lead the operations while the Group has more than 15 years credential with wide portfolio across commercial, institutional, residential buildings, and hospital and healthcare facilities. Our completed works have an aggregated value of RM2.9 billion, and we are supported by our strong list of clienteles of reputable property developers.

The Group implements value engineering to optimise costs of our customers' projects, as well as adopts industrial building systems and building information modelling to manage our building quality consistently and maintain timely work delivery.

APPRECIATION

We wish to convey our gratitude to the Board of Directors, management team, and our staff members for their dedication to Tuju Setia despite the difficult circumstances.

Additionally, I would like to give thanks to our clientele, our business partners and our shareholders for continuing to trust in us. We will strive towards a recovery and get back on the growth track.

Sincerely,

Wee Eng Kong
Managing Director

PROFILE OF BOARD OF DIRECTORS

YAM TENGKU DATUK SERI AHMAD SHAH ALHAJ IBNI ALMARHUM SULTAN SALAHUDDIN ABDUL AZIZ SHAH ALHAJ

Independent Non-Executive Chairman

Appointed on 12 August 2020

Male • Age 68 • Malaysian

QUALIFICATION

Diploma in Business Administration from Universiti Teknologi MARA

He started his career in Charles Bradburne (1930) Sdn Bhd as a stock broker from 1974 to 1981. Since 1981 up till today he has been a director of various public and private companies. Notably, he was a Director of TTDI Development Sdn Bhd from 1978 to 2000, Sime UEP Berhad from 1983 to 1987, and Tractors Malaysia Holdings Berhad from 1987 to 2007. He was also an Independent Non-Executive Chairman of Subang Jaya Medical Centre Sdn Bhd from 1987 to 2013, an Independent Non-Executive Director of Sime Darby Healthcare Sdn Bhd from 2010 to 2013.

Presently, he is an Independent Non-Executive Director of Sime Darby Property Berhad, Dutaland Berhad and Mycron Steel Berhad, all of which are public listed companies on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He is involved in various welfare organisations and is a member of the Board of Trustees of Cancer Research Malaysia since 2008.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by the regulatory bodies during the financial year. He attended 5 out of 5 board meetings in Year 2022.

WEE ENG KONG

Managing Director

Appointed on 18 February 2020

Male • Age 62 • Malaysian

QUALIFICATION

- Bachelor of Engineering (Civil Engineering) degree, University of Sydney, Australia
- Master of Engineering Science degree, University of Sydney, Australia
- Master of Business Administration (International Business) degree, Universiti Putra Malaysia

He is the co-founder of Pembinaan Tuju Setia Sdn Bhd and has more than 30 years of experience in civil and structural engineering consultancy, project management, property development and construction. Over the years, he was involved in the foundation and structural design of numerous high-rise buildings. He was also involved in project and development management of some significant developments for high-rise apartments, hospitals, schools, shopping malls and commercial office towers.

He has no family relationship with any Director. He is a major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year. He attended 5 out of 5 board meetings in Year 2022.

PROFILE OF BOARD OF DIRECTORS

WEE BENG CHUAN
Executive Director

Appointed on 12 August 2020

Male • Age 61 • Malaysian

QUALIFICATION
Fellow of Association of Chartered Certified Accountants, Member of Malaysian Institute of Accountants

He has more than 30 years of experience in accounting and audit services in a wide range of companies which include public listed companies and multinationals in various industries, including manufacturing of industrial products, consumer products and services, plantation, property development and construction, transportation and logistics and was an audit partner of KPMG Malaysia from 2003 to 2017. He is also an experienced reporting accountant who has worked on numerous Initial Public Offerings and various fund-raising exercises in the Capital Market.

Presently, he is an Independent Non-Executive Director of QL Resources Berhad and V.S Industry Berhad, both are public listed companies on the Main Market of Bursa Securities. He also is an Independent Non-Executive Director of I-REIT Managers Sdn Bhd (Manager of AME REIT).

He is the sibling of Dato' Wee Beng Aun, major shareholder and Non-Independent Non-Executive Director of Tuju Setia Berhad. He has no conflict of interest with the Group and has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year. He attended 5 out of 5 board meetings in Year 2022.

DATO' WEE BENG AUN
Non-Independent Non-Executive Director

Appointed on 18 February 2020

Male • Age 64 • Malaysian

QUALIFICATION
Bachelor of Civil Engineering from the University of Melbourne, Australia

He has more than 30 years of working experience in civil engineering, building construction and property development. He held various senior management positions in companies in Malaysia and prior to joining the Group, he was the Managing Director of a subsidiary of a public listed company in Malaysia. During his tenure with these companies, he had been involved in the development and construction of several prestigious projects such as The Pavilion Kuala Lumpur's mega integrated urban commercial, shopping, entertainment centre with luxury residential towers, The Pearl @ KL City Centre high-end condominiums, and mixed development of Bukit Rimau township in Shah Alam, Selangor Darul Ehsan.

Presently, he is an Executive Director of Global Oriental Berhad which is a public listed company on the Main Market of Bursa Securities.

He is the sibling of Wee Beng Chuan, the Executive Director of the Group. He is a major shareholder of Tuju Setia Berhad. He has no conflict of interest with the Group and has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year. He attended 5 out of 5 board meetings in Year 2022.

PROFILE OF BOARD OF DIRECTORS

DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN

Independent Non-Executive Director

Appointed on 12 August 2020

- Member of the Audit and Risk Management Committee
- Member of the Nomination and Remuneration Committee

Female • Age 61 • Malaysian

QUALIFICATION

Associate of the Malaysian Insurance Institute and the Chartered Insurance Institute of United Kingdom

She started her insurance career in 1984 and has experiences in risk evaluation and analysis, brokerage, risk management and consultancy services in the insurance industry.

She was a Non-Independent Non-Executive Director of Wang-Zheng Berhad, a public listed company on the Main Market of Bursa Securities from 2005 to 2013. She was also a member of the Board of Trustees for the Malaysian Medical Association (MMA) Foundation, a non-profit organisation from 2007 to 2009.

Currently, she is an Independent Non-Executive Director of MAA Group Berhad, Mycron Steel Berhad and Melewar Industrial Group Berhad, all of which are public listed companies on the Main Market of Bursa Securities.

She has no family relationship with any Director and/ or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. She has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on her by the regulatory bodies during the financial year. She attended 5 out of 5 board meetings in Year 2022.

LOO MING CHEE

Independent Non-Executive Director

Appointed on 12 August 2020

- Chairman of the Nomination and Remuneration Committee
- Member of the Audit and Risk Management Committee

Male • Age 65 • Malaysian

QUALIFICATION

- BSc (Class1 hons) degree in Quantity Surveying, MSc in Management Science.
- Registered Quantity Surveyor of the Board of Quantity Surveyors Malaysia,
- Fellow of The Royal Institution of Chartered Surveyors, Member of the Hong Kong Institution of Engineers, Chartered IT Professional

With more than 30 years of experience in quantity surveying, project management, and construction, he has held multiple senior management roles during his tenure at the Davis Langdon Seah group. In addition, he also served as the Regional Head for South East Asia at the Arcadis group and currently holds a directorship at BCISM Sdn Bhd, a construction cost information collaboration between the CIDB and the Royal Institution of Surveyors Malaysia. Specializing in cost planning, procurement, and project management, he has successfully delivered significant building and infrastructure projects across Asia. His career has seen him apply his expertise to a wide variety of sectors, both locally and internationally.

He has no family relationship with any Director and/ or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year. He attended 5 out of 5 board meetings in Year 2022.

PROFILE OF BOARD OF DIRECTORS

NOR ADHA BIN YAHYA

Independent Non-Executive Director

Appointed on 12 August 2020

- Chairman of the Audit and Risk Management Committee
- Member of the Nomination and Remuneration Committee

Male • Age 52 • Malaysian

QUALIFICATION

- Bachelor of Accountancy degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia)
- Member of Malaysian Institute of Accountants

He started his career at Arthur Anderson & Co in 1994 and has more than 25 years of experience in finance, accounting and management for company involved in sales, distribution, support services of compact construction and industrial equipment and in maintenance, repair and overhaul of rolling stocks. He was based in the United Kingdom with Steel Engineers & Consultant Ltd (UK), a company which is involved in project management consulting works in steel industry in charge of the accounting, budgeting and tax planning of the company from 1996 to 1999. He has been the Executive Director cum Chief Executive Officer of CKM Landas MRO Sdn Bhd, a company providing maintenance services for locomotives and their related services since 2014 where he is in charge of the operations of the company.

Presently, he is an Independent Non-Executive Director of Widad Group Berhad and Dataprep Holdings Berhad, which are public listed companies on the ACE Market and Main Market of Bursa Securities, respectively.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by the regulatory bodies during the financial year. He attended 5 out of 5 board meetings in Year 2022.

PROFILE OF KEY SENIOR MANAGEMENT

TAN MEI YOONG
Chief Financial Officer

Female • Age 41 • Malaysian

She joined our Group as Chief Financial Officer since June 2020 and is responsible for our Group's overall internal management reporting, taxation and treasury functions. She has approximately 18 years of experience in finance and accounting.

She graduated with a Bachelor of Arts majoring in Finance degree from the University of Hertfordshire (United Kingdom). She is a Fellow Member of the Association of Chartered Accountants and Professional Member of The Institute of Internal Auditors Malaysia and a member of the Malaysian Institute of Accountants.

She has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. She does not hold directorship in any other public listed companies. She has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on her by the regulatory bodies during the financial year.

TEE HUEI TSYR
Chief Operating Officer

Male • Age 46 • Malaysian

He joined our Group since 2011 and he has approximately 20 years of experience in project and construction management. He graduated from Tunku Abdul Rahman College, Malaysia with Advanced Diploma in Technology (Building).

He joined us as a Site Manager in 2011 and he was then promoted to Senior Project Manager in 2013, General Manager in 2015 and Senior General Manager in 2018. In January 2021, he was promoted to Chief Operating Officer. He currently assists the Managing Director in managing the construction division and is involved in assisting the business development of our Group. He is also responsible for overall project planning and coordinating site progress to ensure timely completion without compromising work quality and site safety, control on project budget as well as providing technical guidance in tendering projects.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

WONG LOO MIN

Technical Director

Male • Age 67 • Malaysian

He joined our Group as a Technical Director since 2017 and assists the management in policy making, leadership development and motivation, bidding strategy, technical proposal and design coordination.

He graduated with a Bachelor of Science in Civil and Structural Engineering degree from University of Wales, United Kingdom. He is a registered Professional Engineer with the Board of Engineers Malaysia. He was the President of the Associate of Consulting Engineers, Malaysia (ACEM) from 2011 to 2013. From 2010 to 2013, he was appointed as the director of Green Building Index Sdn Bhd. He was a member of Green Building Index ("GBI") Accreditation Panel from 2013 to 2015. He is also an accredited GBI Certifier of Green Building Index Sdn Bhd since 2019.

He has more than 30 years of experience in civil and structural engineering works and he has held multiple senior positions, including Managing Director of T. Y. Lin International Sdn Bhd (Malaysia office) and he was responsible for the administration of the office, coordination of design developments and implementation of projects and business development in Malaysia, China, Vietnam and South Korea. He was involved in the design of some of the notable projects locally and abroad, including shopping complex, office tower, retail centre, serviced residences, condominium, hotel and highway.

After his retirement in August 2017, he was appointed as an Advisor to T. Y. Lin International Sdn Bhd (Malaysia office) to assist in business development and marketing and technical expertise.

He has continued to serve in the Board of Engineers Malaysia in various committees such as chairing the committee to conduct Profession Competence Examination for Professional Engineers, Committee of Certificate of Completion and Compliance and involving investigation of complaints against the practising engineers.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

SEON YEN KONG
Senior General Manager – Projects

Male • Age 53 • Malaysian

He joined our Group in March 2023. He graduated with a Bachelor of Civil Engineering from Universiti Teknologi Malaysia.

He has more than 28 years of experience in project and construction management involving civil and infrastructural works. Prior to joining the Group, he has held multiple senior position, including Chief Executive Officer of a construction company for 16 years and he has extensive experience leading teams and coordinating construction activities, developing strategies and managing tenders.

He was also involved in some significant development projects in Malaysia such as high-rise apartments, commercial towers and hospitals.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

LIAU KOK FOH
General Manager – Projects

Male • Age 52 • Malaysian

He has over 25 years of experience in a variety of fields, including project and construction management for structural and building work on residential, hypermarket, and commercial development projects.

He joined our Group as a Site Agent in 2007 and was promoted to Site Manager in 2010. He left the Group in 2014 and re-joined the Group as an Assistant General Manager in 2015 and was then promoted to General Manager for Projects in 2018. He is responsible for overall project management and planning for various projects.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

TOH HUAT TIAM

General Manager – Projects

Male • Age 46 • Malaysian

He joined the Group since May 2022. He graduated with a Bachelor of Engineering honours degree majoring in Structural Engineering from the University of Hertfordshire (United Kingdom).

He has over 20 years of experience in construction and project management involving civil and infrastructural works. He has served in various position, from Site Engineer to General Manager, and have worked on several major projects in Malaysia. He has a track record of managing teams and coordinating activities to ensure that projects are delivered on time and within budget. His expertise includes budget management, project planning and implementation, staff management, and government regulatory requirements.

He has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by the regulatory bodies during the financial year.

RAJA AZIAH BT RAJA AZIZ

Human Resources and Administration Manager

Female • Age 56 • Malaysian

She joined our Group as a Secretary to the Senior Project Manager in 2012. She was promoted to Office Administrator position responsible for administration, human resources and payroll function in 2013. In 2018, she was promoted to Human Resources and Administration Manager. She is responsible for the administration of our group and human resources functions, as well as for coordinating the administration of ISO's overall Quality Management System. She is also a Personal Assistant to our Managing Director.

She has no family relationship with any Director and/or major shareholder of Tuju Setia Berhad and has no conflict of interest with the Group. She does not hold directorship in any other public listed companies. She has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on her by the regulatory bodies during the financial year.

SUSTAINABILITY STATEMENT

Tuju Setia Berhad ("TSB" or "the Company") recognises the importance of sustainability as a critical driver for long-term business sustainable growth of TSB and its subsidiary ("the Group"). As such, the Board of Directors and management are committed to continuously reinforcing the importance of sustainability in our business strategies and operations in order to achieve the Group's objectives.

SUSTAINABILITY STATEMENT

This Sustainability Statement is made pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") with guidance drawn from Practice Note 9 of MMLR and the Sustainability Reporting Guide (2nd edition) issued by Bursa Securities.

The scope of this Statement covers the financial year ended 31 December 2022 ("FYE2022") of the Group.

SUSTAINABILITY GOVERNANCE

All Heads of Department across the Group are accountable for the Group's sustainability plan. They are responsible for identifying and implementing the Group's sustainability activities, which are reviewed by our Board of Directors, which is responsible for advancing our sustainability agenda and defining strategic direction.

The Board of Directors meets at least yearly to discuss sustainability issues, including evaluating the Material Matters to ensure they remain current and relevant.

STAKEHOLDERS' ENGAGEMENT

We value stakeholders' needs and expectations in relation to the Group's sustainability performance. Their perspectives help the Group prioritise the most critical sustainability issues, allowing us to focus our resources on the most material sustainability risks and possibilities.

The following table summarises the stakeholder group, the areas of concern, the type and frequency of engagement.

Stakeholder Group	Areas of Concern	Type of Engagement	Frequency
Employees	• Occupational health and safety • Training and development • Welfare and well-being • Rewards and recognition for performance	• Continuous open communication • Meetings • Feedback sessions and annual performance appraisal • Trainings, talks and campaigns	• On-going/Annually/ As needed
Project Clients	• Project quality • Timely project delivery • Health, Safety and Environment • Business continuity	• Meetings • Progress reports meeting • Corporate website	• On-going/As needed
Subcontractors and Suppliers	• Reliability • Ethical practices • Fair and transparent procurement procedure • Payment schedule • Business continuity	• Meetings • Progress reports meeting • Performance feedback & reviews	• On-going/As needed

SUSTAINABILITY STATEMENT

Stakeholder Group	Areas of Concern	Type of Engagement	Frequency
Shareholders and Investors	• Sustainable growth • Financial performance • Shareholder value (Dividend and capital gain)	• Annual Reports • Annual/Extraordinary general meetings • Public announcements • Corporate website • Quarterly Financial Reports • Media announcements • Meetings	• Quarterly/Annually/ As needed
Regulatory Authorities	• Compliance with relevant rules and regulations	• Statutory reporting • Audits and site inspections	• On-going/Quarterly/ Annually/As needed
Local Communities	• Health and Safety • Sustainability and Corporate Social Responsibility ("CSR") programmes • Job opportunities	• Donation and sponsorship • Participate in CSR programmes • Interships	• On-going/As needed

MATERIALITY ASSESSMENT

To ensure the relevance of our material matters, we conduct an annual materiality assessment by using the following four-step process:

1 IDENTIFY
Identify a list of material sustainability matters

2 ASSESS
Materiality assessments were conducted in meetings with participation from senior management and respective Heads of Departments

3 DETERMINE
Determine material sustainability concerns

4 REVIEW
Material sustainability matters will be reviewed and reassessed for their continuing relevance in the sustainability context from time to time

SUSTAINABILITY STATEMENT

MATERIAL MATTERS

From the process above, the management has identified the following key sustainability matters which are considered material to our operations.

ECONOMICS

Sustainable Business Growth

Despite the challenging environment, we were successful in securing close to RM521 million worth of new wins and also in expanding our list of reputable clienteles.

Timely completion of projects and quality of construction works

We are accredited with ISO 9001:2015 by SIRIM QAS for the provision of building construction and civil engineering and are committed to quality in our construction works. We have also obtained credible certifications such as SHASSIC, QLASSIC, CONQUAS and BuildQAS which serve as strong testimonials for the quality of our work.

We have also received awards from our customers as a further testament to our commitment to quality.

Year	Certifications	Assessing Body
2013	Achieved a "Four Star"[1] SHASSIC award (safety and health assessment system in the construction industry) with a score of 82.42% for the Idaman Residence Project	CIDB
2015	Achieved CONQUAS[2] score of 77.8 points (out of a total of 100.0 points) for architectural works for the Setia Sky Residences (Celeste Tower) Project	Building and Construction Authority of Singapore
2017	Achieved CONQUAS[2] score of 79.5 points for out of a total of (100.0 points) for architectural works for the Setia Sky Residences (Divina Tower) Project	Building and Construction Authority of Singapore
2018	Achieved QLASSIC[3] score of 76% for building construction works for the RUMAWIP SkyAwani Residence Project	CIDB
2019	Awarded QLASSIC Special Appreciation Government Projects under the Construction Quality Excellence Award for the RUMAWIP SkyAwani Residence Project	CIDB
2021	Achieved QLASSIC[3] score of 82% for building construction works for the PPAM Sofiya Residensi, Desa ParkCity	CIDB
2022	Achieved BuildQAS score of 80.8% for building construction works for the Lakeside Condominium (South Towers)	BuildQAS

Notes:-

(1) Refers to a very good occupational safety and health ("OSH") management system planned with commitment from management to manage OSH at all time.

(2) The average CONQUAS score inclusive of projects in Singapore, was 88.5 points in 2015 and 88.9 points in 2017.

(3) According to CIDB, the overall QLASSIC threshold score was 65% for 2018.

SUSTAINABILITY STATEMENT

Supporting Local Business

To support the local economy, we are committed to source building materials for our projects locally. By supporting local vendors, we indirectly contribute to the sustainability of Malaysia's construction industry by providing them with opportunities to expand, grow and improve the quality of their products. This will also benefit our end users who are our clients as we are able to deliver better quality projects apart from being cost effective.

We work closely with suppliers, contractors, and other service providers to ensure compliance with internal policies and procedures, as well as adherence to high standards for sourcing quality, fair and competitive pricing, and supply reliability. We also have in place a strict Anti-Bribery and Anti-Corruption Policy to ensure fair practice and adherence to applicable laws, rules, and regulations.

ENVIRONMENTAL

We have an obligation as a responsible corporate organisation to safeguard and conserve the environment in which we operate. The Group is committed to identifying, managing, and mitigating our business environmental impact in an environmentally sustainable manner.

Environmental Management Plan ("EMP")

The primary objective of the EMP is to protect the environment at and around the proposed project site to ensure the environmental qualities of the area concerned are maintained. We began working with an environmental consultant in 2021 to monitor our water quality, ambient air quality, and noise level on a quarterly basis for our project sites in order to determine the extent of any impact caused by our construction activities and the effectiveness of mitigation measures implemented on-site.

According to the monthly Environmental Monitoring Reports obtained for our Kajang Women and Child Hospital ("KJH") in 2022, no detrimental air, water, or noise levels were observed at the KJH project.

(i) Ambient Air Quality

We monitor the air quality surrounding KJH and the objective of this monitoring was to determine the ambient air characteristic within the vicinity of project site in order to fulfil conditions imposed by the Department of Environment ("DOE"), Malaysia.

The air quality monitoring for all stations in KJH were found within the Malaysian Recommended Air Quality Guideline which not exceed 120 ug/m3. This result identified that the surrounding area near project site has good air quality.

SUSTAINABILITY STATEMENT

(ii) River Water Quality

The objective of this survey was to determine the water characteristics of the streams and rivers located within the vicinity of the project site in order to fulfil conditions imposed by the Department of Environmental ("DOE") Malaysia. The river water samples for KJH were collected at numerous stations such as downstream and upstream of the river.

The River Water Quality sampled at KJH is found to be well within the limit except for Biochemical Oxygen Demand ("BOD") which showed above limit of NWQS Class III.

(iii) Noise Level Monitoring

We monitored the baseline noise characteristic at the KJH to ensure it meets Malaysian Recommended Noise Limit. The DOE recommended limit which is 60dB(A) during day time and 50 dB(A) during night time for point nearby the project site (Point 1) and about 150 metres from project site (Point 3) and 50dB(A) during day time and 40 dB(A) during night time which about 400 metres from project site (Point 2).

The noise monitoring was carried out for duration of 24 hours, the noise level recorded complied with the recommended standard for all points.

SUSTAINABILITY STATEMENT

Industrialised Building System ("IBS")

IBS is a cutting-edge construction technology that utilises components such as precast concrete in lieu of traditional brick and mortar. The components of the building such as wall panels and floor slabs are mass-produced in a controlled environment, either at the site or offsite, and then transported, positioned and assembled together to construct the building expeditiously and with precision.

Due to the high degree of mechanisation in our building and engineering processes, the use of IBS helps us reduce the energy usage.

Materials and Waste Management Initiatives

We are committed to the implementation of 3R (Reduce-Reuse-Recycle) and provided 3R bins in our project sites as well as office.

Reduce

We take a holistic approach to waste management in order to minimise our environmental footprint and impact. We strive to reduce and recycle construction waste at our project sites and contract with authorised waste disposal providers to dispose of our waste properly and within regulated channels.

We also encourage our employees to reduce paper consumption through some simple ways such as double-sided printing, reuse papers and envelopes, and conduct paperless training and meeting. In addition, as an initiative to reduce paper waste, the FY2022 annual report will be distributed in soft copies. Physical copies of the annual report will only be provided upon request.

Reuse

Reusable materials such as drums, containers, and crates are retained for future use, whereas non-reusable items are scrapped and sold when possible.

Recycle

We refurbish the existing machinery and equipment for use from one project to the next after completing the necessarily refurbishments and modifications. By doing so, we will benefit in the long run from decreased capital expenditures as a result of increase reusability for future projects.

Energy Saving Practices

At our office and sites, we have implemented a variety of energy-saving practises, including the following:-

(i) Switch off office lights and air conditioning during non-office hours;

(ii) Reduce electricity consumption of computers and printers by using energy-saving features and shutting down computers when not in use; and

(iii) Maintaining an optimal room temperature to conserve energy.

SUSTAINABILITY STATEMENT

WORKPLACE, COMMUNITY AND SOCIAL

Workplace Safety

Safety is one of the greatest concerns and of the utmost priority to our Group. We are committed to ensuring that all sites adhere to sound safety practises in order to maintain a safe working environment for our employees and workers at site.

The workers working at our construction sites are provided with housing equipped with amenities such as a centralised kitchen, canteen, toilets and bathing facilities, surau for the Muslim staff, guardhouse with 24 hours security and facial recognition-controlled access.

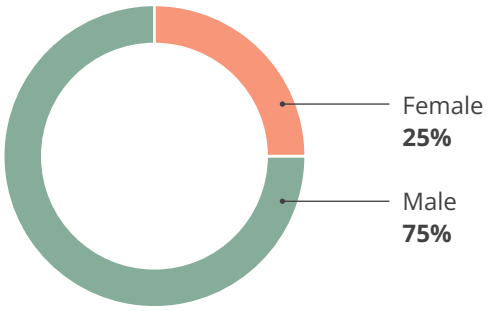
Diversity and Equal Opportunity

We recognise the importance of diversity in the workplace and all the employees of our Group shall be entitled to equal access to opportunities regardless of their age, gender, ethnicity, religion, national origin, disability, or any other relevant characteristics. Any decisions made in relation to recruitment, retention, career advancement, training opportunities and remuneration shall be based solely on merits and objective standards.

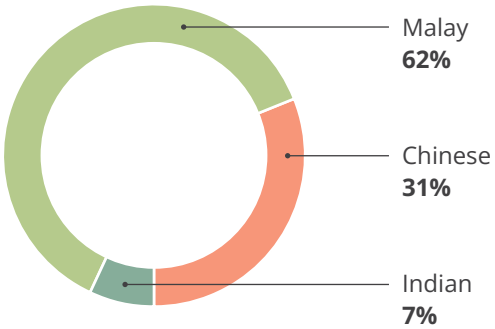
As at 31 December 2022, we have a total of 212 employees, of which 75% are male and 25% are female. The construction industry has historically been more male-dominated, as evidenced by the Group's current gender ratio. However, as the number of female professionals continue to grow in the construction industry, the Group anticipates that the demographic of our female employees will expand.

Breaking down our employees by ethnicity, 62% of our employees are Malay, 31% of our employees are Chinese, 7% of our employees are Indians. Breaking down our employees by age, 28% are below 30 years old, 59% are between 30-50 years old, 13% are over 50 years old.

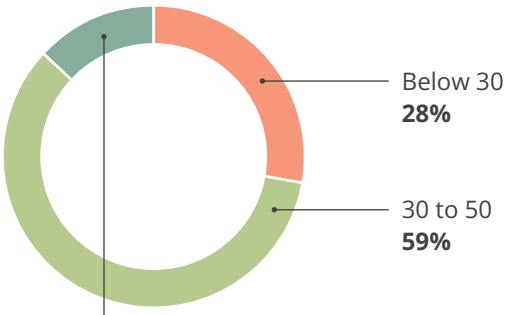
Employees by Gender



Employees by Ethnicity



Employees by Age Group



SUSTAINABILITY STATEMENT

Training and Education

As a responsible employer, the Group believes it has a responsibility to ensure that its employees' professional development keeps pace with the organisation's growth. As a result, it views prioritising employee training and upskilling as both a strategic necessity and a responsibility.

Our employees participated in various types of training in the FYE2022 as follows:-

Programme	Training Period	Training Provider
Working at Height, Fall Protection Slip & Trips	January 2022	OSHMA Sdn Bhd (Occupational safety and health in Bandar Baru Bangi)
Mediation Skills - Understanding the Essential of Mediation Confirmation	February 2022	AIAC (Asian International Arbitration Centre)
Adjudication: Recent Case Law Update Part 1	February 2022	AIAC (Asian International Arbitration Centre)
Handling Jurisdictional and Natural Justice Challenges or Issues	March 2022	AIAC (Asian International Arbitration Centre)
MBAM Annual Safety & Health Conference	March 2022	MABAM (Master Builders Association Malaysia)
Impartially, Independence, Availability, Duties and Obligations of An Arbitrator	April 2022	AIAC (Asian International Arbitration Centre)
Approaching Set-Off Claim for LAD, Con Completion EOT & Others in Adjudication	April 2022	AIAC (Asian International Arbitration Centre)
Understanding L&E Claim in Adjudication	May 2022	AIAC (Asian International Arbitration Centre)
Arbitration: Prelim meeting & Pre-Hearing Consideration & Powers of the Arbitral Tribunal	June 2022	AIAC (Asian International Arbitration Centre)
First Aid Course	June 2022	St Johns Kuala Lumpur
OSHE Sustainability During Pandemic & Endemic	June 2022	UTM Kuala Lumpur
Dengue Control Training at Construction Sites	July 2022	Pusat Kesihatan Daerah Hulu Langat
Discussing Issues & Challenges Faced By Adjudicators In CIPAA Proceedings	July 2022	AIAC (Asian International Arbitration Centre)
Is CIPAA Still Relevant to the Malaysian Construction Industry?	August 2022	MABAM (Master Builders Association Malaysia)

SUSTAINABILITY STATEMENT

Programme	Training Period	Training Provider
Drafting Proper Notice, Claims and Written Submissions for Adjudication	August 2022	AIAC (Asian International Arbitration Centre)
Safety and Health Officer Transformation Seminar	August 2022	OSHMA Sdn Bhd (Occupational safety and health in Bandar Baru Bangi)
QLASSIC Awareness	August 2022	QLASSIC Academy
ISO Awareness Training & ISO Internal Audit Training 2022	September 2022	ISO-Linx Consultancy & Training Sdn Bhd
Impact Of New OSH (Amendment) Act 2022 And Its Regulations To Industries	November 2022	OMK Consultant
Crane Lifting Supervisor Training	November 2022	OSHTAC solution
BIM Modelling of Structure	December 2022	CIDB Holdings Sdn Bhd

Corporate Social Responsibility ("CSR")

During the financial year, we contributed approximately RM39,200 in community engagement through various CSR activities involving social, education, health and sports as our sustainable efforts towards the community.

GOVERNANCE

Business Ethic and Conduct

In line with good corporate governance practices, the Board, the Management and employees of the Group have made a commitment to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.

Anti-Bribery and Anti-Corruption Whistleblowing Policies

We view bribery, corruption and fraud as significant risks to our business and reputation. The Group adopted Anti-Bribery and Anti-Corruption Policy on 16 December 2021 and reviewed existing policies and procedures to ensure the Group's compliance with the requirements. The Group takes a zero-tolerance approach to bribery and corruption.

Any malpractice and misconduct that is discovered or genuinely suspected by the Whistleblower shall be reported immediately to the immediate superior. Any concern that is deemed inappropriate to be reported to the immediate superior who is involved in the wrongdoings should be raised to the attention of the Group Managing Director, Group Executive Director, or Audit Committee Chairman.

The Anti-Bribery and Anti-Corruption as well as Whistleblowing Policies are reviewed and revised as required to determine its effectiveness in addressing potential fraud and corruption risks. The Policies are available on the Company's website at https://tujusetia.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Tuju Setia Berhad ("the Company") is pleased to present its statement on corporate governance ("CG") practices of the Company and its subsidiary (hereinafter referred to as the "Group") during the financial year 2022. The Company is headed by an effective Board which recognises the importance of the application of the Malaysian Code on Corporate Governance, effective stewardship and strong corporate values that contribute to the success of the Group by practicing CG that guided by the principles as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

This statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and guided by Practice Note 9 of the MMLR and the Corporate Governance Guide (4th edition) issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

Detailed application of each practice of the MCCG during the financial year ended 31 December 2022 is disclosed in the Company's Corporate Governance Report which is available on the Company's website at https://tujusetia.my/ as well as via announcement on the website of Bursa Securities.

This Corporate Governance Overview Statement should also be read in combination with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report and Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

1. Establishing clear roles and responsibilities of the Board

   The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, CG, risk management, human resource planning and development, investments made by the Group and overseeing the proper conduct of business of the Group.

   The Board discharges its responsibilities in the best interest of the Group and assumes the following key responsibilities in discharging its fiduciary duties:-

   (a) reviews, adopts and monitors the implementation of management's strategic plans;

   (b) ensures implementation of appropriate internal controls and mitigating measures to address the risks identified;

   (c) carries out periodic reviews of the Group's financial performance and operating results and major capital commitments;

   (d) reviews the adequacy and integrity of the Group's internal control system;

   (e) committed to acting professionally, fairly and with integrity in all our business dealings and relationships; and

   (f) oversees and evaluates the conduct and sustainability of the Group which includes strategies on economic, environmental and social considerations.

   In order to ensure effective discharge of its stewardship role, the Board delegates some of its responsibilities to the Board Committees, namely Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") which operate within defined Terms of Reference. The Chairman of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and make recommendations to the Board for final decisions, where necessary.

   Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and/or decisions made by each Board Committee through reports made by the Chairman or representative of each Board Committee and the tabling of Board Committee Minutes of the applicable period for notation by the Board. The ultimate responsibility for decision making, however, lies with the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I Board Responsibilities (cont'd)

2. Separation of positions of the Chairman and Managing Director

The Board is headed by an Independent Non-Executive Chairman who is responsible for the leadership, integrity and effectiveness of the governance of the Board. The responsibilities of the Chairman are set out in the Board Charter.

The Chairman of the Board is not a member of the ARMC and NRC of the Company and does not participate in any of the committees' meetings.

There is a clear division of roles and responsibilities between the Chairman and Managing Director in ensuring balance of power and authority in the Company. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role whilst, the Managing Director is the conduit between the Board and Management in ensuring the success of the governance and management functions of the Group.

3. Company Secretaries

The Board is supported by qualified and competent Company Secretaries. The Board has direct access to the advice and services of the Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures, CG and compliance with the relevant regulatory requirements and legislations. The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required.

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has access to all information within the Group and all meeting materials are prepared and issued to the Board of Directors and Board Committee members at least five (5) business days prior to the meetings to enable them to receive the information in a timely manner.

4. Access of Information and Advice

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors and External Auditors and may seek advice from the Management on issues under their respective purview. The Board members have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner within the Group, and the Board papers are distributed prior to the Board Meetings to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meetings so as to discharge their duties diligently.

The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval. All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. The Company Secretaries record the proceedings of all meetings including pertinent issues, the substance of inquiries, if any, and responses thereto, Board members' suggestion and the decisions made, as well as the rationale for those decisions. By doing so, the Company Secretaries keep the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I Board Responsibilities (cont'd)

5. Board Charter

The Board Charter adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.

The Board Charter delineates the duties and responsibilities of the Board, Board Committees and individual Directors, including the following matters that are solely reserved for the Board's decision:-

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies;
- Risk management policies; and
- Key human resource issues.

The Board Charter also serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and its Committees.

The Board Charter is periodically reviewed by the Board to be in line with regulatory changes and to reflect changes made to the terms of reference of the Board Committees. The Board Charter was last reviewed by the Board on 12 August 2020. The Board Charter is available at the Company's website at https://tujusetia.my/.

6. Code of Ethics and Conduct

The Board has formalised a Code of Ethics and Conduct for the Directors and adheres to the Code of Conduct expected for Directors as set out in the Company's Directors' Code of Ethics promulgated by the Companies Commission of Malaysia which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability and corporate social responsibility. The Code of Ethics and Conduct of Directors are available at the Company's website at https://tujusetia.my/.

7. Whistleblowing Policy

The Company has put in place a Whistleblowing Policy to strive to conduct its business relationships and dealings with the highest level of integrity and accountability and adopt zero-tolerance approach towards any misconduct that would jeopardise its good standing and reputation. This policy is intended to encourage and enable the directors, employees and Stakeholders of the Group to raise concerns about suspected and/or known malpractices, misconduct or wrongdoings. The Whistleblowing Policy is available at the Company's website at https://tujusetia.my/.

8. Anti-Bribery and Anti-Corruption Policy

In compliance with the amendment of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of the MMLR of Bursa Securities in relation to anti-bribery, the Board has adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), which is made available at the Company's website at https://tujusetia.my/.

The Board has adopted a zero-tolerance approach against all forms of Bribery and Corruption, as defined in the ABAC Policy, and takes a strong stance against such acts. The ABAC Policy leverages on the core principles of the Company as set out in the Company's Code of Ethics and Conduct. The ABAC Policy serves as a guideline on how to deal with Bribery and Corruption which may arise in the course of business.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I Board Responsibilities (cont'd)

9. Fit and Proper Policy

Following the amendments made to the MMLR of Bursa Securities, the Board has in June 2022 adopted a Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is adhered to the appointment and re-election of Directors of the Company and its subsidiary.

This Policy serves as a guide to the Nomination and Remuneration Committee and the Board in their review and assessment of candidates to be appointed to the Board with the objectives of ensuring the Board fulfils the requisite fit and proper criteria and includes diverse mixture of skills, professional and industry backgrounds, business experience and expertise, gender, ethnicity and age for effective functioning and succession.

For further information on the Directors' Fit and Proper Policy, it is available at the Company's website at https://tujusetia.my/.

II Board Composition

1. Board Composition and Balance

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse age and ethnicity. The Directors collectively bring with them diverse knowledge, skill, extensive experience and expertise in areas such as strategic planning, business development, professional engineering and consultancy, finance, corporate affairs, information technology and operations.

Currently, the Board has seven (7) members, comprising four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Managing Director and one (1) Executive Director. This complies with Paragraph 15.02 of the MMLR which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The composition of the Board is also in line with Practice 5.2 of MCCG 2021, by virtue of the fact that 57% of its composition are Independent Directors.

A brief profile of each Directors is presented in the Profile of Directors section of the Annual Report.

2. Board Independence

The Board recognises that the independence and objective judgement are crucial and imperative in decision making process. The Independent Non-Executive Directors play a significant role in providing unbiased and independent view, advice and judgement taking into account the interest of relevant stakeholders including minority shareholders of the Group.

As to-date, the tenure of all Independent Directors is less than nine (9) years of service. The Board will justify and seek annual shareholders' approval through a two-tier voting process in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

3. Boardroom Diversity

The Board acknowledged the importance of boardroom diversity and recognises the importance of providing fair and equal opportunities and fostering diversity within the Group. The Group endeavours to have a balanced representation in terms of mixture of skills, knowledge and experience, background, expertise, age, gender and ethnicity. The Board acknowledges the diverse Board as an essential element in maintaining competitive advantage in leveraging different perspective to various issues raised and quality decision making, which in return contribute to the development and sustainability of the Group.

At present, the Board has one (1) female Director which is less than 30% of the Board. The Board, through Nomination and Remuneration Committee (NRC) will continue to consider gender diversity as part of its future selection of Board representation. The Board recognises that a diverse Board in the Group can offer greater depth and breadth of perspectives, and diversity in Management Team will lead to better collective decisions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II Board Composition (cont'd)

4. Appointment of Directors

The NRC is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NRC in discharging its duties in the aspects of nomination, evaluation, selection and appointment process of new Directors.

As part of the Fit and Proper Policy adopted in June 2022, the appointment of any additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the NRC. All nominees and candidates to the Board are first considered by the NRC taking into consideration, inter-alia, the competency, knowledge, expertise and experience, professionalism, integrity, time commitment of the candidates, including, where appropriate, the criteria on assessing the independence of candidates' appointment as Independent Non-Executive Directors.

In identifying candidates for appointment as Directors, the NRC would use a variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit themselves by solely relying on the recommendations from existing Board members, management or major shareholders.

5. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an AGM and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to Clause 96 of the Company's Constitution at the forthcoming Third AGM:-

(a) Mr. Wee Eng Kong

(b) Dato' Wee Beng Aun

At the forthcoming AGM, the aforesaid Directors have expressed their intention to seek for re-election. The NRC had made recommendations to the Board on re-election of Mr. Wee Eng Kong and Dato' Wee Beng Aun. The Board is satisfied with the skills and contributions of these retiring Directors and recommends their re-election as Directors of the Company which is to be tabled at the forthcoming Third AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II Board Composition (cont'd)

6. Directors' Commitment

The Board meets on a quarterly basis with additional meetings convened where necessary to deal with urgent and important matters that require the attention of the Board. All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company as most of the Directors had attended all the Board Meetings during the financial year under review.

The Board met five (5) times during the financial year under review. The details of the Directors' attendance at the Board and Board Committee meetings during the financial year under review are set out below:-

Name	Board	ARMC	NRC
YAM Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj *Independent Non-Executive Chairman*	5/5	–	–
Wee Eng Kong *Managing Director*	5/5	–	–
Wee Beng Chuan *Executive Director*	5/5	–	–
Dato' Wee Beng Aun *Non-Independent and Non-Executive Director*	5/5	–	–
Datin Seri Raihanah Begum Binti Abdul Rahman *Independent Non-Executive Director*	5/5	5/5	1/1
Loo Ming Chee *Independent Non-Executive Director*	5/5	5/5	1/1
Nor Adha Bin Yahya *Independent Non-Executive Director*	5/5	5/5	1/1

Aside from Board Meetings, any business or urgent matters may also be decided via a directors' resolution in writing to ease the decision-making process.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II Board Composition (cont'd)

7. Directors' Training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirement and regulatory guidelines.

In addition to the Mandatory Accreditation Programme as required by Bursa Securities. The NRC and Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

The Board through the NRC had conducted an assessment of each Director's training needs via its board evaluation assessment.

During the financial year under review, the Directors have attended the following training programmes:-

Name of Seminar and Training Programmes
• Sustainable Leadership Workshop (Part 1)
• PNB Knowledge Forum: Sustainable Investing ESG at the Forefront
• Sustainable Leadership Workshop (Part 2)
• PNB Knowledge Forum: Tall Buildings and Loving in the Space Age – The Enigma and Convergence of Science and Art
• Training and Updates on Cybersecurity
• Advocacy Session for Directors and Senior Management of Main Market Listed Issuers
• The Council on Tall Buildings and Urban Habitat (CTBUH) SEA 2022 Conference
• 2022 Economic & Market Outlook
• Corporate Liability Provision (Section 17A of the MACC Act 2009)
• Asia Talk – By Paddy Schubert Consultants Sdn Bhd
• Audit Oversight Board (AOB) Conversation with Audit Committees
• Financial Reporting Considerations under Uncertain Times
• Case Study-Based MFRS: MFRS 15 Revenue from Contracts with Customers MPERS Sections 23 & 34
• Sustainability and Climate Change Disclosure Requirements
• Assessment of the Board, Board Committees and Individuals Directors
• How to raise funds with sustainable bonds

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and update the Board on the same at Board meetings. The External Auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

8. Board Committees

In discharging its fiduciary duties, the Board has delegated specific tasks to Board Committees. These Board Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with its recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board as a whole.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II Board Composition (cont'd)

8. Board Committees (cont'd)

(a) Audit and Risk Management Committee ("ARMC")

The ARMC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to the internal controls, financial and accounting records and policies as well as financial reporting practices of the Group.

A copy of the Terms of Reference of the ARMC is available for viewing at the Company's website at https://tujusetia.my/.

The composition and activities of the ARMC during the financial year under review are set out in the Audit and Risk Management Committee Report of this Annual Report.

(b) Nomination and Remuneration Committee ("NRC")

The NRC assists the Board in carrying out the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution or performance of each individual Director. The NRC also assists the Board in assessing the level of independence of the Independent Directors annually.

The duties and responsibilities of the NRC are set out in the Terms of Reference of the NRC, which is published and available for viewing at the Company's website at https://tujusetia.my/.

The composition and activities of the NRC during the financial year under review are set out in the Statement of Nomination and Remuneration Committee in this Annual Report.

9. Annual Assessment on effectiveness of the Board and Individual Directors

The NRC has put in place a formal evaluation process to assess the effectiveness of the Board as a whole, the effectiveness of the Board Committees, contribution and performance of each director and performance of audit committee members on an annual basis.

The evaluation process is led by the NRC Chairman who is an Independent Non-Executive Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees and based on self-review and peer assessment. The NRC reviews the outcome of the assessment and reports to the Board, in particular, areas for improvement, and is also used as the basis of recommending relevant Director(s) for re-election at the AGM.

The NRC reviews the effectiveness of the Board by taking into account the composition of the Board, time commitment, boardroom activities and the overall performance of the Board.

The NRC undertakes annual assessment on the independence of directors. When assessing independence, the NRC focuses on whether the Independent Directors are able to bring independent and objective judgement and act in the best interest of the Group.

Upon its annual assessment conducted on effectiveness of the Board and Board Committees; character, experience, integrity, competence and time commitment of each Director and Chief Financial Officer; mix of skills and experience of the Board; level of independence of the Directors; and term of office and performance of the ARMC and each of its members, the NRC had concluded that the Directors have discharged their duties more than satisfactory. The NRC was also satisfied with the performance of the Board and Board Committees. As for the balance and composition of the Board, the NRC concluded that the Directors have the appropriate mix of skills, experience, knowledge and professional qualifications which will contribute positively to the Board Committees and the Board as a whole.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III Remuneration

The NRC has established a Remuneration Policy for Directors and Key Senior Management which is linked to the strategic performance or long term objectives of the Group to ensure that the Group is able to attract and retain capable Directors and Key Senior Management to run the Group successfully. The Executive Directors' remuneration is structured to link rewards to corporate and individual performances. In the case of Non-Executive directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

In determining the remuneration of the Directors and Key Senior Management, the Group's objective is to provide fair and competitive remuneration to its Board and/or Key Senior Management in order for the Group to benefit by attracting and retaining a high quality team. The NRC is authorised by the Board to seek appropriate professional advice within and outside the Group as and when it considers necessary.

The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors and/or Key Senior Management are reviewed by the NRC and recommend to the Board for approval and where necessary, will be subject to shareholders' approval. Key Senior Management(s) who report directly to the Executive Directors are evaluated annually premised on annual measurements and targets set. Thereafter, the Executive Directors approve the remuneration of the Key Senior Management(s) based on their performance.

The Directors concerned abstain from deliberation and voting on their own remuneration at the Board meetings.

The remuneration of Non-Executive Directors for the financial year under review was determined by the Board as a whole, with the total quantum recommended by the Board for shareholders' approval at the AGM.

1. Remuneration of Directors

   Details of Directors' remuneration for the financial year ended 31 December 2022 in respect of the Group and Company are as follows:-

   The Company

Name of Directors	Fees	Salary	Bonus	Allowances	Statutory Contributions (EPF, SOCSO and EIS)	Benefits in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	100	–	–	6	–	–	106
Dato Wee Beng Aun	50	–	–	5	–	–	55
Datin Seri Raihanah Begum binti Abdul Rahman	50	–	–	5	–	–	55

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III Remuneration (cont'd)

1. Remuneration of Directors (cont'd)

Name of Directors	Fees	Salary	Bonus	Allowances	Statutory Contributions (EPF, SOCSO and EIS)	Benefits in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loo Ming Chee	50	–	–	5	–	–	55
Nor Adha bin Yahya	50	–	–	6	–	–	56
Total	**300**	**–**	**–**	**27**	**–**	**–**	**327**

The Group

Name of Directors	Fees	Salary	Bonus	Allowances	Statutory Contributions (EPF, SOCSO and EIS)	Benefits in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	100	–	–	6	–	–	106
Wee Eng Kong	–	804	–	–	97	33	934
Dato' Wee Beng Aun	50	–	–	5	–	–	55
Wee Beng Chuan	–	432	–	–	40	24	496
Datin Seri Raihanah Begum binti Abdul Rahman	50	–	–	5	–	–	55
Loo Ming Chee	50	–	–	5	–	–	55
Nor Adha bin Yahya	50	–	–	6	–	–	56
Total	**300**	**1,236**	**–**	**27**	**137**	**57**	**1,757**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III Remuneration (cont'd)

2. Remuneration of Key Senior Management

The Board is aware of the need for transparency in the disclosure of its Key Senior Management remuneration. Nonetheless, it is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

The Board also took into consideration of sensitivity and security of the remuneration package of Key Senior Management, hence, opts not to disclose on named basis the remuneration or in bands of RM50,000 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Key Senior Management of the Group for the financial year ended 31 December 2022 are as follows:-

Remuneration Band	Number of Key Senior Management
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	–
RM350,001 to RM400,000	1
RM400,001 to RM450,000	–
RM450,001 to RM500,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I ARMC

The ARMC is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions.

The ARMC comprises three (3) members, Nor Adha Bin Yahya as the Chairman, Datin Seri Raihanah Begum Binti Abdul Rahman and Loo Ming Chee, all of whom are Independent Non-Executive Directors. The ARMC Chairman is not the Chairman of the Board.

The independence, objectivity and integrity of the members of the ARMC are the key requirements which the Board of the Company recognises as essential for an effective and independent ARMC. None of the members of the ARMC is a former key audit partner. The ARMC has instituted a policy by way of inclusion in the Terms of Reference of the ARMC that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. More information on the ARMC and its activities during the financial year is set out in the ARMC Report of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I ARMC (cont'd)

1. Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and MMLR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Group's financial position and prospects. The ARMC reviews the Group's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

2. Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the external auditors through the ARMC in discussing with them their audit plans, audit findings and financial statements. The ARMC invites the external auditors at least twice a year to discuss their findings and audited financial statements of the Group. In addition, the ARMC also met with the external auditors during the financial year ended 31 December 2022 without the presence of the Executive Director, Managing Director and Key Senior Management of the Group.

The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company and its subsidiary external auditors and the audit fees. The ARMC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.

Messrs KPMG PLT, the External Auditors of the Company and its subsidiary have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The ARMC is satisfied with the suitability and independence of Messrs KPMG PLT based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2022.

For the financial year ended 31 December 2022, fees incurred to the external auditors, Messrs KPMG PLT and its affiliated firms by the Company and the Group are stated in the table below:-

Nature of Services	Company (RM)	Group (RM)
Audit		
- KPMG PLT	30,000	140,000
Non-Audit:		
- KPMG Tax Services Sdn Bhd	4,000	24,000
- KPMG PLT [(1)]	10,000	10,000
Total	**44,000**	**174,000**

[(1)] The non-audit fees of the Company were incurred mainly for the annual review of the Statement on Risk Management and Internal Control.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II Risk Management and Internal Control Framework

1. Risk Management and Internal Controls

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations not limiting to financial aspects of the business but also operational and regulatory compliance. The ARMC has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that the internal control system is devised to cater for particular needs of the Group and risk management is to provide reasonable assurance against material misstatements or loss.

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

2. Internal Audit Function

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group.

The Group has an internal audit function which is outsourced to Sterling Business Alignment Consulting Sdn Bhd and reports directly to the ARMC. The resources and scope of work covered by the internal audit function during the financial year under review, including its observation and recommendations, is provided in the ARMC Report of this Annual Report. Details on the person responsible for the internal audit are set out below:-

Name	So Hsien Ying
Qualification	Certified Internal Control Professional ("CICP") with Internal Control Institute, USA. Master of Business Administration ("MBA") Degree specializing in Finance with University of Hull, UK, Honorable Bachelor Degree in Economics as well as Diploma in Economics with University of London, Permanent Member of the Internal Control Institute US, Member of the Malaysian Alliance of Corporate Directors; and Associate Member of the Institute of Internal Auditors Malaysia.
Independence	Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or penalty	Has no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

The ARMC meets regularly to review the risks identified, discuss the mitigation actions in place and report to the Board on a quarterly basis. Details of the internal audit function are set out in the Statement on Risk Management and Internal Control and ARMC Report of this Annual Report.

The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC. Further information may be found in the Statement of Risk Management and Internal Control.

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

I Communication with Stakeholders

The Group recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations.

The Board supports the use of information technology for effective dissemination of information.

The Board has established a dedicated section for corporate information on the Company's website at https://tujusetia.my/, where information on the Company's announcements, financial information and the Company's annual report may be accessed. It also contains all announcements made to Bursa Securities as well as the contact details of a designated person to address any queries.

It has always been the Company's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further updates of the Group's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations roadshows and the media.

II Conduct of General Meetings

The AGM serves as an important and effective platform for our Directors and Key Senior Management to communicate with our shareholders. Shareholders will be given the opportunity to seek clarification on any issue on the resolutions being proposed as well as the matter relating to the performance, developments and future direction of our Group.

Notice of the Third AGM together with the Annual Report 2022 is issued to shareholders at least twenty-eight ("28") days before the date of meeting to allow sufficient time for the shareholders to go through the Annual Report 2022 and consider the proposed resolutions to be tabled at the AGM which in line within Section 316(2) of the Companies Act 2016, Paragraph 7.15 of the MMLR & MCCG.

The Notice of AGM was also accompanied by explanatory notes which provides further explanation on each resolution proposed to facilitate informed decision-making by the shareholders. Barring unforeseen circumstances, all our Directors as well as the Chairman of our respective Board Committees and External Auditors shall be present at the forthcoming AGM of our Company to enable our shareholders to raise questions and concerns directly to those responsible.

This CG Overview Statement was approved by the Board of Directors of the Company on 18 April 2023.

STATEMENT OF NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors ("Board") of Tuju Setia Berhad is pleased to present the Nomination and Remuneration Committee ("NRC") report for the financial year ended 31 December 2022 in compliance with Paragraph 15.08A(3) of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The NRC assisted the Board in managing the oversight of the recruitment, evaluation and retention of the Board & Board committees. The NRC plays a vital role in enhancing good governance and to increase the efficiency and accountability of the Board, ensuring that decision-making processes are not only independent but are seen to be independent.

In line with its objective to ensure adequate checks and balances in the decision-making process and in compliance with the requirement of paragraph 15.08(1) of the MMLR of Bursa Securities, the NRC comprises exclusively of Independent Non-Executive Directors as follows:-

CHAIRMAN

Loo Ming Chee

MEMBERS

Datin Seri Raihanah Begum binti Abdul Rahman

Nor Adha bin Yahya

DUTIES

The main functions of our NRC include among others:-

(i) identify and nominate, for the approval of the Board, candidates to fill the Board vacancies;

(ii) recommend to our Board, Directors to fill the seats on board committees;

(iii) assess the training needs of each Director;

(iv) review and make recommendations to our Board on succession planning for management;

(v) assess annually the effectiveness of our Board as a whole, the committees of our Board and the contribution of each individual Director vide a formal and objective assessment;

(vi) assess annually the term of office and performance of our Audit and Risk Management Committee;

(vii) setting the remuneration policy for all Directors and key senior management;

(viii) recommend to our Board the appropriate remuneration packages for our Executive Directors and key senior management; and

(ix) review the fees of the directors and benefits payable to directors.

STATEMENT OF NOMINATION AND REMUNERATION COMMITTEE

SUMMARY OF ACTIVITIES

The NRC carried out the following work in discharging its functions and duties during the FYE2022, which are in line with its responsibilities as set out in its TOR:-

(i) Deliberated and recommended to the Board the structure, size, balance and composition of the Board and Board Committees, taking into account the updated practices under the Malaysian Code of Corporate Governance 2021, the Group's business and the wider business and economic environment during the year;

(ii) Considered and recommended to the Board the re-appointments and re-election of Directors in accordance with the Fit and Proper Policy of the Company;

(iii) Discussed and recommended the payment of Directors fees and benefits;

(iv) Assessed the results of the annual performance assessment for FYE2022 of the Board, each of the Board Committees, and each Board member (including introducing peer-to-peer review for the first time);

(v) Assessed the effectiveness of the Board and Board Committees in FYE2022;

(vi) Discussed the succession plan for the Board and Senior Management; and

(vii) Reviewed and recommended the Fit and Proper Policy of the Company to the Board for approval and adoption. The Fit and Proper Policy was approved by the Board for adoption with effect from 23 June 2022.

FYE2022 BOARD EFFECTIVENESS ASSESSMENT

The NRC conducted annual assessments of the effectiveness of the Board as a whole, Board Committees, and individual Directors using a combination of self-assessment and peer-to-peer reviews. The assessment results were compiled by the Company Secretary and tabled to the NRC, and thereafter, to the Board for review and notation.

The NRC upon its annual assessment carried out for financial year 2022, was satisfied that the Directors have discharged their duties more than satisfactory. The NRC was also satisfied with the performance of the Board and Board Committees. As for the balance and composition of the Board, the NRC concluded that the Directors have the appropriate mix of skills, experience, knowledge and professional qualifications which will contribute positively to the Board Committees and the Board as a whole.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of Tuju Setia Berhad ("TSB" or "the Company") presents the Audit and Risk Management Committee ("ARMC") Report of the Company for the financial year ended 31 December 2022 ("FYE2022") as follows:-

COMPOSITION OF THE ARMC

Name	Designation	Directorship
Nor Adha bin Yahya	Chairman	Independent Non-Executive Director
Datin Seri Raihanah Begum binti Abdul Rahman	Member	Independent Non-Executive Director
Loo Ming Chee	Member	Independent Non-Executive Director

The ARMC consists solely of Independent Non-Executive Directors, who are qualified individuals with required skills and expertise to discharge the ARMC's functions and duties. This meets the requirements of Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Step-Up Practice 9.4 under the Principle B of the Malaysian Code on Corporate Governance 2021 ("MCCG").

The Chairman of the ARMC, Encik Nor Adha bin Yahya is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and he is not the Chairman of the Board. In this respect, the Company complies with the Practice 9.1 under the Principle B of the MCCG.

The ARMC is governed by its terms of reference ("TOR"), which is available on the Company's website at https://tujusetia.my

MEETING

During the FYE2022, the ARMC had held five (5) meetings and attendance of meetings for each of the ARMC members are set out below:-

Name	Designation	Attendance
Nor Adha bin Yahya	Chairman	5/5
Datin Seri Raihanah Begum binti Abdul Rahman	Member	5/5
Loo Ming Chee	Member	5/5

The ARMC meetings were conducted with sufficient quorum. The Company Secretary was appointed as the secretary of the ARMC. Minutes of each ARMC meeting were distributed electronically to the Board.

The External Auditors, Internal Auditors, Managing Director, Executive Director and certain designated Key Senior Management have attended meetings at the ARMC's invitation to facilitate direct communication and to provide clarifications on audit issues, area of concerns, operational matters as well as to brief ARMC on specific issues arising from the internal audit report in respect of the internal controls of the Group.

SUMMARY OF ACTIVITIES

The ARMC carried out the following work in discharging its functions and duties during the FYE2022, which are in line with its responsibilities as set out in its TOR:-

(i) Reviewed the draft Audited Financial Statements ("AFS") of the Company and the External Auditors' findings and recommendations for the financial year ended 31 December 2021 at the ARMC meeting held on 21 April 2022. The AFS of the Company were prepared in compliance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016;

(ii) Reviewed the unaudited quarterly financial reports of the Group including the announcements pertaining thereto, and recommended the same for Board's approval;

(iii) Reviewed and deliberated with the External Auditors, the audit planning memorandum and scope of the statutory audit of the Group's financial statements for the FYE 2022 before the audit commenced to ensure that the scope of the external audit is comprehensive;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(iv) Discussion with External Auditors on their audit findings which include any change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements;

(v) Reviewed with the Internal Auditors, the adequacy of the scope, methodology employed and functions of the internal audit plan, internal audit reports, follow-up status reports and considered the findings of internal audit and management responses thereto, and ensured that appropriate actions are taken by the Management on the recommendations raised by the Internal Auditors;

(vi) Reviewed and confirmed with the Management on a quarterly basis if any related party transaction or recurrent related party transaction entered by the Group;

(vii) Reviewed the Audit Results of the External Auditors which included the audit scope changes, the significant accounting and auditing issues, the qualitative aspect of accounting policies and the summary of audit difference, if any;

(viii) Met the External and Internal Auditors without the presence of the Executive Directors and Management;

(ix) Assessed the performance of External Auditors and recommended to the Board for re-appointment;

(x) Reviewed the Statement on Risk Management and Internal Control together with the External Auditors and received assurance from both Managing Director and Chief Financial Officer of the Company that the Group's risk management and internal control systems were operating adequately and effectively in all material aspects before recommending the said Statement to the Board for its approval;

(xi) Reviewed the Statement to Shareholders in relation to Proposed Authority for the Company to purchase its own Shares; and

(xii) Reviewed and recommended to the Board the Audit and Risk Management Committee Report for approval and inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTIONS

The Company engaged Sterling Business Alignment Consulting Sdn Bhd ("Sterling" or "Internal Auditor") as its Internal Control Review Consultant to review the adequacy and sufficiency of the internal control of the Group. After the Listing, the Board continued to outsource its internal audit function to Sterling to provide an independent evaluation of the internal control system of the Group. The Internal Auditor reports directly to the ARMC during the ARMC meeting. The Internal Auditor is free from any relationships with the Board and Management or conflict of interest in the operations and activities of the Group, which could impair their objectivity and independence of the internal audit function.

The Internal Auditors uses the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews are conducted in accordance with the risk-based internal audit plan approved by the ARMC. The Internal Auditor reviewed the internal control and business processes of key functions or activities of the Group, identified internal control gaps, effectiveness and adequacy of the existing state of internal control and recommended possible improvements to the internal control process.

During the FYE2022, the internal audit and follow up status review have been carried out by the Internal Auditor for:

- Enterprise Risk Management Review
- Tender and Contract Function

The total cost incurred for the internal audit function for FYE2022 was RM44,160.

EVALUATION

The Board, through the Nomination and Remuneration Committee, has evaluated the performance of the ARMC and its members. Based on the assessment conducted for FYE2022, the ARMC and its members are found to have effectively discharged their duties and responsibilities in accordance with the ARMC's terms of reference.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE ("IPO PROCEEDS")

The status of the utilisation of the IPO Proceeds as at 31 December 2022 is as follows:-

Purposes	Initial Allocation RM'000	Deviation [1] RM'000	Variation [2] RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated time frame for use (From the Listing date)
Capital expenditure						
- Purchase of construction machinery and equipment, and BIM system software	24,000	-	(4,000)	(16,974)	3,026	Within 24 months
- Purchase of land and construction of storage facilities	8,000	-	-	(2,705)	5,295	Within 36 months
Working capital	19,000	295	4,000	(23,295)	-	Within 12 months
Estimated IPO expenses	5,000	(295)	-	(4,705)	-	Within 3 months
Total	**56,000**	**-**	**-**	**(47,679)**	**8,321**	

Notes:
(1) The actual listing expenses are lower than the estimated amount hence, the excess of RM0.30 million was used for working capital purposes.
(2) The initial allocation of RM4.00 million to purchase on-site batching plants has been re-allocated for working capital.

ADDITIONAL COMPLIANCE INFORMATION

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for FYE2022 are as follows:-

Type of fees	Company RM	Group RM
Audit fees	30,000	140,000
Non-audit fees	14,000	34,000
Total	**44,000**	**174,000**

(i) The non-audit fees of the Company and the Group comprise mainly annual review of the Statement on Risk Management and Internal Control, corporate tax computation and submission services rendered to the Group by a firm affiliated to the external auditors.

3. MATERIAL CONTRACTS

We have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) for the FYE2022.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE ("RRPT")

There were no RRPT or RPT entered into by our Group which involve the Directors' and/or major shareholders' interest, during the FYE2022.

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Tuju Setia Berhad ("Tuju Setia" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of risk management and internal control system of Tuju Setia Berhad and its subsidiary ("the Group") for the financial year ended 31 December 2022. This Statement has been prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance ("MCCG") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of the Group system of risk management and internal controls. The system is designed to manage the Group's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives. Accordingly, the system of risk management and internal controls of the Group can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board has established an ongoing process for identifying, evaluating, managing and monitoring the significant risks faced by the Group, and this process includes enhancing the system of risk management and internal controls as and when there are changes to the business environment or regulatory guidelines.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The management's experience, knowledge and expertise to identify and manage such risks throughout the financial year under review has enabled the Group to make cautious, mindful and well-informed decisions. Management has also formulated and implemented requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

The Board is assisted by the Audit and Risk Management Committee ("ARMC") to provide oversight, direction and counsel to the Group's risk management process by identifying and assessing risks, and making recommendations to monitor, evaluate, manage and mitigate such risks throughout the business operations, particularly in respect of key risks which the Group faces on a regular basis.

As part of our Risk Management process, a Risk Management Handbook and Registry of Risk were adopted. The Registry of Risk is maintained to identify principal business risks and key risk areas, their impact, likelihood of occurrence, risk owner and risk control actions and is updated to address changes in risk profiles. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions.

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL

The key risk categories which have been reviewed by the respective risk owners during the financial year under review encompassed:-

1. Financial
2. Procurement
3. Human Resources Management
4. Business Development
5. Project Management
6. Information System
7. Business Continuity
8. Sustainability
9. Tuju Setia Berhad as a Listed Investment Holding company

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is currently outsourced to a professional services firm and reports directly to the ARMC. The primary objective of the internal audit function is to undertake independent, regular and systematic review of the risk management and internal control systems of the Group so as to provide reasonable assurance that such systems are adequate and continue to operate satisfactorily and effectively in the Group. Further details of the Internal Audit Function are set out in ARMC Report on page XX of this Annual Report.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of the Group's internal control system include:-

1. Well-defined organisational structure with clear lines of authority, limits of authority, accountability and responsibilities of the Managing Director, Executive Director and Senior Management;

2. Clearly defined terms of reference, authorities and responsibilities of the various Board committees which include the Audit and Risk Management Committee and Nomination and Remuneration Committee;

3. Quarterly financial results were reported to the Audit and Risk Management Committee and Board for approval.

4. Clearly defined and formalised policies and procedures and guidelines are in place to support the Group in achieving its corporate objectives. These policies and procedures including Covid-19 preventive procedures and Anti-Bribery and Anti-Corruption Policy provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;

5. Clearly documented internal procedures in respect of operational processes as set out in the ISO 9001:2015, Occupational Health and Safety Management System and Environmental Management System;

6. The Management Committee meets on a monthly basis to discuss key operational and management issues. Under the purview of the Managing Director, the heads of the respective operational units of the Group are empowered with the responsibilities of managing their respective operations and business.

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:-

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

ASSURANCE TO THE BOARD MEMBERS

The Board is of the opinion that the Group's risk management and internal control systems are satisfactory and have no internal control failure nor any significant weaknesses that resulted in any loss to the Group during the financial year under review. The Board is also cognizant that the Group's risk management framework and system of internal control must be continuously reviewed and evolved to meet the changing and challenging business environment. The Group is committed to continuing take all necessary measures to strengthen the risk management and internal control system to further enhance its effectiveness to ensure all identified risks are managed on a timely basis and are within tolerance limits.

The Board is satisfied that the Group's risk management framework and system of internal control are operating adequately and effectively in all material aspects for the financial year ended 31 December 2022.

The Managing Director and Chief Financial Officer of the Group have given the Board the assurance that the Group's risk management and internal control system have been operating adequately and effectively in all critical aspects.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 18 April 2023.

DIRECTORS RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

(PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The Directors are required by the Companies Act 2016 ("Act") to prepare the financial statements for each financial year in accordance with applicable Financial Reporting Standards, the requirements of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year as well as of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the year ended 31 December 2022, the Directors have deliberated:

i. appropriate and relevant accounting policies have been adopted and applied consistently;

ii. judgements and estimates have been made on reasonable and prudent basis;

iii. all applicable accounting standards have been followed; and

iv. the financial statements have been appropriately prepared on a going concern basis.

In addition, the Directors have a responsibility to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking such steps which are reasonably available to them to safeguard the assets of the Group and the Company to detect and prevent fraud and other irregularities.

AUDITED FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiary are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARY

The details of the Company's subsidiary are disclosed in Note 5 to the financial statements.

RESULTS

	Group RM	Company RM
Loss for the year	(33,535,163)	(596,864)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

In respect of the financial year ended 31 December 2021 as reported in the Directors' Report of that year:

- an interim ordinary dividend of 0.5 sen per ordinary share totalling RM1,584,144 declared on 26 November 2021 and paid on 20 January 2022.
- a final ordinary dividend of 0.5 sen per ordinary share totalling RM1,584,368 declared on 22 April 2022 and paid on 20 July 2022.

No dividend has been declared or recommended for payment by the Board of Directors of the Company for the financial year ended 31 December 2022.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj
Wee Eng Kong
Wee Beng Chuan
Dato' Wee Beng Aun
Datin Seri Raihanah Begum binti Abdul Rahman
Loo Ming Chee
Nor Adha bin Yahya

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its wholly-owned subsidiary of those who were Directors at the financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Interests in the Company:				
YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	400,000	-	(30,000)	370,000
Wee Eng Kong	140,585,229	400,000	-	140,985,229
Wee Beng Chuan	698,900	-	-	698,900
Dato' Wee Beng Aun	69,243,471	-	-	69,243,471
Loo Ming Chee	355,100	-	-	355,100
Nor Adha bin Yahya	150,000	-	-	150,000

By virtue of their interests in the shares of the Company, Wee Eng Kong and Dato' Wee Beng Aun are also deemed interested in the shares of the subsidiary during the financial year to the extent that Tuju Setia Berhad has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those 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 interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2022 are as follows:

	From the Company RM	From subsidiary RM
Directors of the Company:		
Fees	300,000	-
Remuneration	27,000	1,372,800
Estimated money value of any other benefits	-	57,130
	327,000	1,429,930

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, there was no indemnity given to or insurance effected for the Directors, officers or auditors of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have 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:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, except for the net loss on impairment of contract assets as disclosed in Note 18 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remunerations of the Group and of the Company during the year are RM150,000 and RM40,000 respectively.

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

Wee Eng Kong
Director

Wee Beng Chuan
Director

Petaling Jaya,
Date: 18 April 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021[1] RM	Company 2022 RM	Company 2021 RM
Assets					
Property, plant and equipment	3	27,342,862	21,768,823	2,643,455	58,940
Right-of-use assets	4	42,749,842	22,638,213	-	-
Investment in subsidiary	5	-	-	76,392,576	37,892,576
Deferred tax assets	12	4,618,939	-	-	-
Total non-current assets		74,711,643	44,407,036	79,036,031	37,951,516
Trade and other receivables	6	105,705,746	91,553,810	8,464,723	30,519,686
Contract assets	7	128,251,838	99,279,066	-	-
Current tax assets		5,989,816	4,439,462	7,080	18,750
Cash and cash equivalents	8	63,359,360	66,831,019	4,123,517	26,659,192
Assets classified as held for sale	9	3,172,500	-	-	-
Total current assets		306,479,260	262,103,357	12,595,320	57,197,628
Total assets		381,190,903	306,510,393	91,631,351	95,149,144
Equity					
Share capital	10	91,659,500	91,659,500	91,659,500	91,659,500
Restructuring reserve	10	(36,392,576)	(36,392,576)	-	-
Retained earnings/ (Accumulated losses)		16,233,224	51,352,755	(310,592)	1,870,640
Total equity		71,500,148	106,619,679	91,348,908	93,530,140
Liabilities					
Loans and borrowings	11	16,988,806	23,739,274	-	-
Lease liabilities		15,283,782	1,802,445	-	-
Deferred tax liabilities	12	-	5,946,005	-	-
Total non-current liabilities		32,272,588	31,487,724	-	-
Trade and other payables	13	225,653,237	152,621,945	282,443	1,619,004
Loans and borrowings	11	43,803,385	13,269,558	-	-
Lease liabilities		7,624,773	2,374,520	-	-
Contract liabilities	7	336,772	136,967	-	-
Total current liabilities		277,418,167	168,402,990	282,443	1,619,004
Total liabilities		309,690,755	199,890,714	282,443	1,619,004
Total equity and liabilities		381,190,903	306,510,393	91,631,351	95,149,144

[1] *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

The notes on pages 69 to 109 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021[1] RM	Company 2022 RM	Company 2021 RM
Revenue	14	393,301,536	245,773,036	-	6,000,000
Cost of sales		(416,465,588)	(228,071,545)	-	-
Gross (loss)/profit		(23,164,052)	17,701,491	-	6,000,000
Other income		168,104	967,352	-	-
Administrative expenses		(7,783,951)	(7,346,957)	(786,197)	(1,505,990)
Net loss on impairment of contract assets	18	(13,498,532)	-	-	-
Other expenses		(749,828)	(406,052)	(15,358)	(4,210)
Results from operating activities		(45,028,259)	10,915,834	(801,555)	4,489,800
Finance income	15	630,906	514,678	204,946	209,708
Finance costs	16	(498,113)	(286,604)	(255)	(129)
Net finance income		132,793	228,074	204,691	209,579
(Loss)/Profit before tax		(44,895,466)	11,143,908	(596,864)	4,699,379
Taxation	17	11,360,303	(2,867,172)	-	-
(Loss)/Profit and total comprehensive (expense)/income for the year	18	(33,535,163)	8,276,736	(596,864)	4,699,379
Basic (loss)/earnings per ordinary share (sen)	19	(10.58)	2.85		
Diluted (loss)/earnings per ordinary share (sen)	19	(10.58)	2.85		

[1] *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

The notes on pages 69 to 109 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

		Non-distributable		*Distributable*	
Group	**Share capital RM**	**Invested equity RM**	**Restructuring reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 January 2021	100	1,500,000	-	52,660,163	54,160,263
Effect of restructuring[1]	37,892,576	(1,500,000)	(36,392,576)	-	-
New shares issued by the Company from the Initial Public Offering ("IPO")	56,000,000	-	-	-	56,000,000
New shares issuance expenses for the IPO	(2,233,176)	-	-	-	(2,233,176)
Profit and total comprehensive income for the year	-	-	-	8,276,736	8,276,736
Distributions to owners					
- Dividends to former owner of Pembinaan Tuju Setia Sdn. Bhd. ("PTS")	-	-	-	(8,000,000)	(8,000,000)
- Dividends to owners of the Company (Note 20)	-	-	-	(1,584,144)	(1,584,144)
At 31 December 2021/ 1 January 2022	91,659,500	-	(36,392,576)	51,352,755	106,619,679
Loss and total comprehensive expense for the year	-	-	-	(33,535,163)	(33,535,163)
Distributions to owners of the Company					
- Dividends to owners of the Company (Note 20)	-	-	-	(1,584,368)	(1,584,368)
At 31 December 2022	91,659,500	-	(36,392,576)	16,233,224	71,500,148
	Note 10		Note 10		

[1] *The effect of restructuring arose from the restructuring exercise as explained in Note 26.*

The notes on pages 69 to 109 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Non-distributable	*Distributable*	
	Share capital RM	**Retained earnings/ (Accumulated losses) RM**	**Total equity RM**
Company			
At 1 January 2021	100	(1,244,595)	(1,244,495)
Effect of restructuring[1]	37,892,576	-	37,892,576
New shares issued by the Company from the IPO	56,000,000	-	56,000,000
New shares issuance expenses for the IPO	(2,233,176)	-	(2,233,176)
Profit and total comprehensive income for the year	-	4,699,379	4,699,379
Distributions to owners of the Company			
- Dividends to owners of the Company (Note 20)	-	(1,584,144)	(1,584,144)
At 31 December 2021/1 January 2022	91,659,500	1,870,640	93,530,140
Loss and total comprehensive expense for the year	-	(596,864)	(596,864)
Distributions to owners of the Company			
- Dividends to owners of the Company (Note 20)	-	(1,584,368)	(1,584,368)
At 31 December 2022	91,659,500	(310,592)	91,348,908
	Note 10		

[1] *The effect of restructuring arose from the restructuring exercise as explained in Note 26.*

The notes on pages 69 to 109 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021[1] RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(44,895,466)	11,143,908	(596,864)	4,699,379
Adjustments for:					
Depreciation of property, plant and equipment	3	2,874,417	1,229,778	15,358	4,210
Depreciation of right-of-use assets	4	5,125,304	3,311,380	-	-
Dividend income		-	-	-	(6,000,000)
Finance income	15	(630,906)	(514,678)	(204,946)	(209,708)
Finance costs	16	498,113	286,604	255	129
Interest expense on lease liabilities recognised in cost of sales	18	625,036	306,320	-	-
Gain on disposal of property, plant and equipment		(3,400)	(23,979)	-	-
Gain on disposal of right-of-use assets	18	(64,876)	(607,301)	-	-
Loss on lease modification		(1,807)	6,443	-	-
Impairment loss on assets held for sale	18	317,617	-	-	-
Initial public offering expenses	18	-	1,101,659	-	1,101,659
Property, plant and equipment written off	18	383,633	-	-	-
Net loss on impairment of contract assets	18	13,498,532	-	-	-
Operating (loss)/profit before changes in working capital		(22,273,803)	16,240,134	(786,197)	(404,331)
Change in trade and other receivables		(17,642,053)	(12,954,010)	(101,731)	(234,500)
Change in trade and other payables		74,615,436	46,426,802	247,583	16,108
Change in contract assets		(42,471,304)	(53,792,779)	-	-
Change in contract liabilities		199,805	(2,452,458)	-	-
Cash used in operations		(7,571,919)	(6,532,311)	(640,345)	(622,723)
Tax (paid)/refunded		(754,995)	(5,093,750)	11,670	(18,750)
Net cash used in operating activities		(8,326,914)	(11,626,061)	(628,675)	(641,473)
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(12,939,039)	(13,908,666)	(2,599,873)	(63,150)
Interest received from fixed deposits		630,906	514,678	204,946	209,708
Proceeds from disposal of property, plant and equipment		16,853	52,000	-	-
Proceeds from disposal of right-of-use assets		105,000	1,184,000	-	-
Advances to subsidiary		-	-	(19,511,818)	(25,894,047)
Dividends received from subsidiary		-	-	3,168,512	-
Net cash used in investing activities		(12,186,280)	(12,157,988)	(18,738,233)	(25,747,489)

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021[1] RM	Company 2022 RM	Company 2021 RM
Cash flows from financing activities					
Change in pledged deposits		(11,711,755)	(9,587,050)	-	-
Dividends paid to former owner of PTS		-	(8,000,000)	-	-
Dividends to owners of the Company	20	(3,168,512)	-	(3,168,512)	-
Net drawdown/(repayment) of invoice financing/revolving credits		30,404,455	(2,395,053)	-	-
Interest paid on loans and borrowings		(470,447)	(271,736)	(255)	(129)
Interest paid in relation to lease liabilities	16	(27,666)	(14,868)	-	-
Interest paid in relation to lease liabilities recognised in cost of sales		(625,036)	(306,320)	-	-
Payment of lease liabilities		(2,450,163)	(8,060,429)	-	-
Net (repayment)/drawdown of term loans		(6,621,096)	25,282,153	-	-
Proceeds from issue of share capital		-	56,000,000	-	56,000,000
Payment of listing expenses		-	(2,951,817)	-	(2,951,817)
Net cash from/(used in) financing activities		5,329,780	49,694,880	(3,168,767)	53,048,054
Net (decrease)/increase in cash and cash equivalents		(15,183,414)	25,910,831	(22,535,675)	26,659,092
Cash and cash equivalents at 1 January		44,288,328	18,377,497	26,659,192	100
Cash and cash equivalents at 31 December	8	29,104,914	44,288,328	4,123,517	26,659,192

[1] *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2022

CASH OUTFLOWS FOR LEASES AS LESSEE

		Group	
	Note	2022 RM	2021[1] RM
Included in net cash from operating activities:			
Payment relating to short-term leases	18	408,940	854,151
Payment relating to leases of low-value assets	18	25,541	31,034
Payment relating to variable lease payments not included in the measurement of lease liabilities	18	961,220	214,342
Interest paid in relation to lease liabilities recognised in cost of sales	18	625,036	306,320
Included in net cash from financing activities:			
Interest paid in relation to lease liabilities	16	27,666	14,868
Payment of lease liabilities		2,450,163	8,060,429
Total cash outflows for leases		4,498,566	9,481,144

[1] *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2022

Group	Note	At 1 January 2021 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Other changes RM	At 31 December 2021/ 1 January 2022 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Other changes RM	At 31 December 2022 RM
Secured term loans	11	4,027,864	25,282,153	-	-	29,310,017	(6,621,096)	-	-	22,688,921
Invoice financing/ Revolving credits	11	10,093,868	(2,395,053)	-	-	7,698,815	30,404,455	-	-	38,103,270
Lease liabilities		7,664,043	(8,060,429)	4,405,797	167,554	4,176,965	(2,450,163)	21,128,254	53,499	22,908,555
		21,785,775	14,826,671	4,405,797	167,554	41,185,797	21,333,196	21,128,254	53,499	83,700,746

The notes on pages 69 to 109 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Tuju Setia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
No. 31-1, Jalan Puteri 4/8
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan

Registered office
12th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiary (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2022 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiary are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 18 April 2023.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The following are accounting standards and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and by the Company:

MFRSs and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements –Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

1. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

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

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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

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

The Group and the Company plan to apply the abovementioned accounting standards and amendments:

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 12 - recognition of deferred tax assets
- Note 14 - revenue recognition

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(iv) Transactions eliminated on consolidation

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to review for impairment assessment (see Note 2(h)(i)).

Financial liabilities

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense is recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial instruments (cont'd)

(iii) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, plant and equipment

(i) Recognition and measurement

Capital work-in-progress are measured at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

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

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Long-term leasehold land	99 years
• Motor vehicles	5 years
• Office equipment, furniture and fittings	10 years
• Store equipment, site equipment, portable cabins and computers	5 - 10 years
• Renovation	10 years
• Software	7 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Leases

(i) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Leases (cont'd)

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

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

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

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(e) Non-current assets held for sale

Non-current assets, comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

(f) Contract assets/Contract liabilities

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(h)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

(h) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is 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 the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources 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 or the Company's procedure for recovery amounts due.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Impairment (cont'd)

(ii) Other assets

The carrying amounts of other assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue and other income

(i) Revenue from contracts with customers

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

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

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(n) Income tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per ordinary share

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

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any.

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

(p) Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

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

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

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

3. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Long-term leasehold land RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Store equipment, site equipment, portable cabins and computers RM	Renovation RM	Software RM	Capital work-in-progress RM	Total RM
Cost									
At 1 January 2021	5,696,000	-	498,560	396,948	9,392,842	71,911	-	-	16,056,261
Additions	-	-	-	82,349	9,960,479	155,285	-	3,710,553	13,908,666
Disposals	-	-	(179,231)	-	(72,180)	-	-	-	(251,411)
At 31 December 2021/ 1 January 2022	5,696,000	-	319,329	479,297	19,281,141	227,196	-	3,710,553	29,713,516
Additions	-	2,599,873	-	244,296	9,910,624	146,340	37,906	-	12,939,039
Written off	-	-	-	(112,448)	(599,380)	-	-	-	(711,828)
Transfer to right-of-use assets (Note 4)	-	-	-	-	(4,317,390)	-	-	-	(4,317,390)
Reclassification	-	-	-	160,463	3,143,029	(160,463)	567,524	(3,710,553)	-
Disposals	-	-	(3,978)	-	(67,756)	-	-	-	(71,734)
At 31 December 2022	5,696,000	2,599,873	315,351	771,608	27,350,268	213,073	605,430	-	37,551,603
Depreciation									
At 1 January 2021	987,307	-	442,193	226,068	5,210,833	71,904	-	-	6,938,305
Depreciation for the year	113,920	-	8,946	30,963	1,073,361	2,588	-	-	1,229,778
Disposals	-	-	(167,210)	-	(56,180)	-	-	-	(223,390)
At 31 December 2021/ 1 January 2022	1,101,227	-	283,929	257,031	6,228,014	74,492	-	-	7,944,693
Depreciation for the year	113,920	9,043	7,643	38,615	2,616,768	24,914	63,514	-	2,874,417
Written off	-	-	-	(47,548)	(280,647)	-	-	-	(328,195)
Transfer to right-of-use assets (Note 4)	-	-	-	-	(223,893)	-	-	-	(223,893)
Disposals	-	-	(1,558)	-	(56,723)	-	-	-	(58,281)
At 31 December 2022	1,215,147	9,043	290,014	248,098	8,283,519	99,406	63,514	-	10,208,741

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Buildings RM	Long-term leasehold land RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Store equipment, site equipment, portable cabins and computers RM	Renovation RM	Software RM	Capital work-in-progress RM	Total RM
Carrying amounts									
At 1 January 2021	4,708,693	-	56,367	170,880	4,182,009	7	-	-	9,117,956
At 31 December 2021/ 1 January 2022	4,594,773	-	35,400	222,266	13,053,127	152,704	-	3,710,553	21,768,823
At 31 December 2022	4,480,853	2,590,830	25,337	523,510	19,066,749	113,667	541,916	-	27,342,862

3.1 Security

At 31 December 2022, the buildings were pledged to secure banking facilities granted to the Group (see Note 11.1).

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Office equipment RM	Long-term leasehold Land RM	Total RM
Cost			
At 1 January 2021	-	-	-
Addition	63,150	-	63,150
At 31 December 2021/1 January 2022	63,150	-	63,150
Addition	-	2,599,873	2,599,873
At 31 December 2022	63,150	2,599,873	2,663,023
Depreciation			
At 1 January 2021	-	-	-
Depreciation for the year	4,210	-	4,210
At 31 December 2021/1 January 2022	4,210	-	4,210
Depreciation for the year	6,315	9,043	15,358
At 31 December 2022	10,525	9,043	19,568
Carrying amounts			
At 1 January 2021	-	-	-
At 31 December 2021/1 January 2022	58,940	-	58,940
At 31 December 2022	52,625	2,590,830	2,643,455

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS

Group	Land RM	Buildings RM	Motor vehicles RM	Site equipment RM	Total RM
Cost					
At 1 January 2021	2,847,578	1,978,372	1,807,062	27,630,073	34,263,085
Additions	-	222,812	1,539,435	2,643,550	4,405,797
Disposals	(615,559)	-	(133,828)	-	(749,387)
Lease modification	-	161,111	-	-	161,111
At 31 December 2021/ 1 January 2022	2,232,019	2,362,295	3,212,669	30,273,623	38,080,606
Additions	130,000	554,310	143,713	20,300,231	21,128,254
Disposals	-	-	(160,498)	-	(160,498)
Transfer from property, plant and equipment (Note 3)	-	-	-	4,317,390	4,317,390
Lease modification	-	55,306	-	-	55,306
At 31 December 2022	2,362,019	2,971,911	3,195,884	54,891,244	63,421,058
Depreciation					
At 1 January 2021	157,967	1,821,909	1,023,291	9,300,534	12,303,701
Depreciation for the year	23,582	244,888	267,001	2,775,909	3,311,380
Disposals	(38,861)	-	(133,827)	-	(172,688)
At 31 December 2021/ 1 January 2022	142,688	2,066,797	1,156,465	12,076,443	15,442,393
Depreciation for the year	23,421	345,163	455,787	4,300,933	5,125,304
Transfer from property, plant and equipment (Note 3)	-	-	-	223,893	223,893
Disposals	-	-	(120,374)	-	(120,374)
At 31 December 2022	166,109	2,411,960	1,491,878	16,601,269	20,671,216
Carrying amounts					
At 1 January 2021	2,689,611	156,463	783,771	18,329,539	21,959,384
At 31 December 2021/ 1 January 2022	2,089,331	295,498	2,056,204	18,197,180	22,638,213
At 31 December 2022	2,195,910	559,951	1,704,006	38,289,975	42,749,842

4. RIGHT-OF-USE ASSETS (cont'd)

The Group leases certain land, buildings, motor vehicles and site equipment. The leases are between 1 year and 99 years, with an option to renew the lease after the expiry date.

4.1 Variable lease payments based on occupancy (usage)

Some leases of buildings and site equipment contain variable lease payments based on occupancy (usage). Such leases are not material to the Group and hence, no further disclosures are provided for.

4.2 Extension options

Some leases of buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of all leases are currently included in the lease term as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2022 and 31 December 2021, there are no potential future lease payments not included in lease liabilities.

4.3 Security

At 31 December 2022, the land was pledged to secure banking facilities granted to the Group (see Note 11.1).

5. INVESTMENT IN SUBSIDIARY

Company	2022 RM	2021 RM
Cost of investment	76,392,576	37,892,576

Details of the subsidiary are as follows:

Name of entity	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2022 %	2021 %
Pembinaan Tuju Setia Sdn. Bhd. ("PTS")	Malaysia	Provision of construction services	100	100

During the financial year, the Company increased its cost of investment in the subsidiary by RM38,500,000 by way of capitalisation of amount due from the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

6. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Trade					
Trade receivables	6.1	94,628,331	82,424,197	-	-
Non-trade					
Other receivables		1,589,471	2,884,342	16,310	-
Advance payments	6.2	5,329,190	3,283,101	-	-
Deposits		3,309,841	2,374,549	319,921	234,500
Prepayments		848,913	587,621	-	-
Amount due from subsidiary	6.3	-	-	8,128,492	30,285,186
		11,077,415	9,129,613	8,464,723	30,519,686
		105,705,746	91,553,810	8,464,723	30,519,686

6.1 Included in trade receivables at 31 December 2022 are retentions of RM47,384,080 (2021: RM37,287,329) which would be collected upon expiry of defect liability period. Retentions are unsecured, interest free and are expected to be collected as follows:

Group	2022 RM	2021 RM
Within 1 year	13,641,532	5,588,532
More than 1 year	33,742,548	31,698,797
	47,384,080	37,287,329

6.2 These are advances paid to sub-contractors for construction works which would be recouped from subsequent progress payments.

6.3 The amount due from subsidiary is unsecured, interest free and repayable on demand.

7. CONTRACT ASSETS/(LIABILITIES)

Group	2022 RM	2021 RM
Contract assets	128,251,838	99,279,066
Contract liabilities	(336,772)	(136,967)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. The amount will be billed on achievement of billing milestones as per the contracts.

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts, which revenue is recognised over time during the construction.

The changes to contract assets and contract liabilities during the current and previous financial years were mainly affected by progress billings raised and recognition of revenue.

Significant changes to contract assets and contract liabilities balances during the year are as follows:

Group	2022 RM	2021 RM
Contract liabilities at the beginning of the period recognised as revenue	21,316	(2,452,458)
Decrease in revenue recognised in previous period arising from change in measure of progress	(20,130,886)	-

8. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits placed with licensed banks	37,534,148	44,817,778	3,000,000	22,000,000
Cash and bank balances	25,825,212	22,013,241	1,123,517	4,659,192
Cash and cash equivalents in the statements of financial position	63,359,360	66,831,019	4,123,517	26,659,192
Less: Pledged deposits	(34,254,446)	(22,542,691)	-	-
Cash and cash equivalents in the statements of cash flows	29,104,914	44,288,328	4,123,517	26,659,192

Fixed deposits placed with licensed banks of RM34,254,446 (2021: RM22,542,691) were pledged to secure banking facilities granted to the Group (see Note 11.1).

NOTES TO THE FINANCIAL STATEMENTS

9. ASSETS CLASSIFIED AS HELD FOR SALE

During the financial year, management has initiated an active programme to locate potential buyers for the Group's units of building. The units of building are made available for immediate sale in their present condition. Currently, the Group has initiated plans to sell the units of building. The sales are expected to complete within the next financial year.

Group	Note	Units of building 2022 RM
Cost		
At 31 December 2022		3,490,117
Impairment loss for the year		
At 31 December 2022	9.1	(317,617)
Carrying amounts		
At 31 December 2022		3,172,500

9.1 Impairment loss for the year

An impairment of RM317,617 was made upon classification of the units of buildings as assets held for sale as the Directors estimated that the fair values less cost to sell for these units of building are expected to be lower than their carrying amounts.

10. SHARE CAPITAL AND RESTRUCTURING RESERVE

(a) Share capital

	Group and Company			
	Number of shares 2022	Amount 2022 RM	Number of shares 2021	Amount 2021 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	316,828,700	91,659,500	100	100
Effect of restructuring (Note 26)	-	-	236,828,600	37,892,576
New shares issued for the IPO	-	-	80,000,000	56,000,000
New shares issuance expenses for the IPO	-	-	-	(2,233,176)
At 31 December	316,828,700	91,659,500	316,828,700	91,659,500

Group and Company	2022 RM	2021 RM
Share capital in legal form	91,659,500	93,892,676
Less: New shares issuance expenses for the IPO	-	(2,233,176)
Share capital in the statements of financial position	91,659,500	91,659,500

10. SHARE CAPITAL AND RESTRUCTURING RESERVE (cont'd)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

(b) Restructuring reserve

In the event where a new company is formed to facilitate a restructuring exercise, in which the new company itself is not a business, book value accounting is applied. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts as if the restructuring had occurred before the start of the earliest period presented. The other components of equity of the acquired entity are added to the same components within Group equity.

The restructuring reserve amounting to RM36,392,576 comprises the difference between cost of investment recorded by the Company and the share capital of PTS arising from the restructuring exercise as disclosed in Note 26.

11. LOANS AND BORROWINGS

Group	Note	2022 RM	2021 RM
Non-current			
Secured term loans	11.1	16,988,806	23,739,274
Current			
Secured term loans	11.1	5,700,115	5,570,743
Invoice financing/ Revolving credits	11.1	38,103,270	7,698,815
		43,803,385	13,269,558
		60,792,191	37,008,832

11.1 Securities

Term loans

The term loans are secured by the following:

(a) The Group's land and buildings as disclosed in Note 3 and Note 4;

(b) Corporate guarantee by the Company;

(c) Assignment of Keyman/Life Insurance policy of a director;

(d) Danajamin Prihatin Guarantee Scheme.

Invoice financing/Revolving credits

The Group's invoice financing/revolving credits are secured by the following:

(a) Certain fixed deposits pledged as disclosed in Note 8;

(b) Assignment of contract proceeds;

(c) Corporate guarantee by the Company;

(d) A memorandum of deposit and authorisation to the lending bank to create a sinking fund in the form of fixed deposits by way of deduction of 5% from each contract proceeds received.

12. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Group	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Property, plant and equipment	-	-	(4,241,681)	(2,327,502)	(4,241,681)	(2,327,502)
Right-of-use assets	-	-	(2,743,955)	(1,613,644)	(2,743,955)	(1,613,644)
Lease liabilities	131,557	73,728	-	-	131,557	73,728
Contract liabilities	1,286,104	-	-	(2,078,587)	1,286,104	(2,078,587)
Unutilised tax losses	5,307,367	-	-	-	5,307,367	-
Unabsorbed capital allowances	4,879,547	-	-	-	4,879,547	-
Tax assets/(liabilities)	11,604,575	73,728	(6,985,636)	(6,019,733)	4,618,939	(5,946,005)
Set off of tax	(6,985,636)	(73,728)	6,985,636	73,728	-	-
Net tax assets/(liabilities)	4,618,939	-	-	(5,946,005)	4,618,939	(5,946,005)

Movement in temporary differences during the year

Group	At 1.1.2021 RM	Recognised in profit or loss (Note 17) RM	At 31.12.2021/ 1.1.2022 RM	Recognised in profit or loss (Note 17) RM	At 31.12.2022 RM
Property, plant and equipment	(1,498,274)	(829,228)	(2,327,502)	(1,914,179)	(4,241,681)
Right-of-use assets	(1,382,137)	(231,507)	(1,613,644)	(1,130,311)	(2,743,955)
Lease liabilities	39,031	34,697	73,728	57,829	131,557
Contract liabilities	(570,365)	(1,508,222)	(2,078,587)	3,364,691	1,286,104
Unutilised tax losses	-	-	-	5,307,367	5,307,367
Unabsorbed capital allowances	-	-	-	4,879,547	4,879,547
	(3,411,745)	(2,534,260)	(5,946,005)	10,564,944	4,618,939

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which these assets can be utilised.

In accordance with the provision of Malaysia Finance Act 2021 requirement, the unutilised tax losses are available for utilisation in the next ten (10) years, for which excess at the end of the tenth year will be disregarded. Unabsorbed capital allowances do not expire under current tax legislation.

Significant judgements and assumptions

Assumptions on generation of future taxable profits depend on management's estimates of future cash flows, which are closely linked to the outcome of future projects. Judgement is also required on the application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations and hence, the amount of deferred tax assets recognised in the statements of financial position.

13. TRADE AND OTHER PAYABLES

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Trade					
Trade payables	13.1	221,822,844	147,873,784	-	-
Non-trade					
Other payables		2,314,050	2,155,090	242,030	16,860
Deposits		15,067	11,190	-	-
Accrued expenses		1,501,276	997,737	40,413	18,000
Dividends payable	13.2	-	1,584,144	-	1,584,144
		3,830,393	4,748,161	282,443	1,619,004
		225,653,237	152,621,945	282,443	1,619,004

13.1 Included in trade payables of the Group at 31 December 2022 are retentions of RM31,777,545 (2021: RM26,340,812) relating to projects under defect liability period. Retentions are unsecured, interest free and are expected to be paid as follows:

	2022 RM	2021 RM
Within 1 year	9,185,287	2,328,301
More than 1 year	22,592,258	24,012,511
	31,777,545	26,340,812

13.2 This was the interim dividend approved and declared by the Board of Directors in the previous financial year which has been paid on 20 January 2022.

NOTES TO THE FINANCIAL STATEMENTS

14. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers				
Construction services	393,301,536	245,773,036	-	-
Other revenue				
Dividend income	-	-	-	6,000,000

14.1 Disaggregation of revenue and timing of revenue recognition

Disaggregation of revenue has not been disclosed as the Group is solely engaged in the provision of construction services in Malaysia and timing of recognition for revenue is solely over time.

14.2 Nature of services

The following information reflects the typical transactions of the Group:

Nature of services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Construction services	Revenue is recognised over time using the cost incurred method by comparing the actual costs incurred with the estimated total costs required to complete the construction.	Based on agreed milestone, progress billings submitted to customers which are approved by accredited architects are subject to a credit period of 30 to 60 days.	The Group may submit variation orders (for additions or omissions of work) to customers based on actual work performed.	Defect liability period of 2 to 3 years is given to the customers.

14. REVENUE (cont'd)

14.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

Group	2023 - 2026 RM
2022	
Construction services	1,452,479,296

	2022 - 2025 RM
2021	
Construction services	1,384,636,192

The above revenue does not include variable consideration.

The Group applies the practical expedient exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

14.4 Significant judgements and assumptions arising from revenue recognition

Total contract costs

For construction contracts, the Group measured the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

As at 31 December 2022, the Group recognised an impairment loss on contract assets of RM13,498,532. There have been escalating construction material costs, labour costs, operating costs and project time prolongation costs, which arose from delays resulting from the Movement Control Order ("MCO") period. Therefore, management has revised the budgeted costs of certain projects to reflect the prevailing market prices of material costs, labour costs, operating costs and project time prolongation costs.

The Directors applied the assumption that there will not be any further significant increases in such costs or events affecting the completion of the projects. Should either of these factors not materialise, this may result in further impairment of contract assets.

Liquidated and ascertained damages ("LAD")

LAD are penalties for not completing and delivering completed construction works on time. If a project is not completed and delivered within the contractual timelines, the Group shall be liable to pay a sum with a provision reducing the transaction price made unless it is highly probable that LAD will not be imposed. The estimated LAD provision is highly judgemental and based on experience from similar LAD situations and negotiations with customers in addition to an assessment of client relationship and economic impact.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost	630,906	514,678	204,946	209,708

16. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	449,928	252,964	-	-
Interest expense on lease liabilities	27,666	14,868	-	-
Other finance costs	20,519	18,772	255	129
	498,113	286,604	255	129

17. TAXATION

Recognised in profit or loss

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax expense				
Current year	65,034	904,343	-	-
Over provision in prior years	(860,393)	(571,431)	-	-
Total income tax recognised in profit or loss	(795,359)	332,912	-	-
Deferred tax expense				
Original and reversal of temporary differences	(10,779,348)	2,063,148	-	-
Under provision in prior years	214,404	471,112	-	-
Total deferred tax recognised in profit or loss (Note 12)	(10,564,944)	2,534,260	-	-
Total taxation	(11,360,303)	2,867,172	-	-
Reconciliation of taxation				
(Loss)/Profit before tax	(44,895,466)	11,143,908	(596,864)	4,699,379
Income tax calculated using Malaysian tax rate of 24%	(10,774,912)	2,674,538	(143,247)	1,127,851
Non-deductible expenses	60,598	292,953	143,247	312,149
Non-taxable income	-	-	-	(1,440,000)
Over provision in prior years	(645,989)	(100,319)	-	-
	(11,360,303)	2,867,172	-	-

18. (LOSS)/PROFIT AND TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
(Loss)/Profit and total comprehensive (expense)/ income for the year is arrived at after charging/(crediting):					
Auditors' remunerations					
Audit fees		140,000	120,000	30,000	30,000
Non-audit fees					
- KPMG PLT		10,000	175,000	10,000	175,000
- Local affiliates of KPMG PLT		24,000	20,000	4,000	3,000
Material expenses/(income)					
Depreciation of property, plant and equipment	3	2,874,417	1,229,778	15,358	4,210
Depreciation of right-of-use assets	4	5,125,304	3,311,380	-	-
Gain on disposal of right-of-use assets		(64,876)	(607,301)	-	-
Property, plant and equipment written off		383,633	-	-	-
Impairment loss on assets held for sale		317,617	-	-	-
Initial public offering expenses		-	1,101,659	-	1,101,659
Personnel expenses (including key management personnel):					
- Wages, salaries and others		15,897,889	14,005,472	-	-
- Contribution to state plans		1,918,472	1,666,132	-	-
Expenses arising from leases					
Expenses relating to short-term leases	a	408,940	854,151	-	-
Expenses relating to leases of low-value assets	a	25,541	31,034	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	b	961,220	214,342	-	-
Interest expense on lease liabilities recognised in cost of sales		625,036	306,320	-	-
Net loss on impairment of contract assets					
Financial assets at amortised cost		13,498,532	-	-	-

Note a
The Group leases office equipment and site equipment with contract terms of one month to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Note b
The Group leases buildings and site equipment with contract terms of one to two years. The payment of these leases is based on occupancy (usage). Hence, right-of-use assets and lease liabilities are not recognised for these leases. Such leases are instead recognised upon payment.

19. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2022 RM	**2021 RM**
(Loss)/Profit for the year attributable to owners of the Company	(33,535,163)	8,276,736
	2022	**2021[1]**
Weighted average number of ordinary shares at 31 December	316,828,700	290,162,033
	2022 Sen	**2021 Sen**
Basic (loss)/earnings per ordinary share	(10.58)	2.85
Diluted (loss)/earnings per ordinary shares[2]	(10.58)	2.85

[1] *Based on the weighted average number of issued share capital of 236,828,700 ordinary shares after the completion of the restructuring exercise but before the IPO and 316,828,700 ordinary shares after the completion of the IPO.*

[2] *Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company has no dilutive instruments as at the end of the current and previous financial years.*

20. DIVIDENDS

Dividends recognised by the Group:

	Sen per Share	Total amount RM	Date of payment
2021			
Final 2020 ordinary	533.0	8,000,000	30 April 2021

Dividends recognised by the Company:

	Sen per Share	Total amount RM	Date of payment
2022			
Final 2021 ordinary	0.5	1,584,368	20 July 2022
2021			
Interim 2021 ordinary	0.5	1,584,144	20 January 2022

No dividend has been declared or recommended for payment by the Board of Directors of the Company for the financial year ended 31 December 2022.

21. SEGMENT REPORTING

The Group is solely engaged in the provision of construction services, the only business segment. All the Group's operations are carried out in Malaysia. Given that all the required disclosure for segmental reporting is only pertaining to construction services, hence, there is no other segmental information to be disclosed.

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue	
	2022	**2021**
	RM	**RM**
Customer A	48,885,333	39,162,084
Customer B	39,137,365	54,564,648
Customer C	-	42,993,650
Customer D	51,375,753	26,990,361
Customer E	63,485,381	27,678,488
Customer F	58,746,028	-
Customer G	49,204,100	-

These customers combined, in aggregate, contributed 79% (2021: 78%) of the Group's total revenue.

22. FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

2022 **Financial assets**	**Carrying amount** **RM**	**AC** **RM**
Group		
Trade and other receivables*	99,511,333	99,511,333
Cash and cash equivalents	63,359,360	63,359,360
	162,870,693	162,870,693
Company		
Other receivables	8,464,723	8,464,723
Cash and cash equivalents	4,123,517	4,123,517
	12,588,240	12,588,240
Financial liabilities		
Group		
Trade and other payables	(225,653,237)	(225,653,237)
Loans and borrowings	(60,792,191)	(60,792,191)
	(286,445,428)	(286,445,428)
Company		
Other payables	(282,443)	(282,443)

22. FINANCIAL INSTRUMENTS (cont'd)

22.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"). (cont'd)

2021 Financial assets	Carrying amount RM	AC RM
Group		
Trade and other receivables*	87,683,088	87,683,088
Cash and cash equivalents	66,831,019	66,831,019
	154,514,107	154,514,107
Company		
Other receivables	30,519,686	30,519,686
Cash and cash equivalents	26,659,192	26,659,192
	57,178,878	57,178,878
Financial liabilities		
Group		
Trade and other payables	(152,621,945)	(152,621,945)
Loans and borrowings	(37,008,832)	(37,008,832)
	(189,630,777)	(189,630,777)
Company		
Other payables	(1,619,004)	(1,619,004)

* *Excluded advance payments and prepayments*

22.2 Net gains arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net gains/(losses) on:				
Financial assets at amortised cost	630,906	514,678	204,946	209,708
Financial liabilities at amortised cost	(470,447)	(271,736)	(255)	(129)
	160,459	242,942	204,691	209,579

22.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and contract assets. The Company's exposure to credit risk arises principally from advances to subsidiary and financial guarantees given to banks for credit facilities granted to subsidiary. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are usually performed on all customers.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are impaired or written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

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

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period arises solely from the domestic construction industry.

As at 31 December 2022, 6 (2021: 5) major customers which contributed in aggregate, 79% (2021: 78%) of the Group's total revenue as disclosed in Note 21, combined in aggregate, 72% (2021: 64%) of the Group's trade receivables and contract assets.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 to 60 days. The Group's debt recovery process is as follows:

a) Above 30 to 60 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the project management and finance teams; and

b) If there is any indication that the past due debts are uncollectable, the Group will commence legal proceeding against the customer.

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Group measures expected credit loss ("ECLs") of trade receivables individually. Consistent with the debt recovery process, invoices which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Loss rates are determined for each individual customer using past payment trends and other external information relating to the customer that are publicly available.

The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

2022	Gross-carrying amount RM	Loss allowance RM	Net balance RM
Group			
Not past due	83,410,908	-	83,410,908
Past due 1 - 30 days	5,872,203	-	5,872,203
Past due 31 - 60 days	628,305	-	628,305
Past due 61 - 90 days	649,257	-	649,257
Past due more than 90 days	4,067,658	-	4,067,658
	94,628,331	-	94,628,331
Credit impaired			
Individually impaired	20,127	(20,127)	-
Trade receivables	94,648,458	(20,127)	94,628,331
Contract assets	141,750,370	(13,498,532)	128,251,838
	236,398,828	(13,518,659)	222,880,169

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

2021	Gross-carrying amount RM	Loss allowance RM	Net balance RM
Group			
Not past due	68,612,845	-	68,612,845
Past due 1 - 30 days	6,300,564	-	6,300,564
Past due 31 - 60 days	3,148,410	-	3,148,410
Past due 61 - 90 days	86,310	-	86,310
Past due more than 90 days	4,276,068	-	4,276,068
	82,424,197	-	82,424,197
Credit impaired			
Individually impaired	20,127	(20,127)	-
Trade receivables	82,444,324	(20,127)	82,424,197
Contract assets	99,279,066	-	99,279,066
	181,723,390	(20,127)	181,703,263

The movement in the allowance for impairment losses of trade receivables and contract assets during the year is shown below:

	RM
Balance at 1 January 2021	4,631,273
Amounts written off	(4,611,146)
Balance at 31 December 2021/1 January 2022	20,127
Net remeasurement of loss allowance on contract assets (Note 14.4)	13,498,532
Balance at 31 December 2022	13,518,659

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk (cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Deposits

Credit risks on deposits are mainly arising from deposits paid for utilities and site equipment. The deposits paid will be refundable at the end of the contract period.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to its subsidiary. The Company monitors the ability of the subsidiary to service the loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM60,792,191 (2021: RM37,008,832), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans.

Recognition and measurement of impairment loss

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

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

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

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition and the associated loss allowances, if any, were not material.

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk (cont'd)

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiary. The Company monitors the ability of the subsidiary to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers advances to the subsidiary to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary's advances when they are payable, the Company considers the advances to be in default when the subsidiary are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

22.5 Liquidity risk

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

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

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

22. FINANCIAL INSTRUMENTS (cont'd)

22.5 Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
2022						
Group						
Trade and other payables	225,653,237	-	225,653,237	225,653,237	-	-
Secured term loans	22,688,921	3.70 - 6.60	25,031,726	6,615,128	18,090,608	325,990
Lease liabilities	22,908,555	1.67 - 5.57	24,961,108	8,688,775	16,272,333	-
Invoice financing/Revolving credits	38,103,270	3.94 - 6.31	38,103,270	38,103,270	-	-
	309,353,983		313,749,341	279,060,410	34,362,941	325,990
Company						
Other payables	282,443	-	282,443	282,443	-	-
Financial guarantees	-	-	60,792,191	60,792,191	-	-
	282,443		61,074,634	61,074,634	-	-
2021						
Group						
Trade and other payables	152,621,945	-	152,621,945	152,621,945	-	-
Secured term loans	29,310,017	3.70 - 6.60	32,995,208	6,758,773	25,602,512	633,923
Lease liabilities	4,176,965	1.67 - 5.57	4,416,876	2,509,194	1,907,682	-
Invoice financing/Revolving credits	7,698,815	4.22 - 6.82	7,698,815	7,698,815	-	-
	193,807,742		197,732,844	169,588,727	27,510,194	633,923
Company						
Other payables	1,619,004	-	1,619,004	1,619,004	-	-
Financial guarantees	-	-	37,008,832	37,008,832	-	-
	1,619,004		38,627,836	38,627,836	-	-

22. FINANCIAL INSTRUMENTS (cont'd)

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows. The Group is not exposed to foreign currency risk and other price risk.

22.6.1 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

Management has an interest rate policy in place and management reviews interest rates exposure closely.

Exposure to interest rate risk

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

	2022 RM	2021 RM
Group		
Fixed rate instruments		
Financial assets	37,534,148	44,817,778
Lease liabilities	(22,908,555)	(4,176,965)
	14,625,593	40,640,813
Floating rate instruments		
Financial liabilities	(60,792,191)	(37,008,832)
Company		
Fixed rate instruments		
Financial assets	3,000,000	22,000,000

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Profit or loss	
Group	**100 bp increase RM**	**100 bp decrease RM**
2022		
Floating rate instruments	(462,021)	462,021
2021		
Floating rate instruments	(281,267)	281,267

22. FINANCIAL INSTRUMENTS (cont'd)

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The fair values of other financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2022					
Financial liabilities					
Secured term loans	-	-	23,534,806	23,534,806	22,688,921
2021					
Financial liabilities					
Secured term loans	-	-	30,695,963	30,695,963	29,310,017

Level 3 fair value

Fair value for term loans is determined using the discounted cash flows valuation technique based on the current market rate of borrowings of the Group.

23. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

There were no changes in the Group's approach to capital management during the financial year.

24. CAPITAL AND OTHER COMMITMENTS

Group	2022 RM	2021 RM
Capital expenditure commitments		
Right-of-use assets		
Contracted but not provided for	-	24,525,372
Property and equipment		
Contracted but not provided for	-	1,627,792

25. RELATED PARTIES

Identity of related parties

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

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

The Group has related party relationship with its subsidiary and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 6 and 13.

		Group		Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
A.	**Subsidiary**				
	Dividend income	-	-	-	6,000,000
	Expenses paid on behalf	-	-	31,185	1,530,328
B.	**Key management personnel**				
	Directors				
	- Fees	300,000	300,000	300,000	250,000
	- Remuneration	1,399,800	1,527,520	27,000	20,000
	- Estimated monetary value of any other benefits	57,130	35,793	-	-
		1,756,930	1,863,313	327,000	270,000

26. RESTRUCTURING EXERCISE

In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following restructuring exercise:

Acquisition of PTS

On 11 August 2020, the Company entered into a conditional Share Sale Agreement ("SSA") to acquire the entire issued share capital of PTS of RM1,500,000 comprising 1,500,000 ordinary shares from the former holding company of PTS, TSetia Holdings Sdn. Bhd. ("TSH"), (formerly known as Tuju Setia Holdings Sdn. Bhd.) for a purchase consideration of RM37,892,576. The said purchase consideration was fully satisfied by the issuance of 236,828,600 new ordinary shares at an issue price of RM0.16 per share to the shareholders of TSH, namely Wee Eng Kong and Dato' Wee Beng Aun. The acquisition of PTS was completed on 31 March 2021 and PTS became a wholly-owned subsidiary of the Company.

26. RESTRUCTURING EXERCISE (cont'd)

The following summarised the recognised amounts of assets acquired and liabilities assumed as at 31 March 2021:

	RM
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	9,291,074
Right-of-use assets	20,816,932
Trade and other receivables	72,362,826
Contract assets	61,027,174
Cash and cash equivalents	23,972,788
Current tax assets	357,147
Loans and borrowings	(19,104,019)
Lease liabilities	(6,351,905)
Deferred tax liabilities	(3,411,745)
Trade and other payables	(105,442,495)
Contract liabilities	(2,337,358)
Total identifiable net assets	51,180,419

For the purpose of accounting for the restructuring exercise, the Group has applied book value accounting on the basis that the restructuring exercise does not constitute a business combination to which acquisition accounting can be applied. Under book value accounting, the difference between cost of investment recorded by the Company and the share capital of PTS was accounted for as restructuring reserve as follows:

	RM
New shares issued by the Company as consideration for the acquisition of PTS	37,892,576
Reversal of issued and paid-up share capital of PTS	(1,500,000)
Restructuring reserve	36,392,576

Business combinations arising from transfer of interest in entities that are under the common control of the shareholders of the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 69 to 109 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 of 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

Wee Eng Kong
Director

Wee Beng Chuan
Director

Petaling Jaya,
Date: 18 April 2023

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Tan Mei Yoong**, the officer primarily responsible for the financial management of Tuju Setia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 69 to 109 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Mei Yoong, MIA CA 47024 at Petaling Jaya in the state of Selangor Darul Ehsan on 18 April 2023.

Tan Mei Yoong

Before me:

Rozita Binti Zahari
Pesuruhjaya Sumpah Malaysia
(No. B628)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TUJU SETIA BERHAD
(Registration No. 202001005607 (1361927-V))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tuju Setia Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 109.

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 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Revenue and profit recognition from construction contracts

Refer to Note 2(l)(i) - Significant accounting policy: Revenue from contracts with customers and Note 14 - Revenue.

The key audit matter

The Group has recorded revenue from construction contracts amounting to RM393,301,536 for the financial year ended 31 December 2022. The Group recognises revenue relating to construction contracts using the cost incurred method by comparing the actual costs incurred with the estimated total costs required to complete the construction.

We have identified this as a key audit matter as significant judgements and estimates were applied for revenue recognition, amongst others include:

- Estimated costs to complete the contracts (which resulted in impairment of contract assets for certain projects); and
- The ability to deliver the contract works within the contractual timelines and whether there is any exposure to liquidated and ascertained damages.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUJU SETIA BERHAD

(Registration No. 202001005607 (1361927-V))
(Incorporated in Malaysia)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the design and implementation of the Group's key controls and performed walkthrough over the review and approval of construction contracts and project budgets;
- Read the construction contracts, on a sample basis to obtain an understanding of the specific terms and conditions and to determine that revenue recognised conforms with the Group accounting policies and the requirements of MFRS 15, *Revenue from Contracts with Customers;*
    - Agreed the contract sums by inspecting relevant supporting documents, including approved contracts and variation orders with customers;
    - Checked the estimated costs to completion to supporting documents such as approved budgets, letter of awards and variation orders with subcontractors;
    - Checked costs incurred during the financial year to subcontractors' claim certificates and/or invoices;
    - Recomputed percentage of completion by computing the proportion of actual costs incurred for work performed to date to the estimated total costs;
    - Corroborated the stage of completion and extent of costs incurred to date by comparing to external quantity surveyors' report;
    - Evaluated the merits of extension of time application submitted to the contract customers to assess the exposure to liquidated and ascertained damages by inspecting relevant correspondences, including ongoing negotiations with contract customers for the late delivery of contract works; and
    - Assessed the adequacy of impairment made for contract assets.

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

Our opinion on the financial statements of the Group and of the Company does not cover the annual report 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 annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUJU SETIA BERHAD

(Registration No. 202001005607 (1361927-V))
(Incorporated in Malaysia)

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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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 gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUJU SETIA BERHAD

(Registration No. 202001005607 (1361927-V))
(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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

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

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

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Eric Kuo Sze-Wei
Approval Number: 03473/11/2023 J
Chartered Accountant

Petaling Jaya,
Date: 18 April 2023

LIST OF PROPERTIES

PARTICULARS OF PROPERTIES

A summary of the material land and buildings owned by our Group for our operations as at 31 December 2022 is as follows:-

No	Registered/ Beneficial owner	Title details/ Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest / Material encumbrance(s)	Date of issuance of certificate of fitness or certificate of completion and compliance	Land/ Built-up area (sq. ft.)	NBV as at 31 December 2022 RM'000
1.	PTS	H.S.(D) 313296, PT 80276, Mukim Petaling, Daerah Petaling, Negeri Selangor / No. G-31, 31-1, 31-2, 31-3, Jalan Puteri 4/8, Bandar Puteri, 47100 Puchong, Selangor	A unit of 4-storey shop office / Office	Building / Freehold	Nil / Charged to CIMB Bank Berhad	30 December 2011	**Land area** 1,873 **Built-up area** 7,500	2,240.43
2.	PTS	H.S.(D) 313297, PT 80277, Mukim Petaling, Daerah Petaling, Negeri Selangor / No. G-29, 29-1, 29-2, 29-3, Jalan Puteri 4/8, Bandar Puteri, 47100 Puchong, Selangor	A unit of 4-storey shop office / Office	Building / Freehold	Nil / Charged to CIMB Bank Berhad	30 December 2011	**Land area** 1,873 **Built-up area** 7,500	2,240.43
3.	PTS	PM 6704, Lot 12310, Mukim Tanjung Dua Belas, Tempat Sungai Labu, Daerah Kuala Langat, Negeri Selangor	Agricultural land / Storage	Agriculture / Leasehold of 99 years, expiring on 10 November 2090	This land shall not be sold, leased, charged or transferred in any way unless with the approval of the State Authority. / Charged to Alliance Bank Malaysia Berhad	N/A	**Land area** 87,834	1,630.61
4.	PTS	PM8388, Lot 104169, Tempat Revolusi Hijau Batu 5, Johan Setia, Mukim Klang, Daerah Klang, Negeri Selangor	Agricultural land / Vacant	Agriculture / Leasehold of 99 years, expiring on 17 November 2092	This land shall not be transferred, leased or charged unless with the approval of the State Authority. / Charged to CIMB Bank Berhad	N/A	**Land area** 44,746	565.30
5.	TSB	PM6709, Lot 12308 Mukim Tanjung Dua Belas, Tempat Sungai Labu, Daerah Kuala Langat, Negeri Selangor	Agricultural land / Vacant	Agriculture / Leasehold of 99 years, expiring on 18 October 2090	Nil	N/A	**Land area** 178,789	2,590.83

SHAREHOLDING ANALYSIS
AS AT 31 MARCH 2023

STATISTICS OF ORDINARY SHAREHOLDINGS

Class of Shares : Ordinary Shares
Total Number of Issued Shares : 316,828,700
Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2023

Size of Holdings	No. of shareholders	No. of Shares	Percentage of Shares %
1-99	5	92	0.00
100-1,000	352	215,308	0.07
1,001-10,000	1,189	6,218,400	1.96
10,001-100,000	623	21,248,200	6.71
100,001 to less than 5% of Issued Shares	127	78,918,000	24.91
5% and above of Issued Shares	2	210,228,700	66.35
Total	**2,298**	**316,828,700**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2023

	No. of ordinary shares held			
	Direct Shares	%	Indirect Shares	%
Substantial Shareholders:				
Wee Eng Kong	140,985,229	44.50	0	0.00
Dato' Wee Beng Aun	69,243,471	21.86	0	0.00

DIRECTORS' INTERESTS IN SHARES AS AT 31 MARCH 2023

	No. of ordinary shares held			
	Direct Shares	%	Indirect Shares	%
Directors:				
YAM Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	370,000	0.12	0	0.00
Wee Eng Kong	140,985,229	44.50	0	0.00
Wee Beng Chuan	705,100	0.22	0	0.00
Dato' Wee Beng Aun	69,243,471	21.86	0	0.00
Datin Seri Raihanah Begum Binti Abdul Rahman	0	0.00	0	0.00
Loo Ming Chee	355,100	0.11	0	0.00
Nor Adha Bin Yahya	150,000	0.05	0	0.00

SHAREHOLDING ANALYSIS AS AT 31 MARCH 2023

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WEE ENG KONG (PB)	140,985,229	44.50
2.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WEE BENG AUN (PB)	69,243,471	21.86
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEONG SIN KHONG	8,382,200	2.65
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM EASTSPRING) (410140)	6,700,000	2.11
5.	YAYASAN ISLAM TERENGGANU	5,703,750	1.80
6.	KHOO YOK KEE	5,500,000	1.74
7.	TERENGGANU INCORPORATED SDN BHD	4,529,300	1.43
8.	LOH KOK WAI	3,641,500	1.15
9.	CIMB ISLAMIC TRUSTEE BERHAD AMANAH SAHAM DARUL IMAN	2,863,750	0.90
10.	JBF MARKETING AND DISTRIBUTORS (M) SDN.BHD.	2,340,500	0.74
11.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MDE)	1,571,000	0.50
12.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (DGF)	1,474,000	0.47
13.	S'NG HOOI SEAH	1,202,000	0.38
14.	LAI THIAM POH	1,200,000	0.38
15.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW CHIA SERN, JOSHUA	975,000	0.31
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOON KEAN LEONG	948,200	0.30
17.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK	944,500	0.30
18.	TAN ANG FOON @ TAN AH MOI	850,000	0.27
19.	CHEW KENG SIANG	763,300	0.24
20.	CHANG TIAN KWANG	737,000	0.23
21.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WEE BENG CHUAN (PB)	705,100	0.22
22.	MUHAMMAD AFFAN BIN DAUD	672,000	0.21
23.	WONG HUNG NGIE	654,700	0.21
24.	LEE CHEE KEONG	650,000	0.21
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SIEW KEN	640,000	0.20
26.	LIN REE PEIN	639,900	0.20
27.	LOO KUAN CHIN	600,000	0.19
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK (8058967)	575,500	0.18
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SERAYA MAKMUR SDN BHD (013)	550,000	0.17
30.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD HENG JEE CHING (T-16115)	529,800	0.17

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting ("3rd AGM") of Tuju Setia Berhad ("TUJU" or the "Company") will be held at Kuala Lumpur Golf & Country Club, Banquet Hall, No.10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on Thursday, 8 June 2023 at 9.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications the resolutions setting out in this notice:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **(Explanatory Note 1)**
2. To approve the payment of Directors' fees and benefits payable to the Directors of the Company up to RM348,500.00 from 9 June 2023 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 1**
3. To re-elect Mr. Wee Eng Kong who retires by rotation pursuant to Clause 96 of the Company's Constitution. **Ordinary Resolution 2**
4. To re-elect Dato' Wee Beng Aun who retires by rotation pursuant to Clause 96 of the Company's Constitution. **Ordinary Resolution 3**
5. To re-appoint Messrs KPMG PLT, as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

As Special Business

To consider, and if thought fit, to pass the following resolutions:-

6. Authority for Directors to allot and issue shares in the Company pursuant to Section 75 of the Companies Act 2016 **Ordinary Resolution 5**

   "THAT subject to Section 75 of the Companies Act 2016 ("the Act") and approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall commence immediately upon the passing of this resolution and continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company in accordance with Section 76 of the Act.

   THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 57 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion as their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

NOTICE OF ANNUAL GENERAL MEETING

7. Proposed Renewal of Authority for the Company to Purchase its own Shares **Ordinary Resolution 6**

"THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to make purchases such amount of shares in the Company ("Proposed Renewal of Share Buy-Back Authority") 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 shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

i. the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
ii. the expiration of the period within which the next AGM of the Company is required by law to be held; or
iii. revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authority.

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority."

8. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
(SSM PC No.: 202008001023)

TIA HWEI PING (MAICSA 7057636)
(SSM PC No.: 202008001687)

Company Secretaries
Selangor Darul Ehsan
Date: 28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

NOTES:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company but must be of full age of eighteen (18) years and above. There shall be no restriction as to the qualification of the proxy.

2. A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised in writing. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.

5. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 31 May 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

EXPLANATORY NOTES:-

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting.**

2. Ordinary Resolution 1: Directors' Fees and Benefits Payable

Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("Board") agreed that the shareholders' approval shall be sought at this 3rd AGM on the Directors' fees and benefits.

The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. The amount of Directors' benefits payable comprises meeting allowances from this AGM until the conclusion of the next AGM of the Company to be held by June 2024 (12 Months).

3. Ordinary Resolutions 2 and 3: Re-election of Directors

The profiles of the Directors who are standing for re-election under items 3 and 4 of this Agenda are set out in the Board of Directors' profile of the Annual Report 2022.

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

(a) Re-election of Mr. Wee Eng Kong as Director

In accordance with Clause 96 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Mr. Wee Eng Kong, who was appointed as a Director of the Company on 18 February 2020, retires by rotation pursuant to Clause 96 of the Company's Constitution and being eligible, has offered himself for re-election at the 3rd AGM.

Shareholders' approval is sought for the re-election of Mr. Wee Eng Kong, Ordinary Resolution 2. The profile of Mr. Wee Eng Kong listed in the Profile of Directors section.

NOTICE OF ANNUAL GENERAL MEETING

(b) Re-election of Dato' Wee Beng Aun as Director

In accordance with Clause 96 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election Dato' Wee Beng Aun, who was appointed as a Director of the Company on 18 February 2020, retires by rotation pursuant to Clause 96 of the Company's Constitution and being eligible, has offered himself for re-election at the 3rd AGM.

Shareholders' approval is sought for the re-election of Dato' Wee Beng Aun, Ordinary Resolution 3. The profile of Dato' Wee Beng Aun listed in the Profile of Directors section.

The retiring Directors have abstained from deliberations and decision on their own eligibility and sustainability to stand for re-election at the relevant NRC and Board Meetings.

4. Ordinary Resolution 5: Authority for Directors to allot and issue shares in the Company pursuant to Section 75 of the Companies Act 2016

The Ordinary Resolution 5 proposed under item 6 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 75 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 57 of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to the offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 2nd AGM held on 23 June 2022 and which will lapse at the conclusion of this 3rd AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

5. Ordinary Resolution 6: Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6, if passed, will empower the Directors to purchase the Company's shares of up to ten per centum (10%) of the total number of issued shares of the Company at any point in time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

For further information on Ordinary Resolution 6, please refer to the Statement to Shareholders dated 28 April 2023 accompanying the Annual Report of the Company for the financial year ended 31 December 2022.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

TUJU SETIA
builder of choice
Registration No. 202001005607 (1361927-V)
Incorporated in Malaysia

No. of ordinary shares held	CDS account no. of holder

I/We _____ (name of shareholder as per NRIC/Passport, in capital letters)

NRIC/Passport/Company No.: _____ of _____

_____ (full address)

being a *member/members of **TUJU SETIA BERHAD** ("the Company") hereby appoint(s):

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

*and/or (delete as appropriate)

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Third Annual General Meeting of the Company to be held at Kuala Lumpur Golf & Country Club, Banquet Hall, No. 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on **Thursday, 8 June 2023, at 9.00 a.m.** or any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below

Item No.	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.			
		Resolutions	**For**	**Against**
2.	To approve the payment of Directors' fees and benefits payable to the Directors of the Company up to RM348,500.00 from 9 June 2023 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
3.	To re-elect Mr. Wee Eng Kong who retires by rotation pursuant to Clause 96 of the Company's Constitution.	Ordinary Resolution 2		
4.	To re-elect Dato' Wee Beng Aun who retires by rotation pursuant to Clause 96 of the Company's Constitution.	Ordinary Resolution 3		
5.	To re-appoint Messrs KPMG PLT, as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
Special Business				
6.	Authority for Directors to allot and issue shares in the Company pursuant to Section 75 of the Companies Act 2016.	Ordinary Resolution 5		
7.	Proposed Renewal of Authority for the Company to Purchase its own Shares.	Ordinary Resolution 6		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

* Strike out whichever is not applicable.

* if you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.

_____
Signature/Common Seal of Shareholder

Number of shares held: _____
Date:

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		**100%**

NOTES:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company but must be of full age of eighteen (18) years and above. There shall be no restriction as to the qualification of the proxy.
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6. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 31 May 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

Personal Data Privacy:-
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 April 2023.

Fold Here

TUJU SETIA
builder of choice
Registration No. 202001005607 (1361927-V)
Incorporated in Malaysia

STAMP

Share Registrar
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold Here

TUJU SETIA
builder of choice

No. 31-1, JALAN PUTERI 4/8, BANDAR PUTERI,
47100 PUCHONG, SELANGOR DARUL EHSAN.

T +603 8066 8800 F +603 8066 8777 / 9777
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Bursa: TJSETIA/ 5297
Bloomberg: TJSETIA:MK
Reuters: TUJU.KL
Syariah Compliant