

TUJU SETIA

builder *of* choice



ANNUAL REPORT **2023**

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
E enquiry@tujusetia.my
W www.tujusetia.my

Bursa: TJSETIA/ 5297
Bloomberg: TJSETIA:MK
Reuters: TUJU.KL
Syariah Compliant

4th

Annual General Meeting of Tuju Setia Berhad



Kuala Lumpur Golf & Country Club,
*Function Room 1 & 2,
Level 1, Main Lobby
No. 10, Jalan 1/70D,
Bukit Kiara,
60000 Kuala Lumpur.*



**Wednesday
5 June 2024**



10:00 am



Scan to
view our
Annual Report
2023

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.

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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
Email : bsr.helpdesk@boardroomlimited.com

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
Email : boardroom-kl@boardroomlimited.com

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
Stock Name: TJSETIA
Stock Code: 5297

CORPORATE PROFILE & STRUCTURE

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.

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, Lakefront 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:	Design and Construction of Hospitals and Healthcare Facilities:	Industrialised Building System (“IBS”):	Building Information Modelling (“BIM”):
Our in-house civil and structural, as well as mechanical and electrical engineering expertise allow us to offer value engineering such as providing alternative designs on certain parts of the building construction to fulfil clients’ objectives.	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.	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 slabs fabricated on-site, which allow for longer spans of up to 13.5 metres between columns for our building construction.	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

FIVE YEARS FINANCIAL HIGHLIGHTS

	2019 ⁽¹⁾	2020 ⁽¹⁾	2021	2022	2023
Financial Results					
Revenue	421,635	255,768	245,773	393,302	585,967
Profit/(Loss) Before Taxation	21,550	21,794	11,144	(44,895)	(10,150)
Profit/(Loss) After Taxation	15,551	16,268	8,277	(33,535)	(9,494)
Financial Positions					
Total Assets	231,219	189,281	306,510	381,191	429,739
Total Liabilities	187,326	135,121	199,891	309,691	367,733
Net Assets	43,893	54,160	106,620	71,500	62,006
Financial Ratios					
Net Assets per share ⁽²⁾ (sen)	13.9	17.1	33.7	22.6	19.6
Basic Earnings per share ⁽³⁾ (sen)	4.9	5.1	2.6	(10.6)	(3.0)
Net Gearing ⁽⁴⁾ (times)	Net cash	Net cash	Net cash	0.28	1.17

Notes:

- (1) Tuju Setia Berhad (the "Company") 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 acquisition.
- (2) Net Assets per share is calculated based on Net Assets divided by the issued share capital of 316,828,700 ordinary shares.
- (3) Basic Earnings per share is calculated based on Profit After Taxation divided by the issued share capital of 316,828,700 ordinary shares.
- (4) Total Borrowings minus Cash and Cash Equivalents, divided by Shareholders' Equity.



CHAIRMAN'S STATEMENT

Dear esteemed shareholders,

The construction sector in Malaysia was fraught with challenges in 2023. The ongoing Eastern Europe tensions since 2022 and the Middle East crisis that intensified in October 2023 led to disruptions in global logistics and supply chain issues of raw materials, resulting in higher building material costs in the sector.

Construction contractors had to absorb the higher building material costs of ongoing projects secured from previous years, and this had adversely affected the bottom line of many. The problem in the industry was further exacerbated by fewer opportunities to secure new projects.

In light of the global challenges, the International Monetary Fund ("IMF") has projected global Gross Domestic Product ("GDP") growth to slow down to 3.1% in 2023, from 3.4% a year ago. In tandem with that, the domestic economy also experienced a downtrend in GDP growth to 3.7% in 2023 from 8.7% in 2022, according to Bank Negara Malaysia.

Despite the overwhelming odds that were stacked against the industry, Tuju Setia Berhad ("Tuju Setia" or "the Group") managed to ride against the tide of adversity to achieve a 49% increase in group revenue to RM586.0 million in the financial year ended 31 December 2023 ("FY2023").

On behalf of the Board of Directors of Tuju Setia Berhad, I hereby present the Annual Report and Audited Financial Statements for FY2023.

Operational and Financial Highlights

Continuing from the normalisation of construction activities since the financial year ended 31 December 2022 ("FY2022"), the Group was working on a total of ten (10) projects in FY2023 and achieved a commendable revenue of RM586.0 million in FY2023 as compared to RM393.3 million in FY2022.



The increased revenue in FY2023 was mainly due to higher construction progress on the ongoing projects and the commencement of work on new projects secured. Nevertheless, we recorded losses for the year, albeit narrower losses, on improved billings from ongoing and new projects secured in 2022, and better cost management attributed to stabilised building materials prices.

The Group recorded a loss before tax of RM10.2 million and a loss after tax of RM9.5 million in FY2023, compared to a loss before tax of RM44.9 million and a loss after tax of RM33.5 million for last year.

The Group was able to minimise the impact of the global headwinds on its operations through timely measures that were put in place and the skill and foresight of the management to navigate the Group through these challenging times.

We completed work for Tuai Timur Residences, located in Setia Alam, Shah Alam with a commendable QCLASSIC score of 84%.

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 the availability of funds not retained for business working capital.

Due to the challenging year and the recorded loss, the Board of Directors has decided not to declare dividends for FY2023, as it is essential to ensure there are sufficient funds to maintain the Group's business operations.

Outlook

We are scheduled to complete six (6) projects in 2024. Additionally, the Group has a tender book of more than RM3.8 billion worth of new projects as at 27 March 2024, encompassing high-rise and industrial buildings, as well as hospitals and healthcare facilities, giving us more opportunities to secure new projects and replenish our order book.

We were awarded a new high-rise project worth RM209.0 million from USJ Citipoint Sdn. Bhd., a subsidiary of Avaland Berhad in January 2024. The high-rise project is named Alora Residences, situated in Subang Jaya, Selangor. This new win brought our order book as of January 2024 to more than RM1.0 billion to be recognised by 2026, giving us a better outlook for the years ahead.

Notwithstanding the healthy order book balance, we maintain a cautious stance, despite the IMF's World Economic Outlook reported in January 2024, which foresees steady global GDP growth of 3.1% in 2024. The growth is supported by the resilience of emerging markets and developed economies on the back of global geopolitical tensions in Europe and the Middle East.

Correspondingly, Bank Negara Malaysia's quarterly report issued in February this year has forecasted Malaysia's GDP to increase by 4% to 5% in 2024, driven by continuous expansion in domestic demand and improved external demand.

Appreciation

I wish to express my deep gratitude to Tuju Setia's Board of Directors, management, and all our employees for their dedication to our company's commitment to consistent quality delivery and aspirations for growth. With your help, we've been able to stay on course towards our vision of being the builder of choice in the Malaysian construction industry.

I also wish to acknowledge the valuable roles played by our clients and business associates in our success, as well as our appreciation to our shareholders, who 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 AND ANALYSIS

Dear valued shareholders,

In 2023, the higher prices of building materials such as cement, concrete, and steel continued to put pressure on the construction sector and hinder the rollout of new projects from the private and public sectors.

Nonetheless, Tuju Setia persevered and expedited the construction works of ongoing projects. The better work progress led to higher revenue and helped narrow losses, supported by stabilised building material prices.

I hereby present to you the operational and financial performance for the year ended 31 December 2023 (“FY2023”), as well as the growth strategies and potential risks as we head into the financial year ending 31 December 2024 (“FY2024”).



Operations Overview

- **Expediting construction works**

With the normalisation of construction activities in the year 2022, we have been busy in FY2023 working on a total of ten (10) projects and achieving revenue of RM586.0 million for the year. All the projects are progressing smoothly, with six (6) expected to be completed in 2024, which will give us the capacity to take on new projects to build sustainable growth.

As at 31 January 2024, our more than RM1.0 billion order book includes various projects, namely One Equine, Lakefront Condominium @ Emerald Hills (North Towers), Sunway d'hill Residences, Jernih Residence, Emerald 9, and the Kajang Women and Child Hospital.



One Equine (Phase 1)



Lakefront Condominium @ Emerald Hills (North Towers)



Sunway d'hill Residences



Jernih Residence



Emerald 9



Kajang Women and Child Hospital



Meanwhile, in December 2023, we completed construction work for the Tuai Timur Residences, a high-rise residential development located in Setia Alam, Shah Alam. Notably, the project was presented with a QCLASSIC score of 84%, demonstrating Tuju Setia's commitment to consistent work quality in spite of our busy workload.



- **Improving construction efficiency**

The Group invested RM4.8 million on new units of aluminium formworks and self-climbing platforms in FY2023 to improve our construction efficiency. The funds utilised were from internal sources, borrowings, and listing proceeds.

In addition to providing quicker turnaround times, works efficiency and more precision when forming concrete structures for our projects, these assets are durable and reusable, which will ultimately lead to cost savings over the long term.



One Equine (Phase 2)



Financial Overview

In FY2023, Tuju Setia recorded higher revenue due to better productivity. However, our profitability was impacted by higher building materials and operating costs.

- **Statements of Profit or Loss and Other Comprehensive Income**

Tuju Setia achieved 49.0% higher revenue to RM586.0 million in FY2023, from RM393.3 million in the previous financial year ended 31 December 2022 (“FY2022”), attributed to increased billings from work progress of ongoing projects and new projects secured.

In line with the higher revenue, stabilising building material prices and project mix, the Group recorded a smaller loss before tax of RM10.1 million, recovering from a loss before tax of RM44.9 million previously.

Similarly, our net loss was narrowed to RM9.5 million, from net loss of RM33.5 million previously. The net loss in FY2022 was partly due to impairment losses from contract assets amounting to RM13.5 million from the impact of increased building material prices, prolongation costs and higher operating costs.

- **Statement of Financial Position**

In FY2023, Tuju Setia’s total assets increased 12.7% to RM429.7 million versus RM381.2 million previously, mainly on higher property, plant, and equipment; right-of-use assets; deferred tax assets; trade receivables, and trade receivable retention sums.

Meanwhile, the Group total liabilities in FY2023 rose 18.7% to RM367.7 million from RM309.7 million previously, mainly due to increased loans and borrowings for working capital uses, and higher trade and other payables in line with the increased work volume.

Shareholders’ equity decreased 13.3% to RM62.0 million from RM71.5 million previously, on lower retained earnings resulting from the Group’s net loss in FY2023.

The Group’s net gearing position in FY2023 was 1.17 times compared to 0.28 times previously, due to higher borrowings, and reduced shareholders’ equity.



Growth Strategies

Tuju Setia's long-term vision is to be the builder of choice for reputable clientele. Here, we outline our expansion strategies going forward:

- **To selectively tender for new jobs**

As at 27 March 2024, Tuju Setia's tenders stood at RM3.8 billion comprising high-rise buildings, hospitals and healthcare facilities, and industrial buildings.

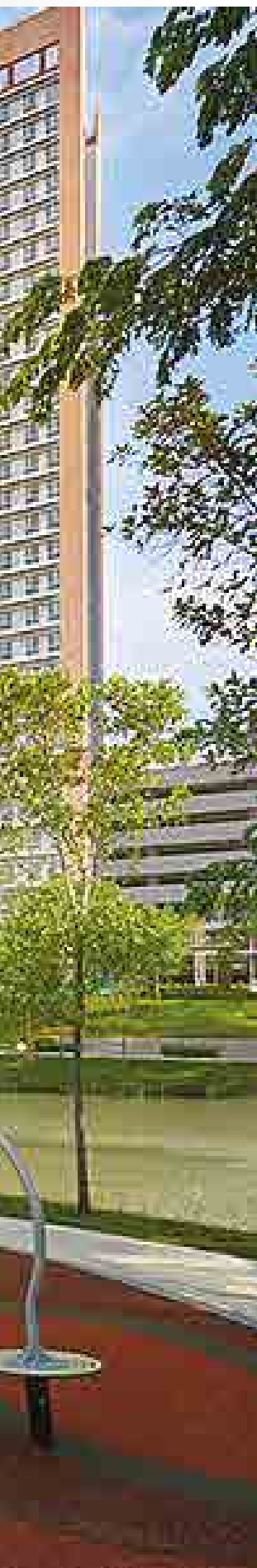
The Group will continue to adopt a prudent approach in selecting projects and hopes to secure more new wins from our tenders to build on our more than RM1.0 billion order book as at 31 January 2024.

The Group is also working to diversify into the growing industrial building sector. This new segment will provide us with project diversity and improve our growth prospects.

- **To increase efficiency and cost control**

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





Risks

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

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

- **Rising costs of building materials and project cost overruns**

Building materials such as steel reinforcing bars, cement, and concrete are exposed to global commodity price fluctuations influenced by supply and demand. For example, global supply chain disruptions caused by the on-going Russia-Ukraine and Israel-Hamas tensions have heightened the prices of various commodities and sea freight rates, which can lead to inflationary pressures globally.

Construction projects are vulnerable to cost overruns especially from fluctuations in the cost of building materials. Tuju Setia aims to lessen the impact of rising material prices by providing value engineering solutions through alternative designs on construction projects and improved work efficiency.

- **Intense competition in the construction sector**

Intense competition in the construction sector may adversely affect the pricing and profitability of projects if our peers engage in aggressive tender pricing. In addition, construction capabilities are also evaluated based on track record, new developments in machinery, and the availability of labour to support manpower operations.

Tuju Setia has been in the construction scene for more than 16 years, with a wide portfolio across commercial, institutional, and residential buildings, and hospital and healthcare facilities. Our completed works have an aggregated value of RM3.0 billion and we are supported by our strong list of reputable property developers.

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



- **Cashflow liquidity risk**

During the COVID-19 period of 2020 to 2021, the projects secured at that time were impacted by the subsequent escalated building material prices, labour shortages, prolongation cost and higher operating costs. As a result, these implications increased our operational expenditures, impacted our cash flow, and reduced our cash position.

The Group continues to closely monitor our cash flow position and requirements, ensuring timely payment from clients, and assessing sources of funds and borrowings to safeguard the Group against liquidity mismatches that could threaten our financial stability.

Appreciation

We wish to express our appreciation to the Board of Directors, management team, and all our employees for their commitment to Tuju Setia during this challenging time.

Furthermore, I would like to extend our gratitude to our shareholders, clientele and business partners for their ongoing trust. We endeavour and strive to recover and return to the profitability track.

Sincerely,

Wee Eng Kong
Managing Director



DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

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 | Aged 69 | 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. He was involved in various welfare organisations and was a member of the Board of Trustees of Cancer Research Malaysia from 2008 until his retirement on 1 March 2022.

Presently, he is an Independent Non-Executive Director of Sime Darby Property Berhad and Mycron Steel Berhad, both of which are public listed companies on the Main Market of Bursa Malaysia Securities Berhad. He had retired as a Non-Independent Non-Executive Director of Dutaland Berhad on 1 December 2023.

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 all the five (5) board meetings held in the financial year 31 December 2023.

Wee Eng Kong

*Managing Director,
appointed on 18 February 2020*

Male | Aged 63 | Malaysian

Qualification:

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

He is 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 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 all the five (5) board meetings held in the financial year ended 31 December 2023.

Wee Beng Chuan

*Executive Director,
appointed on 12 August 2020*

Male | Aged 62 | 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 public listed companies on the Main Market of Bursa Malaysia Securities Berhad. He is also a 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 all five (5) board meetings held in the financial year ended 31 December 2023.

Dato' Wee Beng Aun

*Non-Independent Non-Executive Director,
appointed on 18 February 2020*

Male | Aged 65 | Malaysian

Qualification:

Bachelor of Civil Engineering from the University of Melbourne, Australia

He has more than 40 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 Malaysia Securities Berhad. He is also a Director of Hope Asia Berhad, a public company.

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 all five (5) board meetings held in the financial year ended 31 December 2023.

Datin Seri Raihanah Begum binti Abdul Rahman

*Independent Non-Executive Director,
appointed on 12 August 2020, member of the
Audit and Risk Management Committee, and
Nomination and Remuneration Committee*

Female | Aged 62 | 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.

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 Malaysia Securities Berhad.

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 all five (5) board meetings in the financial year ended 31 December 2023.

Loo Ming Chee

*Independent Non-Executive Director,
appointed on 12 August 2020, Chairman
of the Nomination and Remuneration
Committee and member of the Audit and
Risk Management Committee*

Male | Aged 66 | Malaysian

Qualification:

BSc (Hons.1) in Quantity Surveying, MSc (Warwick)
in Management Science & Operational Research,
FRICS, MISM, MHKIE, CITP, MBCS, CQS.

With over four decades of experience in quantity surveying, project management, and construction management, he brings a wealth of expertise & experience. Throughout his tenure at the Davis Langdon & Seah group (Arcadis), he held numerous senior management roles, including directorships in Malaysia, Hong Kong, and China, as well as a partnership at Juru Ukur Bahan Malaysia. In addition, he also led Arcadis' operations as the Regional Head for South East Asia.

Currently, he also serves as a director at BCISM Sdn. Bhd., a collaborative venture between CIDB and the Royal Institution of Surveyors Malaysia, entrusted with managing the National Construction Cost Centre (MyN3C) portal.

His project proficiency encompasses various aspects such as cost planning, procurement, and overall project management for significant building and infrastructure projects across Asia. With extensive experience exceeding 40 years, he has worked across a broad spectrum of sectors, both domestically 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 all five (5) board meetings held in the financial year ended 31 December 2023.

Nor Adha bin Yahya

Independent Non-Executive Director, appointed on 12 August 2020, Chairman of the Audit and Risk Management Committee, and member of the Nomination and Remuneration Committee

Male | Aged 53 | 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 companies 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.

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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 Malaysia Securities Berhad (“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, except for a public reprimand and fine of RM100,000 by Bursa Securities pursuant to Paragraph 16.19 of the Main Market Listing Requirements for a non-compliance incident by Dataprep Holdings Berhad. He attended all five (5) board meetings in the financial year ended 31 December 2023.

Yap Yik Yong

Chief Financial Officer

Male | Aged 40 | Malaysian

He joined our Group as Chief Financial Officer in October 2023 and has more than 19 years of experience in accounting and finance. He graduated with a Bachelor of Degree in Accounting/Finance from Charles Sturt University and holds a Master of Business Administration from University of Southern Queensland. He is a qualified accountant, a member of CPA Australia and Malaysian Institute of Accountants since the year 2009 and 2010, respectively.

He is responsible for our Group's overall internal management reporting, taxation and treasury functions. His specialty areas include Group reporting, treasury management and budgeting, cost rationalisation, corporate finance, tax planning, risk management, investment evaluation, business strategies, merger and acquisition, Enterprise Resources Planning (ERP) system implementation and operation management. His experience covers various industries such as real estate, construction, property development, manufacturing and oil and gas services. Prior to joining Tuju Setia Berhad, he has worked with a few public listed companies, big four (4) accounting firm and several privately owned companies.

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.

Tee Huei Tsy

Chief Executive Officer

Male | Aged 47 | Malaysian

He joined our Group since 2011 and he has more than 22 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, Senior General Manager in 2018 and Chief Operating officer in 2021. In February 2024, he was promoted to Chief Executive 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.

Seon Yen Kong

Chief Operating Officer

Male | Aged 53 | Malaysian

He joined our Group as a Senior General Manager, Projects in March 2023 and was promoted to Chief Operating Officer in February 2024. He graduated with a Bachelor of Civil Engineering from Universiti Teknologi Malaysia.

He has more than 29 years of experience in project and construction management involving civil and infrastructural works. Prior to joining the Group, he 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.

Wong Loo Min

Technical Director

Male | Aged 68 | 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 40 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.



Liau Kok Foh

General Manager – Projects

Male | Aged 53 | Malaysian

He has over 26 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 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.

Toh Huat Tiam

General Manager - Projects

Male | Aged 47 | 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 21 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.

Lim Gaik Ling

Deputy General Manager - Cost & Contracts

Female | Aged 50 | Malaysian

She joined our Group in January 2024. She obtained a Bachelor of Science (Housing, Building and Planning) with Honours degree and a Master of Science (Planning) from Universiti Sains Malaysia and is a registered Quantity Surveyor ("QS") of the Board of Quantity Surveyors Malaysia, a member of The Royal Institution of Surveyors, Malaysia and a member of The Royal Institution of Chartered Surveyors.

She gained her 24 years of experience working in one of the largest QS consultancy firms in Malaysia. She is proficient in all aspects of quantity surveying, including cost estimation, procurement, contract administration, and cost control. She has over the years been involved in various projects ranging from high-rise residential and commercial buildings, hypermarkets, shopping malls, convention centres, industrial buildings, infrastructure works and mixed township development.

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.

Raja Aziah Bt Raja Aziz

Senior Administration Manager

Female | Aged 57 | Malaysian

She joined our Group as a Secretary to the Senior 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.

In January 2024, she was promoted to Senior Administration Manager.

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 we 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”) acknowledges the significance of sustainability as a pivotal catalyst for the enduring growth and sustainability of TSB and its subsidiary (“the Group”).

Consequently, the Board of Directors and management are dedicated to consistently emphasising the significance of sustainability within our business strategies and operations to attain the Group’s objectives.



SUSTAINABILITY STATEMENT

This Sustainability Statement ("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 2022 (3rd edition) issued by Bursa Securities; and Stakeholder Capitalism Metrics issued by World Economic Forum International Business Council.

The current year Statement includes enhancements with a list of nine (9) common sustainability matters, ensuring a more detailed approach to the reporting.

The scope of this Statement covers the financial year ended 31 December 2023 ("FYE2023") of the Group.

The Statement has been reviewed, endorsed and approved by the Company's Audit and Risk Management Committee and Board of Directors ("Board"). It has not been independently assured.



SUSTAINABILITY GOVERNANCE

The Heads of Department within the Group bear responsibility for the execution of the Group's sustainability strategy. They are tasked with identifying and carrying out sustainability initiatives within the Group, subject to review by our Board. The Board holds the responsibility of driving the sustainability agenda forward and setting the strategic course for sustainability efforts. The Board has formed an Environmental, Sustainable and Governance (ESG) committee and appointed a Chief Sustainability Officer for the management of the Group's ESG implementation.







The Board convenes at least annually to deliberate on sustainability matters, which includes the assessment of Material Matters to guarantee their ongoing relevancy and pertinence.



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 	<ul style="list-style-type: none"> Occupational health and safety Training and development Welfare and Well-being Rewards and recognition for performance 	<ul style="list-style-type: none"> Continuous open communication Meetings Feedback sessions and annual performance appraisals Trainings, talks and campaigns 	<ul style="list-style-type: none"> On-going/Annually/As needed
Project Clients 	<ul style="list-style-type: none"> Project quality Timely project delivery Health, Safety and Environment Business continuity 	<ul style="list-style-type: none"> Meetings Progress Reports Meeting Corporate Website 	<ul style="list-style-type: none"> On-going/As needed
Subcontractors and Suppliers 	<ul style="list-style-type: none"> Reliability Ethical practices Fair and transparent procurement procedure Payment schedule Business continuity 	<ul style="list-style-type: none"> Meetings Progress Reports Meeting Performance feedback & reviews 	<ul style="list-style-type: none"> On-going/As needed
Shareholders and Investors 	<ul style="list-style-type: none"> Sustainable growth Financial Performance Shareholder value (<i>Dividend and Capital gain</i>) 	<ul style="list-style-type: none"> Annual Reports Annual / Extraordinary General meetings Public announcements Corporate Website Quarterly Financial Reports Media Announcements Meetings 	<ul style="list-style-type: none"> Quarterly/Annually/As needed
Regulatory Authorities 	<ul style="list-style-type: none"> Compliance with relevant rules and regulations. 	<ul style="list-style-type: none"> Statutory reporting Audits and Site inspections 	<ul style="list-style-type: none"> On-going/Quarterly/Annually/As needed
Local Communities 	<ul style="list-style-type: none"> Health and Safety Sustainability and Corporate Social Responsibility ("CSR") programmes Job opportunities 	<ul style="list-style-type: none"> Donation and Sponsorship Participate in CSR programmes Internships 	<ul style="list-style-type: none"> On-going/As needed

Common Sustainability Matter 1: Anti-corruption

We maintain a strict zero-tolerance stance against bribery, corruption and fraud. We consider bribery, corruption, and fraud to be substantial threats to our business and reputation. The Company implemented an Anti-Bribery and Anti-Corruption Policy (“ABC Policy”) on December 16, 2021, and conducted a comprehensive review of current policies and procedures to guarantee compliance with regulatory standards.

Any malpractice or misconduct uncovered or genuinely suspected by the whistleblower must be promptly reported to their immediate superior. If there are concerns deemed inappropriate to report to the immediate superior due to his or her involvement in the wrongdoing, the case should be escalated to the Group Managing Director, Audit Committee Chairman or Chairman of the Board of Directors for further attention.

The ABC Policy as well as Whistleblowing Policy are reviewed and revised as required to determine its effectiveness in addressing potential fraud and corruption risks. These policies are available on the Company’s website at <https://tujusetia.my>.

In FY2023, there were:

- ZERO reported cases of anti-competitive behaviours, violations of anti-trust and monopoly;
- ZERO reported cases of bribery and corruption; and
- ZERO reported cases of non-compliance with laws and regulations in environment, social and economic areas.



Common Sustainability Matter 2: Community/Society



The Group is committed to aligning corporate social responsibility (“CSR”) with our enduring strategic objectives. We strive to elevate the quality of life for disadvantaged and marginalised populations through impactful empowerment programs. Through our investment in community inclusivity, we seek to build trust and cultivate robust relationships with the local communities in which we are engaged.

At TSB, all our donations and/or contributions adhere to Malaysian laws, are directed towards established entities, and strictly prohibited for illicit purposes.

We have contributed RM27,549 in year 2023 in community engagement through various CSR activities involving social, education, health and sports as our sustainability efforts towards the community.

Common Sustainability Matter 3: Diversity

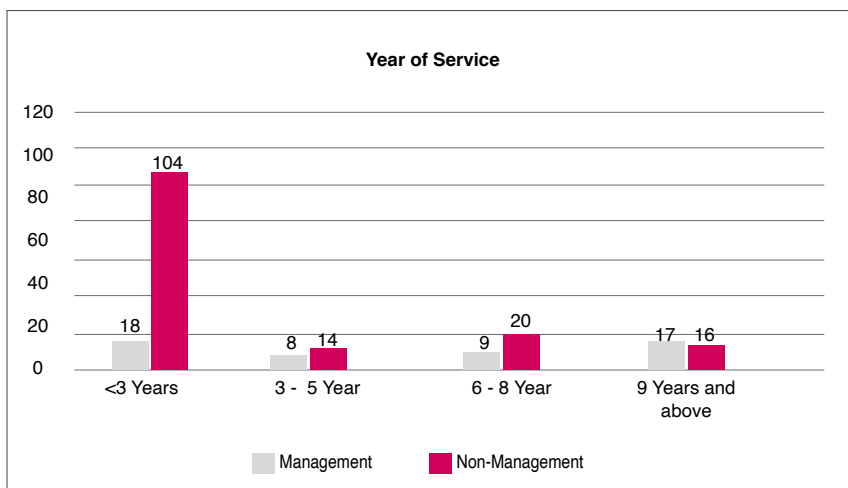
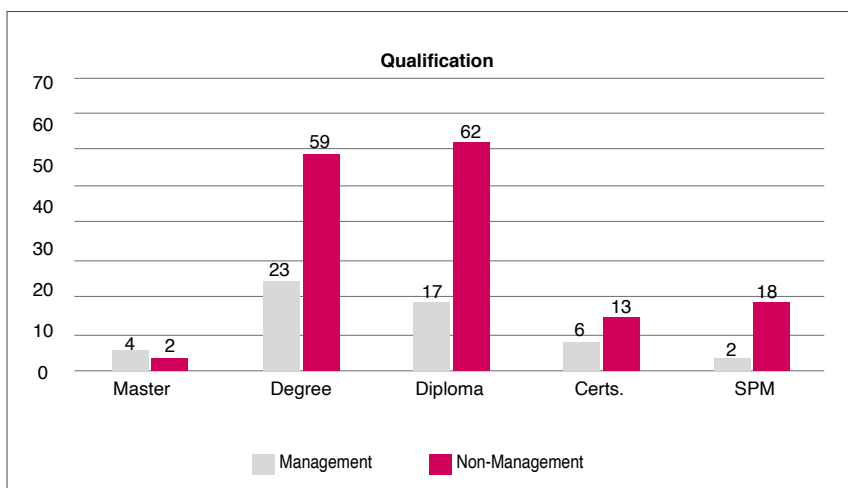
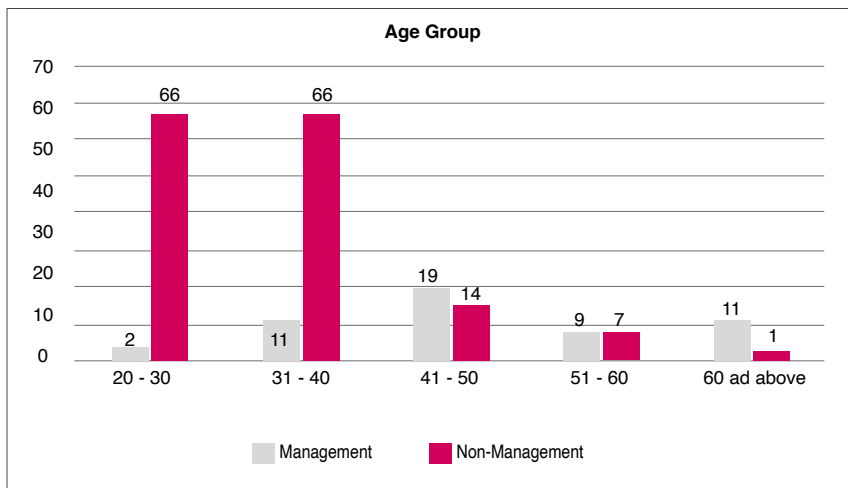
We recognise the importance of workplace diversity and are committed to providing all employees within the Group with equitable opportunities, regardless of age, gender, ethnicity, religion, national origin, disability, or other pertinent characteristics. Our processes for recruitment, retention, career advancement, and training adhere to meritocracy, emphasising objective criteria and standards.

As of December 31, 2023, our workforce comprises a total of 206 Malaysian employees, with 75.2% being male and 24.8% female. The construction sector has traditionally exhibited a higher representation of male workers, reflected in our current gender distribution. Nevertheless, with the increasing presence of female professionals in the industry, we foresee a progressive enhancement in the demographic composition of our female staff members.



Common Sustainability Matter 3: Diversity (cont'd)

Analysing our employee demographics, 64% of our workforce identifies as Malay, 29% as Chinese, and 7% as Indian. The analysis of Age Group, Qualification and Year of Services is as follows:



In addition to the Malaysian employees, the Group has 212 foreign male employees comprising 202 Bangladesh and 10 Indonesian nationals.

Common Sustainability Matter 4: Energy Management

We have consistently pursued strategies to enhance the energy efficiency of our operations. Through the reduction of energy consumption, we aim to optimise operational expenses and diminish our environmental impact by lowering our carbon footprint.

In our office and at our project sites, we have incorporated several energy-efficient practices, such as:

1. Turning off office lights and air conditioning outside of office hours.
2. Minimising electricity usage of computers and printers through energy-saving functionalities and by shutting down devices when not in use.
3. Ensuring an optimal room temperature to promote energy conservation.
4. Installation of Photovoltaic solar cell panel for our office electricity supply.

The monitoring of electricity consumption for our Head Office for year 2023 and target for 2024 are:

Total kwh consumption (Electricity)	121,683 kwh
No.of Employee (Year 2023)	206
Average	591 kwh per employee
Target for 2024 (5% reduction)	531.9 kwh per employee

The Industrialised Building System (“IBS”) represents an innovative construction methodology that leverages precast concrete elements instead of conventional brick and mortar. These prefabricated building components, including wall panels and floor slabs, are manufactured in a controlled setting, either on or off-site. They are subsequently transported, installed, and interconnected with precision, facilitating rapid and efficient construction of the building structure.

Given the substantial mechanisation integrated into our building and engineering procedures, the adoption of the IBS effectively contributes to the mitigation of energy consumption.

Common Sustainability Matter 5: Health and Safety

Safeguarding the well-being and safety of our workforce stands as a top priority within our group. We remain dedicated to enforcing stringent safety measures throughout all our locations to cultivate a safe work environment for our employees and on-site personnel. In alignment with this dedication, facilities offered for workers at our construction sites encompass provisions such as accommodation with centralised kitchen, canteen, and restroom facilities, surau for the Mulim staff, guardhouse with 24-hours security and facial recognition-controlled access.

Essential training programmes and initiatives carried out during FY2023 in relation to occupational safety and health awareness for employees include:

- Working at height training
- Fire drill and handling training
- Forklift maintenance training

Our objective is to provide continuous training and professional development opportunities for employees, with the goal of fostering internal talent and promoting long-term growth prospects.

SUSTAINABILITY STATEMENT (CONT'D)

Our employees participated in various type of training in FY2023 as follows:

Programme	Training Period	Training Provider
Safety Induction for Construction Worker (SICW)	March 2023	CIDB Malaysia
Pendidikan Perburuhan Pindaan Akta Kerja 2023	April 2023	Jabatan Tenaga Kerja Wilayah Persekutuan
First Aid at Workplace	April 2023	ST John Ambulance of Malaysia Wilayah Persekutuan
AIAC Adjudicators Continuing Competency Development	April 2023	AIAC International Arbitration Centre
Basic Fire Fighting & Emergency Response Plan	May 2023	CERT Academy
MBAM Annual Safety & Health Conference 2023	May 2023	Master Builder Association Malaysia
OSH Legal Requirements Understanding	June 2023	VTS Consultants and Engineering (M) Sdn Bhd
Building Up a Future Towards Sustainable Risk Assessment and Safety Development	June 2023	OMK Consultant Sdn Bhd
Analysis and Evaluation of Various Claim	July 2023	AIAC International Arbitration Centre
Project Management Professional (PMP) Certification Preparation	July 2023	Project Management Academy
Scaffold Erector Erection (SCF 1)	July 2023	CIDB Malaysia
Construction Claims & CIPAA Conference 2023	July 2023	AIAC International Arbitration Centre
Practical Construction Contract Administration/Management Courses 2022/2023	August 2023	Pusat Teknologi PAM
Sketch Up 3D : Industrial Design and Practice for Safety OSH and Compliance	September 2023	MKRS Bumi (M) Sdn Bhd
Practical Approach on Handling Procedural, Factual, Legal Issues in Adjudication	September 2023	AIAC International Arbitration Centre
Certified Environmental Professional in Scheduled Waste Management	September 2023	Greenvell (M) Sdn Bhd
National Seminar & Exhibition - Kejari 4.0 OSH	September 2023	Majlis Negara Bagi Keselamatan dan Kesihatan Pekerjaan
MBAM Lifting Supervisor Training	September 2023	Master Builder Association Malaysia
OSH Train the Trainer Competency Based Programme	October 2023	National Institute of Occupational Safety and Health
B26 Kerja Meroboh	October 2023	CIDB Malaysia
Kursus Penyeliaan & Pengurusan Tapak Projek	October 2023	Jabatan Kerja Raya

Regarding employee health benefits, we provide extensive medical coverage and insurance benefits. We continually assess our health and safety policies and management systems to guarantee their appropriateness, effectiveness, and alignment with organisational requirements. We are committed to integrating occupational health and safety as an integral component of our group culture and employee conduct in their daily work practices.

We are proud to announce that there have been no major non-compliance cases concerning the health and safety impacts from our business operations in FY2023.

Our Occupational Safety and Health management system is ISO45001 certified, audited annually by an external certification body and there have been no Non-Conformity Report (“NCR”) during the year 2023.

Common Sustainability Matter 6: Labour practices and standards

We place a strong emphasis on labour practices and standards, prioritising equitable treatment, employee welfare, productivity enhancement, legal compliance, fostering a positive workplace atmosphere, and upholding our corporate reputation. Adherence to these principles not only aids in attracting and retaining skilled professionals but also improve morale and supports sustained business growth.

The Group believes that people engagement is key to our success as a means to make our employees to feel motivated, driving productivity, innovation, growth and success. It is important for our employees to feel valued, supported and connected to our organisation. To this end, our employee engagement initiatives are aimed at building trust, collaboration and open communication across the organisation.

The total hours of training attended by our employees for the year are 1,065 hours.

Common Sustainability Matter 7: Supply chain management

We are dedicated to creating a sustainable supply chain that ensures the reliable and uninterrupted delivery of construction materials and machinery in alignment with our sustainability objectives. Through the implementation of tailored strategies, we are actively fostering responsible and sustainable business practices within our network of suppliers and contractors.

To support the local economy, we are committed to source building materials for our projects locally and we currently procured all of our materials supplies 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.



Common Sustainability Matter 8: Data privacy and security

We place a strong emphasis on protecting against any potential data breaches or loss that could adversely impact our suppliers, business operations, and corporate reputation. Accordingly, we have implemented stringent personal data protection and security measures to enhance the internal controls across our group. Aligned with the Malaysian Personal Data Protection Act of 2010, we maintain strict adherence to data protection protocols. We also conducted Data Privacy and Security training for all employees. Alongside deploying advanced cybersecurity tools such as anti-virus software and firewalls, we are pleased to report zero instances of supplier privacy breaches or business data loss during the FY2023.

Common Sustainability Matter 9: Water

Our project sites are located in areas with adequate supply of water from regulated water supplier. As a result, no significant water-related issues were recorded during the FY2023, and we faced no obstacles in securing water for our operational requirements. Nonetheless, we maintain a proactive stance towards water resource management, continuously seeking to improve our water conservation effort. We believe this is important as a means to reduce the risk of environmental pollution and resources saving.

We conducted survey to determine the water characteristic of the streams and rivers located within the vicinity of our project sites in order to fulfil conditions imposed by the Department of Environmental (“DOE”) Malaysia. The river water samples were collected at numerous stations such as downstream and upstream of the river.

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



SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Employees	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks		
	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken		
	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		
	MYR	27,549.00
Bursa C2(b) Total number of beneficiaries of the investment in communities		
	Number	7
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	44.00
Senior Management Above 50	Percentage	56.00
Management Under 30	Percentage	5.00
Management Between 30-50	Percentage	80.00
Management Above 50	Percentage	15.00
Executive Under 30	Percentage	33.00
Executive Between 30-50	Percentage	62.00
Executive Above 50	Percentage	5.00
Non-Executive Under 30	Percentage	68.00
Non-Executive Between 30-50	Percentage	27.00
Non-Executive Above 50	Percentage	5.00
Gender Group by Employee Category		
Senior Management Male	Percentage	94.00
Senior Management Female	Percentage	6.00
Management Male	Percentage	75.00
Management Female	Percentage	25.00
Executive Male	Percentage	83.00
Executive Female	Percentage	17.00
Non-Executive Male	Percentage	41.00
Non-Executive Female	Percentage	59.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0
Above 50	Percentage	100.00

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2023
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	6,001.21
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0*
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	50
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	99
Management	Hours	32
Executive/Technical	Hours	734
Non-Executive	Hours	200
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	3
Management	Number	5
Executive	Number	44
Non-Executive	Number	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (water)		
Bursa C9(a) Total volume of water used	Megalitres	203.83

Internal assurance

External assurance

No assurance

(*)Restated

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 2023. The Board in leading the Company in its CG practices is 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 2023 is disclosed in the Company’s Corporate Governance Report which is available on the Company’s website at <https://tjusetia.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 Group 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.

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

1. Establishing clear roles and responsibilities of the Board (cont'd)

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”), Nomination and Remuneration Committee (“NRC”) which operate within defined Terms of Reference. The Chairmen 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.

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.



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

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:-

- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- c) Strategic investments, mergers and acquisitions and corporate exercises;
- d) Limits of authority;
- e) Treasury policies;
- f) Risk management policies; and
- g) 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/>.



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

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 overns 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://tjusetia.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://tjusetia.my/>.

8. Anti-Bribery and Anti-Corruption Policy

The Company has adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), which is made available at the Company's website at <https://tjusetia.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.

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, re-appointment and re-election of the Directors of the Group.

This Policy serves as a guide to the NRC and the Board in their review and assessment of candidates to be appointed to the Board with the objectives of ensuring the Board fulfills 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://tjusetia.my/>.



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

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.

Brief profile of each Director 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 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)

4. Appointment of Directors

The NRC is entrusted to develop the policies and procedures in formalising the approach in therecruitment 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 Annual General Meeting ("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 Fourth AGM:-

- (a) Datin Seri Raihanah Begum binti Abdul Rahman
- (b) Encik Nor Adha bin Yahya
- (c) Mr. Wee Beng Chuan

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 Datin Seri Raihanah Begum binti Abdul Rahman, Encik Nor Adha bin Yahya and Mr. Wee Beng Chuan. 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 AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (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 immediate attention and approval 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 all 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 <i>Independent Non-Executive Chairman</i>	5/5	-	-
Mr. Wee Eng Kong <i>Managing Director</i>	5/5	-	-
Mr. Wee Beng Chuan <i>Executive Director</i>	5/5	-	-
Dato' Wee Beng Aun <i>Non-Independent Non-Executive Director</i>	5/5	-	-
Datin Seri Raihanah Begum Binti Abdul Rahman <i>Independent Non-Executive Director</i>	5/5	5/5	2/2
Mr. Loo Ming Chee <i>Independent Non-Executive Director</i>	5/5	5/5	2/2
Encik Nor Adha Bin Yahya <i>Independent Non-Executive Director</i>	5/5	5/5	2/2

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 appropriate seminars, conferences and 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.

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

7. Directors' Training (cont'd)

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

Name of Seminar and Training Programmes	Organiser
• Tax and Business Summit 2022	• KPMG Tax Services Sdn. Bhd.
• Environmental, Social & Governance	• Boardroom Corporate Services Sdn. Bhd.
• E-Invoicing: The Digital Way Forward	• KPMG Tax Services Sdn. Bhd.
• The arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	• Malaysia Institute of Accountants
• Reserved Matters for Shareholders	• Malaysia Institute of Accountants
• Tax and Business Summit 2023	• KPMG Tax Services Sdn. Bhd.
• Audit Oversight Board's Conversation with Audit Committees	• Securities Commission
• KPMG Webinar – MFRS Updates 2023	• KPMG PLT
• KPMG National Budget Webinar	• KPMG Tax Services Sdn. Bhd.
• Leadership Engagement Action Program ("LEAP") Visit to Serenia City	• Sime Darby Property
• PNB Knowledge Forum: Harnessing Innovation and Technology for Business Sustainability and Resilience	• PNB Research Institute
• Macroeconomic Outlook of ASEAN	• HSBC Hong Kong
• Macroeconomic Outlook of UK	• HSBC Hong Kong
• Geographical Expansion – Australia	• Colliers
• Industrial & Logistics	• LOGOS Property Group
• Protecting Your Business with Adaptation & Resilience Against Climate Impacts	• Boston Consulting Group
• Case Study Masterclass: Spotlight on a Corporate Governance Scandal	• Sime Darby Property
• Updates by PricewaterhouseCoopers on: (i) Sustainability; (ii) Malaysian Financial Reporting Standard; and (iii) Tax	• PricewaterhouseCoopers PLT
• PNB Knowledge Forum: Education Reimagined	• PNB Research Institute
• Bursa: Conflict of Interest and Governance of Conflict of Interest	• Asia School of Business
• Sustainability Governance, Management & Reporting	• KPMG PLT

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.

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

(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 NRC 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; 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 recommended 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 2023 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	-	-	9	-	-	109
Dato' Wee Beng Aun	50	-	-	6	-	-	56
Datin Seri Raihanah Begum binti Abdul Rahman	50	-	-	6	-	-	56
Loo Ming Chee	50	-	-	7	-	-	57
Nor Adha bin Yahya	50	-	-	9	-	-	59
Total	300	-	-	37	-	-	337

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1. Remuneration of Directors (cont'd)****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	-	-	9	-	-	109
Wee Eng Kong	-	804	-	-	97	33	934
Nor Adha bin Yahya	50	-	-	9	-	-	59
Dato' Wee Beng Aun	50	-	-	6	-	-	56
Wee Beng Chuan	-	432	-	-	17	24	473
Datin Seri Raihanah Begum binti Abdul Rahman	50	-	-	6	-	-	56
Loo Ming Chee	50	-	-	7	-	-	57
Total	300	1,236	-	37	114	57	1,744

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 2023 are as follows:-

Remuneration Band	Number of Key Senior Management
RM50,001 to RM100,000	1
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	-
RM250,001 to RM300,000	-
RM300,001 to RM350,000	1
RM350,001 to RM400,000	1
RM400,001 to RM450,000	1
RM450,001 to RM500,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit and Risk Management Committee

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, Encik Nor Adha Bin Yahya as the Chairman, Datin Seri Raihanah Begum Binti Abdul Rahman and Mr. 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 Audit and Risk Management Committee Report of this Annual Report.

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.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**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 2023 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 2023.

For the financial year ended 31 December 2023, 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

Note:

(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 Reports 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 Audit and Risk Management Committee Report of this Annual Report. Details on the person responsible for the internal audit are set out below:-

Name : Ms. 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 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 :

Has no convictions for any offences within the past five (5) years, other than traffic offences, or penalty 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 frame work 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 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 the Group.

In line with good corporate governance practice, the notice of the Fourth AGM together with the Annual Report 2023 is issued to shareholders at least 28 days before the date of meeting to allow sufficient time for the shareholders to go through the Annual Report 2023 and consider the proposed resolutions to be tabled at the AGM.

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 the Directors as well as the Chairman of the 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.

All the resolutions set out in the Notice of the previous AGM were put to vote by poll and duly passed. The outcome of the previous AGM was announced to Bursa Securities on the same meeting day while the Minutes of the previous AGM (including all the questions raised at the meeting and the answers thereto) were circulated to shareholders by publishing it on the Company's website within thirty (30) business days upon approval by the Board members.

The Board is mindful of the need to continually strengthen its governance practices and processes in identified key focus areas and future priorities as part of its forward-looking strategies.

This CG Overview Statement was approved by the Board of Directors of the Company on 22 April 2024.

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 2023 in compliance with Paragraph 15.08A(3) of the Main Market Listing Requirements (“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 and 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 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.

SUMMARY OF ACTIVITIES

The NRC carried out the following work in discharging its functions and duties during the financial year 2023 (“FY2023”), which are in line with its responsibilities as set out in its terms of reference:-

- | | |
|---|---|
| <ul style="list-style-type: none"> (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 on Corporate Governance, 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; | <ul style="list-style-type: none"> (iv) Assessed the results of the annual performance assessment for FY2023 of the Board, each of the Board Committees, and each Board member (including introducing peer-to-peer review); (v) Assessed the effectiveness of the Board and Board Committees in FY2023; (vi) Discussed the succession plan for the Board and Senior Management; and (vii) Reviewed and assessed the Fit and Proper Policy for Directors of the Company and the Group, to the Board for any update approval and adoption with reference to Paragraph 15.08A of the MMLR. |
|---|---|

FY2023 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, tabled to the NRC, and thereafter, to the Board for review and notation.

The NRC upon its annual assessment carried out for financial year 2023, 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 2023 (“FY2023”) 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 the 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 (“MMLR”) 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 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://tjusetia.my/>.

MEETING

During the FY2023, the ARMC held five (5) meetings and attendance record is tabulated as 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, areas 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 FY2023, which are in line with its responsibilities as set out in its TOR:

- (i) Reviewed the unaudited quarterly financial reports of the Company and its subsidiary (“the Group”) including the announcements pertaining there to, and recommended the same for Board’s approval;
- (ii) 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 FY2023 before the audit commenced to ensure that the scope of the external audit is comprehensive;

SUMMARY OF ACTIVITIES (CONT'D)

The ARMC carried out the following work in discharging its functions and duties during the FY2023, which are in line with its responsibilities as set out in its TOR: (cont'd)

- (iii) 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;
- (iv) Reviewed with the Internal Auditors, the adequacy of the scope, the methodology employed and functions of the internal audit plan, internal audit reports, and follow-up status reports and considered the findings of internal audit and management responses thereto, and ensured that appropriate actions were taken by the Management on the recommendations raised by the Internal Auditors;
- (v) Reviewed and confirmed with the Management on a quarterly basis if any related party transaction or recurrent related party transaction entered by the Group;
- (vi) Reviewed the Corporate Governance Policies before presented to the Board for approval;
- (vii) Met the External and Internal Auditors without the presence of the Executive Directors and Management;
- (viii) Assessed the performance of External Auditors and recommended to the Board for re-appointment;
- (ix) Reviewed and monitored all conflict of interest ("COI") situations within the Group. The COI review was extended to encompass Directors and Key Senior Management within the Group. COI were reported during FY2023 due to the common directorships and involvement in the related companies. Enhanced disclosure in connection with any COI or potential COI will be included in the Annual Report of the Company for the financial year ending 31 December 2024;
- (x) Reviewed the Risk Registry assessment performed for FY2023; and
- (xi) Reviewed and recommended to the Board the ARMC Report and Statement on Risk Management and Internal Control 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 Auditors") as its Internal Control Review Consultant to review the adequacy and sufficiency of the internal control of the Group. The Internal Auditors reports directly to the ARMC during the ARMC meeting. The Internal Auditors 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 use 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 Auditors 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 FY2023, internal audit reviews were carried out by the Internal Auditors on Management Information Systems/Information Technology and Finance and Accounts functions. The Internal Auditors also carried out follow-up status reviews on previously conducted audit findings.

The total cost incurred for the internal audit function for FY2023 was RM42,000.

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 FY2023, the ARMC and its members are found to have effectively discharged their duties and responsibilities in accordance with the ARMC's TOR.

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 2023 is as follows: -

Purposes	Initial Allocation	Deviation (1)	Variation (2)	Actual Utilisation	Balance Unutilised	Estimated time frame for use (From the Listing date)
	RM'000	RM'000	RM'000	RM'000	RM'000	
Capital expenditure	24,000	(2,786)	(4,000)	(17,214)	-	Within 24 months
- Purchase of construction machinery and equipment, and BIM system software						
-Purchase of land and construction of storage facilities	8,000		-	(2,705)	5,295	Within 36 months
Working capital	19,000	3,081	4,000	(26,081)	-	Within 12 months
Estimated IPO expenses	5,000	(295)	-	(4,705)	-	Within 3 months
Total	56,000	-	-	(50,705)	5,295	

Notes:

(1) The actual listing expenses and purchase of construction machinery and equipment, and BIM system software are lower than the estimated amount hence, the excess of RM3.08 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.

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 the financial year ended 31 December 2023 are as follows:-

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

Note: (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 financial year ended 31 December 2023.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)

There were no RRPT or RPT entered into by our Group which involve the Directors’ and/or major shareholders’ interest, during the financial year ended 31 December 2023.

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 2023. 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.

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 48 and 49 of this Annual Report.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

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 001:2015, Occupational Health and Safety Management System and Environmental Management System; and
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.

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 2023, 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 2023.

The Managing Director and Executive Director 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 22 April 2024.

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 2023, 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 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.



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Independent Auditors' Report

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 2023.

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

Result

	Group (RM)	Company (RM)
Loss for the year	(9,494,165)	(867,355)

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

No dividend was paid or declared since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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:

Name of Directors	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Interests in the Company:				
YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	370,000	-	-	370,000
Wee Eng Kong	140,985,229	-	-	140,985,229
Wee Beng Chuan	698,900	189,900	-	888,800
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
Datin Seri Raihanah Begum binti Abdul Rahman	-	101,000	(1,000)	100,000

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 2023 are as follows:

Directors of the Company:	From the Company RM	From Subsidiary RM
Fees	300,000	-
Remuneration	36,500	1,349,760
Estimated money value of any other benefits	-	57,318
	<u>336,500</u>	<u>1,407,078</u>

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.

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 2023 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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 as follows:

	Group (RM)	Company (RM)
Audit fees	140,000	30,000
Non-audit fees		
- KPMG PLT	10,000	10,000
- Local affiliates of KPMG PLT	24,000	4,000
	<hr/>	<hr/>
	174,000	44,000

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: 22 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Assets					
Property, plant and equipment	3	33,667,476	29,538,772	5,143,960	2,643,455
Right-of-use assets	4	39,393,433	40,553,932	-	-
Investment in subsidiary	5	-	-	86,392,576	76,392,576
Deferred tax assets	12	5,209,513	4,618,939	-	-
Total non-current assets		78,270,422	74,711,643	91,536,536	79,036,031
Trade and other receivables	6	172,677,357	105,705,746	37,162	8,464,723
Contract assets	7	128,275,559	128,251,838	-	-
Current tax assets		2,098,800	5,989,816	7,080	7,080
Cash and cash equivalents	8	47,162,231	63,359,360	822,825	4,123,517
Assets classified as held for sale	9	1,255,000	3,172,500	-	-
Total current assets		351,468,947	306,479,260	867,067	12,595,320
Total assets		429,739,369	381,190,903	92,403,603	91,631,351
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)		6,739,059	16,233,224	(1,177,947)	(310,592)
Total equity		62,005,983	71,500,148	90,481,553	91,348,908
Liabilities					
Loans and borrowings	11	11,170,976	16,988,806	1,498,293	-
Lease liabilities		9,365,396	15,283,782	-	-
Total non-current liabilities		20,536,372	32,272,588	1,498,293	-
Trade and other payables	13	247,108,181	225,653,237	369,848	282,443
Loans and borrowings	11	87,703,713	43,803,385	53,909	-
Lease liabilities		11,391,866	7,624,773	-	-
Contract liabilities	7	993,254	336,772	-	-
Total current liabilities		347,197,014	277,418,167	423,757	282,443
Total liabilities		367,733,386	309,690,755	1,922,050	282,443
Total equity and liabilities		429,739,369	381,190,903	92,403,603	91,631,351

The notes on pages 69 to 108 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	14	585,967,441	393,301,536	-	-
Cost of sales		(587,180,194)	(416,465,588)	-	-
Gross loss		(1,212,753)	(23,164,052)	-	-
Other income		444,978	168,104	-	-
Administrative expenses		(7,911,719)	(7,783,951)	(801,745)	(786,197)
Net loss on impairment of contract assets	18	(1,203,415)	(13,498,532)	-	-
Other expenses		(869,929)	(749,828)	(77,315)	(15,358)
Results from operating activities		(10,752,838)	(45,028,259)	(879,060)	(801,555)
Finance income	15	1,076,949	630,906	81,417	204,946
Finance costs	16	(473,884)	(498,113)	(69,712)	(255)
Net finance income		603,065	132,793	11,705	204,691
Loss before tax		(10,149,773)	(44,895,466)	(867,355)	(596,864)
Taxation	17	655,608	11,360,303	-	-
Loss and total comprehensive expense for the year	18	(9,494,165)	(33,535,163)	(867,355)	(596,864)
Basic loss per ordinary share (sen)	19	(3.00)	(10.58)		
Diluted loss per ordinary share (sen)	19	(3.00)	(10.58)		

The notes on pages 69 to 108 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	Share Capital RM	Restructuring reserve RM	Distributable retained earnings RM	Total equity RM
Group				
At 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 - Dividends to owners of the Company (Note 20)	-	-	(1,584,368)	(1,584,368)
At 31 December 2022/ 1 January 2023	91,659,500	(36,392,576)	16,233,224	71,500,148
Loss and total comprehensive expense for the year	-	-	(9,494,165)	(9,494,165)
At 31 December 2023	91,659,500	(36,392,576)	6,739,059	62,005,983
	Note 10	Note 10		

The notes on pages 69 to 108 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Non-distributable Share Ca pital RM	Distributable retained earnings/ (Accumulated losses) RM	Total equity RM
Company			
At 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 2022/1 January 2023	91,659,500	(310,592)	91,348,908
Loss and total comprehensive expense for the year	-	(867,355)	(867,355)
At 31 December 2023	91,659,500	(1,177,947)	90,481,553
	Note 10		

The notes on pages 69 to 108 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
Loss before tax		(10,149,773)	(44,895,466)	(867,355)	(596,864)
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	3,18	3,094,814	2,897,838	77,316	15,358
Depreciation of right-of-use asset	4,18	6,617,357	5,101,883	-	-
Finance income	15	(1,076,949)	(630,906)	(81,417)	(204,946)
Finance costs	16	473,884	498,113	69,712	255
Interest expense on lease liabilities recognised in cost of sales	18	1,350,097	625,036	-	-
Loss/(Gain) on disposal of property, plant and equipment	18	6,455	(3,400)	-	-
Gain on disposal of right-of-use assets	18	-	(64,876)	-	-
Gain on disposal of assets classified as held for sale	18	(148,650)	-	-	-
Loss/(Gain) on lease modification		85,695	(1,807)	-	-
Impairment loss on assets classified as held for sale	18	-	317,617	-	-
Property, plant and equipment written off	18	4,610	383,633	-	-
Net loss on impairment of contract assets	18	1,203,415	13,498,532	-	-
Operating profit/(loss) before changes in working capital		1,460,955	(22,273,803)	(801,744)	(786,197)
Change in trade and other receivables		(66,971,611)	(17,642,053)	299,069	(101,731)
Change in trade and other payables		21,454,944	74,615,436	59,624	247,583
Change in contract assets		(1,227,136)	(42,471,304)	-	-
Change in contract liabilities		656,482	199,805	-	-
Cash used in operations		(44,626,366)	(7,571,919)	(443,051)	(640,345)
Tax refunded		3,956,050	-	-	-
Tax paid		-	(754,995)	-	11,670
Net cash used in operating activities		(40,670,316)	(8,326,914)	(443,051)	(628,675)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(11,567,113)	(13,069,039)	(2,577,821)	(2,599,873)
Acquisition of right-of-use assets	a	(592,722)	-	-	-
Interest received from fixed deposits	15	1,076,949	630,906	81,417	204,946
Proceeds from disposal of property, plant and equipment		10,900	16,853	-	-
Proceeds from disposal of right-of-use assets		-	105,000	-	-
Proceeds from disposal of assets classified as held for sale		2,066,150	-	-	-
Advances to subsidiary		-	-	(1,843,727)	(19,511,818)
Dividends received from subsidiary		-	-	-	3,168,512
Net cash used in investing activities		(9,005,836)	(12,316,280)	(4,340,131)	(18,738,233)
Cash flows from financing activities					
Change in pledged deposits		(6,544,782)	(11,711,755)	-	-
Dividends to owners of the Company		-	(3,168,512)	-	(3,168,512)
Net drawdown of invoice financing/revolving credits		35,529,783	30,404,455	-	-
Interest paid on loans and borrowings		(452,664)	(470,447)	(69,712)	(255)
Interest paid in relation to lease liabilities	16	(21,220)	(27,666)	-	-
Interest paid in relation to lease liabilities recognised in cost of sales	18	(1,350,097)	(625,036)	-	-
Payment of lease liabilities		(2,779,494)	(2,320,163)	-	-
Net repayment of term loans		(4,940,268)	(6,621,096)	1,552,202	-
Net cash from/(used in) financing activities		19,441,258	5,459,780	(1,482,490)	(3,168,767)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Net decrease in cash and cash equivalents		(30,234,894)	(15,183,414)	(3,300,692)	(22,535,675)
Cash and cash equivalents at 1 January		29,104,914	44,288,328	4,123,517	26,659,192
Cash and cash equivalents at 31 December	8	(1,129,980)	29,104,914	822,825	4,123,517

a) Acquisition of right-of-use assets

	Note	Group	
		2023 RM	2022 RM
Acquisition of right-of-use assets		1,105,507	20,998,254
Financed by way of finance lease arrangement	4	(512,785)	(20,998,254)
Cash payments on right-of-use assets		592,722	-

b) Cash outflows for leases as lessee

	Note	Group	
		2023 RM	2022 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	18	304,345	408,940
Payment relating to leases of low-value assets	18	19,366	25,541
Payment relating to variable lease payments not included in the measurement of lease liabilities	18	1,392,300	961,220
Interest paid in relation to lease liabilities recognised in cost of sales	18	1,350,097	625,036
Included in net cash from financing activities:			
Interest paid in relation to lease liabilities	16, 18	21,220	27,666
Payment of lease liabilities		2,779,494	2,320,163
Total cash outflows for leases		5,866,822	4,368,566

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

c) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	At 1 January 2022 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Other changes RM	At 31 December 2022/ 1 January 2023 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Other changes RM	At 31 December 2023 RM
Group										
Secured term loans	11	29,310,017	(6,621,096)	-	-	22,688,921	(4,940,268)	-	-	17,748,653
Invoice financing/										
Revolving credits	11	7,698,815	30,404,455	-	-	38,103,270	35,529,783	-	-	73,633,053
Lease liabilities		4,176,965	(2,320,163)	20,998,254	53,499	22,908,555	(2,779,494)	512,785	115,416	20,757,262
		41,185,797	21,463,196	20,998,254	53,499	83,700,746	27,810,021	512,785	115,416	112,138,968
Company										
Secured term loans	11	-	-	-	-	-	1,552,202	-	-	1,552,202

The notes on pages 69 to 108 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 2023 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 2023 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 22 April 2024.

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”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of Companies Act 2016 in Malaysia.

The following are 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:

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 to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

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

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

Amendments 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 amendments:

- 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.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned 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.

(c) Functional and presentation currencies

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 note:

- Note 14 - revenue recognition

2. Changes in material accounting policies

2.1 Material accounting policy information

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group and the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Property, plant and equipment

Group	Right-of-use assets				Owned assets					Total RM
	Long-term leasehold land RM	Buildings 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		
Cost										
At 1 January 2022	2,232,019	5,696,000	319,329	479,297	19,281,141	227,196	-	3,710,553	31,945,535	
Additions	2,729,873	-	-	244,296	9,910,624	146,340	37,906	-	13,069,039	
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/										
1 January 2023	4,961,892	5,696,000	315,351	771,608	27,350,268	213,073	605,430	-	39,913,622	
Additions	2,577,821	-	7,100	56,574	8,832,048	25,200	68,370	-	11,567,113	
Written off	-	-	-	-	(4,769)	-	-	-	(4,769)	
Transfer to right-of-use assets (Note 4)	-	-	-	-	(4,761,459)	-	-	-	(4,761,459)	
Disposals	-	-	(10,600)	-	(40,750)	-	-	-	(51,350)	
At 31 December 2023	7,539,713	5,696,000	311,851	828,182	31,375,338	238,273	673,800	-	46,663,157	

3. Property, plant and equipment (cont'd)

Group	Right-of-use assets			Owned assets					Total RM
	Long-term leasehold land RM	Buildings 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	
Depreciation									
At 1 January 2022	142,688	1,101,227	283,929	257,031	6,228,014	74,492	-	-	8,087,381
Depreciation for the year	32,464	113,920	7,643	38,615 (47,548)	2,616,768 (280,647)	24,914	63,514	-	2,897,838 (328,195)
Written off	-	-	-	-	-	-	-	-	-
Transfer to right-of-use assets (Note 4)	-	-	-	-	(223,893)	-	-	-	(223,893)
Disposals	-	-	(1,558)	-	(56,723)	-	-	-	(58,281)
At 31 December 2022/ 1 January 2023	175,152	1,215,147	290,014	248,098	8,283,519	99,406	63,514	-	10,374,850
Depreciation for the year	94,860	113,920	7,663	49,036	2,702,488 (159)	32,369	94,478	-	3,094,814
Written off	-	-	-	-	-	-	-	-	(159)
Transfer to right-of-use assets (Note 4)	-	-	-	-	(439,829)	-	-	-	(439,829)
Disposals	-	-	(7,685)	-	(26,310)	-	-	-	(33,995)
At 31 December 2023	270,012	1,329,067	289,992	297,134	10,519,709	131,775	157,992	-	12,995,681

3. Property, plant and equipment (cont'd)

Group	Right-of-use assets		Owned assets					Total RM
	Long-term leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Store equipment, site portable cabins and computers RM	Renovation RM	Software RM	
Carrying amounts								
At 1 January 2022	2,089,331	4,594,773	35,400	222,266	13,053,127	152,704	-	3,710,553
At 31 December 2022/ 1 January 2023	4,786,740	4,480,853	25,337	523,510	19,066,749	113,667	541,916	-
At 31 December 2023	7,269,701	4,366,933	21,859	531,048	20,855,629	106,498	515,808	-

3.1 Security

At 31 December 2023, the buildings and long-term leasehold land amounting to RM9,079,396 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 2022	63,150	-	63,150
Addition	-	2,599,873	2,599,873
At 31 December 2022/1 January 2023	63,150	2,599,873	2,663,023
Addition	-	2,577,821	2,577,821
At 31 December 2023	63,150	5,177,694	5,240,844
Depreciation			
At 1 January 2022	4,210	-	4,210
Depreciation for the year	6,315	9,043	15,358
At 31 December 2022/1 January 2023	10,525	9,043	19,568
Depreciation for the year	6,315	71,001	77,316
At 31 December 2023	16,840	80,044	96,884
Carrying amounts			
At 1 January 2022	58,940	-	58,940
At 31 December 2022/1 January 2023	52,625	2,590,830	2,643,455
At 31 December 2023	46,310	5,097,650	5,143,960

3. Property, plant and equipment (cont'd)

3.1 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

(b) Depreciation

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:

• Long-term leasehold land	99 years
• Buildings	50 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.

4. Right-of-use assets

Group	Buildings RM	Motor vehicles RM	Site equipment RM	Total RM
Cost				
At 1 January 2022	684,623	3,212,669	29,701,246	33,598,538
Additions	554,310	143,713	20,300,231	20,998,254
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 2022/1 January 2023	1,294,239	3,195,884	54,318,867	58,808,990
Additions	512,785	-	592,722	1,105,507
Transfer from property, plant and equipment (Note 3)	-	-	4,761,459	4,761,459
Lease modification	29,721	-	-	29,721
At 31 December 2023	1,836,745	3,195,884	59,673,048	64,705,677
Depreciation				
At 1 January 2022	389,125	1,156,465	11,504,066	13,049,656
Depreciation for the year	345,163	455,787	4,300,933	5,101,883
Transfer from property, plant and equipment (Note 3)	-	-	223,893	223,893
Disposals	-	(120,374)	-	(120,374)
At 31 December 2022/1 January 2023	734,288	1,491,878	16,028,892	18,255,058
Depreciation for the year	502,409	444,808	5,670,140	6,617,357
Transfer from property, plant and equipment (Note 3)	-	-	439,829	439,829
At 31 December 2023	1,236,697	1,936,686	22,138,861	25,312,244

4. Right-of-use assets (cont'd)

Group	Buildings RM	Motor vehicles RM	Site equipment RM	Total RM
Carrying amounts				
At 1 January 2022	295,498	2,056,204	18,197,180	20,548,882
At 31 December 2022/ 1 January 2023	559,951	1,704,006	38,289,975	40,553,932
At 31 December 2023	600,048	1,259,198	37,534,187	39,393,433

The Group leases certain buildings, motor vehicles and site equipment. The leases are between 1 year and 5 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 have been disclosed under Note 18.

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 2023 and 31 December 2022, there are no potential future lease payments not included in lease liabilities.

4. Right-of-use assets (cont'd)

4.3 Security

At 31 December 2023, the motor vehicles and site equipment were pledged to secure lease liabilities granted to the Group.

4.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Recognition exemption

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.

5. Investment in subsidiary

	Note	Company	
		2023 RM	2022 RM
Cost of investment	5.1	<u>86,392,576</u>	<u>76,392,576</u>

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	
			2023 %	2022 %
Pembinaan Tuju Setia Sdn. Bhd. ("PTS")	Malaysia	Provision of construction services	100	100

5.1 Increase in cost of investment

During the financial year, the Company increased its cost of investment in the subsidiary by RM10,000,000 by way of capitalisation of amount due from the subsidiary.

5.2 Material accounting policy information

Investment in a subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, if any.

6. Trade and other receivables

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade receivables	6.1	161,250,810	94,628,331	-	-
Non-trade					
Other receivables		947,737	1,589,471	32,662	16,310
Advance payments	6.2	3,799,049	5,329,190	-	-
Deposits		5,569,597	3,309,841	4,500	319,921
Prepayments		1,110,164	848,913	-	-
Amount due from subsidiary	6.3	-	-	-	8,128,492
		<u>11,426,547</u>	<u>11,077,415</u>	<u>37,162</u>	<u>8,464,723</u>
		<u>172,677,357</u>	<u>105,705,746</u>	<u>37,162</u>	<u>8,464,723</u>

6.1 Included in trade receivables at 31 December 2023 are retentions of RM73,388,670 (2022: RM47,384,080) which would be collected upon expiry of defect liability period. Retentions are unsecured, interest free and are expected to be collected as follows:

	Group	
	2023 RM	2022 RM
Within 1 year	11,521,573	13,641,532
More than 1 year	61,867,097	33,742,548
	<u>73,388,670</u>	<u>47,384,080</u>

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	
	2023 RM	2022 RM
Contract assets	128,275,559	128,251,838
Contract liabilities	(993,254)	(336,772)

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, subject to certification of the milestone achieved for billing. 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.

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

	Group	
	2023 RM	2022 RM
Contract liabilities at the beginning of the period recognised as revenue	336,772	21,316
Decrease in revenue recognised in previous period arising from change in measure of progress	(21,044,521)	(20,130,886)

8. Cash and cash equivalents

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits placed with licensed banks	41,585,785	37,534,148	500,000	3,000,000
Cash and bank balances	5,576,446	25,825,212	322,825	1,123,517
Cash and cash equivalents in the statements of financial position	47,162,231	63,359,360	822,825	4,123,517
Less: Pledged deposits	(40,799,228)	(34,254,446)	-	-
Bank overdraft	(7,492,983)	-	-	-
Cash and cash equivalents in the statements of cash flows	(1,129,980)	29,104,914	822,825	4,123,517

Fixed deposits placed with licensed banks of RM40,799,228 (2022: RM34,254,446) were pledged to secure banking facilities granted to the Group (see Note 11.1).

9. Assets classified as held for sale

During the previous financial year, management 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 remaining units of building. The sales are expected to complete within the next financial year.

Group	Note	Units of Building RM
Cost		
At 1 January 2022		-
Additions		3,490,117
At 31 December 2022/1 January 2023		<u>3,490,117</u>
Disposals		<u>(2,116,829)</u>
At 31 December 2023		<u><u>1,373,288</u></u>
Impairment loss		
At 1 January 2022		-
Impairment loss for the year	9.1	<u>(317,617)</u>
At 31 December 2022/1 January 2023		<u>(317,617)</u>
Disposals		<u>199,329</u>
At 31 December 2023		<u><u>(118,288)</u></u>
Carrying amounts		
At 1 January 2022		-
At 31 December 2022/1 January 2023		<u>3,172,500</u>
At 31 December 2023		<u><u>1,255,000</u></u>

9.1 Impairment loss

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

10. Share capital and restructuring reserve**(a) Share capital**

	Group and Company			
	Number of shares 2023	Amount 2023 RM	Number of shares 2022	Amount 2022 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	316,828,700	91,659,500	316,828,700	91,659,500

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 during the restructuring exercise.

11. Loans and borrowings

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-current					
Secured term loans	11.1	11,170,976	16,988,806	1,498,293	-
Current					
Secured term loans	11.1	6,577,677	5,700,115	53,909	-
Bank overdraft	11.1	7,492,983	-	-	-
Invoice financing/ Revolving credits	11.1	73,633,053	38,103,270	-	-
		87,703,713	43,803,385	53,909	-
		98,874,689	60,792,191	1,552,202	-

11.1 Securities

Term loans and bank overdraft

The term loans and bank overdraft 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 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; and
- (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**Recognised deferred tax assets/(liabilities)**

Deferred tax assets/(liabilities) are attributable to the following:

Group	Assets		Liabilities		Net	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	-	-	(2,771,103)	(4,241,681)	(2,771,103)	(4,241,681)
Right-of-use assets	-	-	(3,883,063)	(2,743,955)	(3,883,063)	(2,743,955)
Lease liabilities	153,677	131,557	-	-	153,677	131,557
Contract liabilities	-	1,286,104	(229,030)	-	(229,030)	1,286,104
Unutilised tax losses	6,409,225	5,307,367	-	-	6,409,225	5,307,367
Unabsorbed capital allowances	5,529,807	4,879,547	-	-	5,529,807	4,879,547
Tax assets/(liabilities)	12,092,709	11,604,575	(6,883,196)	(6,985,636)	5,209,513	4,618,939
Set off of tax	(6,883,196)	(6,985,636)	6,883,196	6,985,636	-	-
Net tax assets/(liabilities)	5,209,513	4,618,939	-	-	5,209,513	4,618,939

12. Deferred tax assets (cont'd)

Movement of temporary differences during the year

Group	At 1.1.2022 RM	Recognised in profit or loss (Note 17) RM	At 31.12.2022/ 1.1.2023 RM	Recognised in profit or loss (Note 17) RM	At 31.12.2023 RM
Property, plant and equipment	(2,327,502)	(1,914,179)	(4,241,681)	1,470,578	(2,771,103)
Right-of-use assets	(1,613,644)	(1,130,311)	(2,743,955)	(1,139,108)	(3,883,063)
Lease liabilities	73,728	57,829	131,557	22,120	153,677
Contract liabilities	(2,078,587)	3,364,691	1,286,104	(1,515,134)	(229,030)
Unutilised tax losses	-	5,307,367	5,307,367	1,101,858	6,409,225
Unabsorbed capital allowances	-	4,879,547	4,879,547	650,260	5,529,807
	<u>(5,946,005)</u>	<u>10,564,944</u>	<u>4,618,939</u>	<u>590,574</u>	<u>5,209,513</u>

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

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade payables	13.1	242,322,354	221,822,844	-	-
Non-trade					
Other payables		2,459,195	2,314,050	308,067	242,030
Deposits		493,211	15,067	-	-
Accrued expenses		1,833,421	1,501,276	34,000	40,413
Amount due to a subsidiary	13.2	-	-	27,781	-
		4,785,827	3,830,393	369,848	282,443
		<u>247,108,181</u>	<u>225,653,237</u>	<u>369,848</u>	<u>282,443</u>

13.1 Included in trade payables of the Group at 31 December 2023 are retentions of RM43,132,785 (2022: RM31,777,545) relating to projects under defect liability period. Retentions are unsecured, interest free and are expected to be paid as follows:

	2023 RM	2022 RM
Within 1 year	10,080,345	9,185,287
More than 1 year	33,052,440	22,592,258
	<u>43,132,785</u>	<u>31,777,545</u>

13.2 The amount due to a subsidiary is unsecured, interest free and repayable on demand.

14. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers				
Construction services	585,967,441	393,301,536	-	-

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.

	2024 - 2027
	RM
Group	
2023	
Construction services	<u>1,073,576,666</u>
	2023 - 2026
	RM
2022	
Construction services	<u>1,452,479,296</u>

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.

During the year, the Group recognised an additional impairment loss on contract assets of RM1,203,415 (2022: RM13,498,532). There have been escalating construction material costs, labour costs, operating costs and project time prolongation costs, which arose from the revision of the completion date of certain projects. Therefore, management has revised the budgeted costs of such 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.

14. Revenue (cont'd)

14.4 Significant judgements and assumptions arising from revenue recognition (cont'd)

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.

15. Finance income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost	1,076,949	630,906	81,417	204,946

16. Finance costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	392,309	449,928	69,490	-
Interest expense on lease liabilities	21,220	27,666	-	-
Other finance costs	60,355	20,519	222	255
	<u>473,884</u>	<u>498,113</u>	<u>69,712</u>	<u>255</u>

17. Taxation**Recognised in profit or loss**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense				
Current year	-	65,034	-	-
Over provision in prior years	(65,034)	(860,393)	-	-
Total current tax recognised in profit or loss	(65,034)	(795,359)	-	-
Deferred tax expense				
Original and reversal of temporary differences	(1,484,356)	(10,779,348)	-	-
Under provision in prior years	893,782	214,404	-	-
Total deferred tax recognised in profit or loss (Note 12)	(590,574)	(10,564,944)	-	-
Total taxation	(655,608)	(11,360,303)	-	-
Reconciliation of taxation				
Loss before tax	(10,149,773)	(44,895,466)	(867,355)	(596,864)
Income tax calculated using Malaysian tax rate of 24%	(2,435,946)	(10,774,912)	(208,166)	(143,247)
Non-deductible expenses	951,590	60,598	208,166	143,247
Under/(Over) provision in prior years	828,748	(645,989)	-	-
	(655,608)	(11,360,303)	-	-

18. Loss for the year

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss for the year is arrived at after charging/(crediting):				
Auditors' remunerations				
Audit fees	140,000	140,000	30,000	30,000
Non-audit fees				
- KPMG PLT	10,000	10,000	10,000	10,000
- Local affiliates of KPMG PLT	24,000	24,000	4,000	4,000
Material expenses/ (income)				
Depreciation of property, plant and equipment	3	3,094,814	2,897,838	77,316
Depreciation of right-of-use assets	4	6,617,357	5,101,883	-
Gain on disposal of right-of-use assets		-	(64,876)	-
Gain on disposal of assets held for sales		(148,650)	-	-
Loss/(Gain) on disposal of property, plant and equipment		6,455	(3,400)	-
Property, plant and equipment written off		4,610	383,633	-
Impairment loss on assets held for sale		-	317,617	-
Personnel expenses (including key management personnel):				
- Wages, salaries and others		21,807,377	15,897,889	-
- Contribution to state plans		2,170,905	1,918,472	-

18. Loss for the year (cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Loss for the year is arrived at after charging/(crediting) (cont'd):					
Expenses arising from leases					
Expenses relating to short-term leases	a	304,345	408,940	-	-
Expenses relating to leases of low-value assets	a	19,366	25,541	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	b	1,392,300	961,220	-	-
Interest expense on lease liabilities		21,220	27,666	-	-
Interest expense on lease liabilities recognised in cost of sales		<u>1,350,097</u>	<u>625,036</u>	<u>-</u>	<u>-</u>
Net loss on impairment of contract assets					
Contract assets		<u>1,203,415</u>	<u>13,498,532</u>	<u>-</u>	<u>-</u>

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	
	2023	2022
	RM	RM
Loss for the year attributable to owners of the Company	<u>(9,494,165)</u>	<u>(33,535,163)</u>
	2023	2022
Weighted average number of ordinary shares at 31 December	<u>316,828,700</u>	<u>316,828,700</u>
	2023	2022
	Sen	Sen
Basic loss per ordinary shares	<u>(3.00)</u>	<u>(10.58)</u>
Diluted loss per ordinary shares ⁽¹⁾	<u>(3.00)</u>	<u>(10.58)</u>

⁽¹⁾ 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 Company:

	Sen Per share	Total amount RM	Date of payment
2022			
Final 2021 ordinary	0.5	<u>1,584,368</u>	20 July 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	
	2023 RM	2022 RM
Customer A	119,251,100	48,885,333
Customer B	69,070,495	11,747,576
Customer C	75,953,072	51,375,753
Customer D	61,400,084	63,485,381
Customer E	60,313,272	58,746,028
Customer F	61,001,278	49,204,100
Customer G	<u>63,170,844</u>	<u>12,606,332</u>

These customers combined, in aggregate, contributed 87% (2022: 75%) 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").

2023 Financial assets	Carrying amount RM	AC RM
Group		
Trade and other receivables*	167,768,144	167,768,144
Cash and cash equivalents	47,162,231	47,162,231
	<u>214,930,375</u>	<u>214,930,375</u>
Company		
Other receivables	37,162	37,162
Cash and cash equivalents	822,825	822,825
	<u>859,987</u>	<u>859,987</u>
Financial liabilities		
Group		
Trade and other payables	(247,108,181)	(247,108,181)
Loans and borrowings	(98,874,689)	(98,874,689)
	<u>(345,982,870)</u>	<u>(345,982,870)</u>
Company		
Other payables	(369,848)	(369,848)
Loans and borrowings	(1,552,202)	(1,552,202)
	<u>(1,922,050)</u>	<u>(1,922,050)</u>
2022		
Financial assets		
Group		
Trade and other receivables*	99,527,643	99,527,643
Cash and cash equivalents	63,359,360	63,359,360
	<u>162,887,003</u>	<u>162,887,003</u>
Company		
Other receivables	8,464,723	8,464,723
Cash and cash equivalents	4,123,517	4,123,517
	<u>12,588,240</u>	<u>12,588,240</u>
Financial liabilities		
Group		
Trade and other payables	(225,653,237)	(225,653,237)
Loans and borrowings	(60,792,191)	(60,792,191)
	<u>(286,445,428)</u>	<u>(286,445,428)</u>
Company		
Other payables	(282,443)	(282,443)

* Excluded advance payments and prepayments

22. Financial instruments (cont'd)

22.2 Net gains arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net gains/(losses) on:				
Financial assets at amortised cost	1,076,949	630,906	81,417	204,946
Financial liabilities at amortised cost	(452,664)	(470,447)	(69,712)	(255)
	<u>624,285</u>	<u>160,459</u>	<u>11,705</u>	<u>204,691</u>

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

22.4 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.

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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 2023, 7 (2022: 7) major customers which contributed in aggregate, 87% (2022: 75%) of the Group's total revenue as disclosed in Note 21, combined in aggregate, 80% (2022: 74%) 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.

The Group adopts the simplified approach and uses an allowance matrix to measure 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.

For construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

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

	Gross- carrying amount RM	Loss allowance RM	Net balance RM
2023			
Group			
Not past due	135,149,946	-	135,149,946
Past due 1 - 30 days	16,650,861	-	16,650,861
Past due 31 - 60 days	88,019	-	88,019
Past due 61 - 90 days	811,400	-	811,400
Past due more than 90 days	8,550,584	-	8,550,584
	161,250,810	-	161,250,810
Credit impaired			
Individually impaired	20,127	(20,127)	-
Trade receivables	161,270,937	(20,127)	161,250,810
Contract assets	138,816,162	(10,540,603)	128,275,559
	300,087,099	(10,560,730)	289,526,369
2022			
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)

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

	RM
Balance at 1 January 2022	20,127
Remeasurement of loss allowance on contract assets (Note 14.4)	13,498,532
Balance at 31 December 2022/1 January 2023	<u>13,518,659</u>
Remeasurement of loss allowance on contract assets (Note 14.4)	1,203,415
Reversal of loss allowance on contract assets	(4,161,344)
Balance at 31 December 2023	<u><u>10,560,730</u></u>

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits 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.

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Financial guarantees

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 principle of MFRS 15, *Revenue from Contracts with Customers*.

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 RM97,322,487 (2022: RM60,792,191), 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:

2023	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
Group						
Trade and other payables	247,108,181	-	247,108,181	247,108,181	-	-
Secured term loans	17,748,653	3.70 - 6.60	19,735,572	7,339,213	10,869,735	1,526,624
Lease liabilities	20,757,262	1.67 - 5.57	22,154,186	10,232,886	11,921,300	-
Bank overdraft	7,492,983	BLR ⁽¹⁾ + 0.50 - 1.25	7,492,983	7,492,983	-	-
Invoice financing/Revolving credits	73,633,053	3.94 - 6.31	73,633,053	73,633,053	-	-
	366,740,132		370,123,975	345,806,316	22,791,035	1,526,624
Company						
Other payables	369,848	-	369,848	369,848	-	-
Secured term loans	1,552,202	3.70 - 6.60	2,306,348	160,908	804,540	1,340,900
Financial guarantees	-	-	97,322,487	97,322,487	-	-
	1,992,050		99,998,683	97,853,243	804,540	1,340,900

⁽¹⁾ BLR – Base lending rate

22. Financial instruments (cont'd)

22.5 Liquidity risk (cont'd)
Maturity analysis (cont'd)

2022	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
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	-	-

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:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Fixed rate instruments</i>				
Financial assets	41,582,785	37,534,148	500,000	3,000,000
Lease liabilities	(20,757,262)	(22,908,555)	-	-
	<u>20,825,523</u>	<u>14,625,593</u>	<u>500,000</u>	<u>3,000,000</u>
<i>Floating rate instruments</i>				
Financial liabilities	<u>(98,874,689)</u>	<u>(60,792,191)</u>	<u>(1,552,202)</u>	<u>-</u>

22. Financial instruments (cont'd)

22.6 Market risk (cont'd)

22.6.1 Interest rate risk (cont'd)

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.

	Group		Company	
	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
2023				
Floating rate instruments	<u>(751,448)</u>	<u>751,448</u>	<u>(11,797)</u>	<u>11,797</u>
2022				
Floating rate instruments	<u>(462,021)</u>	<u>462,021</u>	<u>-</u>	<u>-</u>

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.

22. Financial instruments (cont'd)

22.7 Fair value information (cont'd)

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

Group	Fair value of financial instruments not carried at fair value			Company	
	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
2023					
Financial liabilities					
Secured term loans	-	-	16,944,904	16,944,904	17,748,653
2022					
Financial liabilities					
Secured term loans	-	-	23,534,806	23,534,806	22,688,921

Company	Fair value of financial instruments not carried at fair value			Company	
	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
2023					
Financial liabilities					
Secured term loans	-	-	1,455,854	1,455,854	1,552,202

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 and the Company.

22.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

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 was no change in the Group's approach to capital management during the financial year.

24. Related parties

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	
	2023 RM	2022 RM	2023 RM	2022 RM
A. Subsidiary				
Expenses paid on behalf	-	-	16,351	31,185
B. Key management personnel Directors				
- Fees	300,000	300,000	300,000	300,000
- Remuneration	1,386,260	1,399,800	36,500	27,000
- Estimated monetary value of any other benefits	57,318	57,130	-	-
	<u>1,743,578</u>	<u>1,756,930</u>	<u>336,500</u>	<u>327,000</u>

25. Comparative figures

Certain comparatives have been restated to conform to the current year's presentation.

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 61 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 2023 and of their financial performance and cash flows for the financial year then ended.

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

Wee Eng Kong
Director

Wee Beng Chuan
Director

Petaling Jaya,

Date: 22 April 2024

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STATUTORY DECLARATION

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

I, Yap Yik Yong, 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 61 to 108 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 Yap Yik Yong, MIA CA 32423 at Petaling Jaya in the state of Selangor Darul Ehsan on 22 April 2024.

Yap Yik Yong

Before me:

Rozita Binti Zahari
Pesuruhanjaya 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 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 61 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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.

Key Audit Matters (cont'd)

Revenue and profit recognition from construction contracts

Refer to Note 14 - Revenue.

The key audit matter

The Group has recorded revenue from construction contracts amounting to RM585,967,441 for the financial year ended 31 December 2023. 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.

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*;
- Checked the estimated costs to completion to supporting documents such as approved budgets, letter of awards and variation orders with subcontractors;
- Corroborated the stage of completion and extent of costs incurred to date by comparing to external quantity surveyors' report;
- Obtained an understanding of accounting estimates that revolve around estimated budgeted costs;
- 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;
- Assessed the adequacy of impairment made for contract assets.
- Agreed the contract sums by inspecting relevant correspondences, including approved contracts and variation orders with customers;
- Checked costs incurred to subcontractors' claims certificates and/or invoices, on a sample basis; and
- Recomputed percentage of completion by computing the proportion of actual costs incurred for work performed to date to the estimated total costs.

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.

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, IFRS Accounting 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.

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

- 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.

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: 03473/11/2025 J
Chartered Accountant

Petaling Jaya,

Date: 22 April 2024

LIST OF PROPERTIES

No.	Registered / Beneficial	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 2023 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	2,183.47
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	2,183.47
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	1,612.97
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	559.08
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	2,557.24
6	TSB	PM5292, Lot 12301 Mukim Tanjung Dua Belas, Daerah Kuala Langat, Negeri Selangor	Agricultural land / Vacant	Agriculture / Leasehold of 99 years, expiring on 10 May 2082	Charged to Alliance Bank Malaysia Berhad	N/A	Land area 180,511	2,540.41

SHAREHOLDING ANALYSIS

STATISTICS OF ORDINARY SHAREHOLDINGS as at 29 March 2024

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 29 March 2024

Size of Holding	No. of shareholders	No. of shares	Shares (%)
1-99	5	142	0.00
100-1,000	323	198,208	0.06
1,001-10,000	1,098	5,786,500	1.83
10,001-100,000	619	21,579,700	6.81
100,001 to less than 5% of Issued Shares	128	79,035,450	24.95
5% and above of Issued Shares	2	210,228,700	66.35
Total	2,175	316,828,700	100.000

Substantial Shareholders as at 29 March 2024

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

Directors' Interests in shares as at 29 March 2024

No.	Directors	No. of ordinary shares held			
		Direct Shares	(%)	Indirect Shares	(%)
1	YAM Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	370,000	0.12	-	-
2	Wee Eng Kong	140,985,229	44.50	-	-
3	Nor Adha Bin Yahya	150,000	0.05	-	-
4	Datin Seri Raihanah Begum Binti Abdul Rahman	100,000	0.03	-	-
5	Dato' Wee Beng Aun	69,243,471	21.86	-	-
6	Loo Ming Chee	355,100	0.11	-	-
7	Wee Beng Chuan	888,800	0.28	-	-

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	12,400,100	3.91
4	LOH KOK WAI	6,679,300	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	JBF MARKETING AND DISTRIBUTORS (M) SDN.BHD.	3,701,500	1.17
9	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MDE)	1,571,000	0.50
10	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (DGF)	1,474,000	0.47
11	LAI THIAM POH	1,395,600	0.44
12	LEE CHEE KEONG	1,080,000	0.34
13	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEONG SIN KHONG	1,000,000	0.32
14	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW CHIA SERN, JOSHUA	975,000	0.31
15	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOON KEAN LEONG	948,200	0.30
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK	944,500	0.30
17	S'NG HOOI SEAH	932,000	0.29
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WEE BENG CHUAN (PB)	888,800	0.28
19	TAN ANG FOON @ TAN AH MOI	850,000	0.27
20	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SIEW KEN	791,100	0.25
21	LIN REE PEIN	720,000	0.23
22	WONG HUNG NGIE	654,700	0.21
23	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE CHEE KEONG (STA 5)	650,000	0.21
24	TENG JAN THUAN	647,800	0.20
25	YAP NAM FEE	639,500	0.20
26	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GAIK SUAN	608,900	0.19
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 Fourth Annual General Meeting (“4th AGM”) of Tuju Setia Berhad (“TUJU” or the “Company”) will be held at Kuala Lumpur Golf & Country Club, Function room 1 & 2, Level 1, Main Lobby, No.10, Jalan 1/70D, Bukit Kiara, 60000, Kuala Lumpur on Wednesday, 5 June 2024 at 10.00 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 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer Explanatory Note 1)**
2. To approve the payment of Directors’ fees and benefits payable to the Directors of the Company up to RM351,000 from 6 June 2024 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 1**
3. To re-elect Datin Seri Raihanah Begum binti Abdul Rahman who retires by rotation pursuant to Clause 96 of the Company’s Constitution. **Ordinary Resolution 2**
4. To re-elect Encik Nor Adha bin Yahya who retires by rotation pursuant to Clause 96 of the Company’s Constitution. **Ordinary Resolution 3**
5. To re-elect Mr. Wee Beng Chuan who retires by rotation pursuant to Clause 96 of the Company’s Constitution. **Ordinary Resolution 4**
6. 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 5**

As Special Business

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

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

“**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.”

8. Proposed Renewal of Authority for the Company to Purchase its own Shares

“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 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.”

9. 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: 29 April 2024

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 28 May 2024 (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 4th 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 2025 (12 Months).

3. Ordinary Resolutions 2, 3 and 4: Re-election of Directors

The profiles of the Directors who are standing for re-election under items 3, 4 and 5 of this Agenda are set out in the Board of Directors' profile of the Annual Report 2023.

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 recommend the re-election based on the following justifications:-

- (a) Re-election of Datin Seri Raihanah Begum binti Abdul Rahman 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. Datin Seri Raihanah Begum binti Abdul Rahman, who was appointed as a Director of the Company on 12 August 2020, retires by rotation pursuant to Clause 96 of the Company's Constitution and being eligible, has offered herself for re-election at the 4th AGM.

Shareholders' approval is sought for the re-election of Datin Seri Raihanah Begum binti Abdul Rahman, Ordinary Resolution 2. The profile of Datin Seri Raihanah Begum binti Abdul Rahman is listed in the Profile of Directors section.

(b) Re-election of Encik Nor Adha bin Yahya 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. Encik Nor Adha bin Yahya, who was appointed as a Director of the Company on 12 August 2020, retires by rotation pursuant to Clause 96 of the Company's Constitution and being eligible, has offered himself for re-election at the 4th AGM.

Shareholders' approval is sought for the re-election of Encik Nor Adha bin Yahya, is Ordinary Resolution 3. The profile of Encik Nor Adha bin Yahya listed in the Profile of Directors section.

(c) Re-election of Mr. Wee Beng Chuan 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 Beng Chuan, who was appointed as a Director of the Company on 12 August 2020, retires by rotation pursuant to Clause 96 of the Company's Constitution and being eligible, has offered himself for re-election at the 4th AGM.

Shareholders' approval is sought for the re-election of Mr. Wee Beng Chuan, is Ordinary Resolution 4. The profile of Mr. Wee Beng Chuan is 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 6: Authority for Directors to allot and issue shares in the Company pursuant to Section 75 of the Companies Act 2016

The Ordinary Resolution 6 proposed under item 7 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 ten per centum (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 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 3rd AGM held on 8 June 2023 and which will lapse at the conclusion of this 4th 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 7: Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, 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 7, please refer to the Statement to Shareholders dated 29 April 2024 accompanying the Annual Report of the Company for the financial year ended 31 December 2023.

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.

TUJU SETIA BERHAD

Registration No. 202001005607 (1361927-V)

Incorporated in Malaysia

PROXY FORM

No. of ordinary shares held

CDS account no. of holder

I/We, _____ (name of shareholder as per NRIC/Passport, in capital letters) NRIC No./ Passport No./
Company No. _____ of _____

_____ (full address)

being a *member/members of TUJU SETIA BERHAD ("the Company") hereby appoint(s):-

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

*and/ or (delete as appropriate)

Full Name	NRIC No./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 Fourth Annual General Meeting of the Company to be held at Kuala Lumpur Golf & Country Club, Function Room 1 & 2, Level 1, Main Lobby, No. 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 5 June 2024, at 10.00 a.m. or any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below.

Item No.	Ordinary Business	RESOLUTION	FOR	AGAINST
1	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.			
2	To approve the payment of Directors' fees and benefits payable to the Directors of the Company up to RM351,000 from 6 June 2024 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
3	To re-elect Datin Seri Raihanah Begum binti Abdul Rahman who retires by rotation pursuant to Clause 96 of the Company's Constitution.	Ordinary Resolution 2		
4	To re-elect Encik Nor Adha bin Yahya who retires by rotation pursuant to Clause 96 of the Company's Constitution.	Ordinary Resolution 3		
5	To re-elect Mr. Wee Beng Chuan who retires by rotation pursuant to Clause 96 of the Company's Constitution.	Ordinary Resolution 4		
6	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 5		
Special Business				
7	Authority for Directors to allot and issue shares in the Company pursuant to Section 75 of the Companies Act 2016.	Ordinary Resolution 6		
8	Proposed Renewal of Authority for the Company to Purchase its own Shares.	Ordinary Resolution 7		

(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.
- 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 28 May 2024 (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 29 April 2024.

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TUJU SETIA BERHAD

REGISTRATION NO. : 202001005607 (1361927-V)

AFFIX
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

Please fold here

