PINTARAS JAYA BERHAD

Registration No. 198901012591 (189900-H)

ANNUAL REPORT 2023

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	PROXY FORM

NOTICE IS HEREBY GIVEN that the Thirty-Fourth (34th) Annual General Meeting ("AGM") of Pintaras Jaya Berhad ("Company") will be held at OWG, Inspire Ballroom, No. 10, Jalan Pelukis U1/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 20 October 2023 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note A)**

2. To approve the payment of a final single-tier dividend of 3 sen per ordinary share for the financial year ended 30 June 2023. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' Fees for an amount up to RM150,000 for the financial year ending 30 June 2024. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who are retiring in accordance with Clause 77 of the Company's Constitution, and being eligible, have offered themselves for re-election:-

   (i) Khoo Yok Kee; **(Ordinary Resolution 3)**
   (ii) Chiu Wei Wen; and **(Ordinary Resolution 4)**
   (iii) Lim Chee Eng **(Ordinary Resolution 5)**

5. To re-elect Nurhalida Binti Dato' Seri Mohamed Khalil, a director who is retiring in accordance with Clause 82 of the Company's Constitution, and being eligible, has offered herself for re-election. **(Ordinary Resolution 6)**

6. To note that Messrs PricewaterhouseCoopers PLT, the retiring auditors have expressed that they will not seek for re-appointment as auditors of the Company. **(Please refer to Explanatory Note B)**

Special Business:

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

7. **Proposed Authority to Issue Shares and Waiver of Statutory Pre-Emptive Rights of the Shareholders** **(Ordinary Resolution 7) (Please refer to Explanatory Note C)**

   "**THAT** subject to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Act to issue and allot not more than ten percent (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next AGM of the Company.

   THAT pursuant to Section 85 of the Act, to be read together with Clause 46 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

   AND THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

8. **Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back Authority")** **(Ordinary Resolution 8) (Please refer to Explanatory Note D)**

"**THAT** subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

(i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits; and
(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or distribute the shares as dividends or transfer the shares under an employee share scheme or as purchase consideration.

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

(i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
(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 ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

9. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 34th AGM of the Company, a final single-tier dividend of 3 sen per ordinary share for the financial year ended 30 June 2023 will be paid on 17 January 2024 to the shareholders whose names appear on the Record of Depositors at the close of business on 29 December 2023.

A depositor shall qualify for entitlement only in respect of:-

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 29 December 2023 in respect of ordinary transfers; and

(b) Shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

NG SALLY (MAICSA 7060343)
[SSM Practising Certificate No. 202008002702]
GOH XIN YEE (LS0010359)
[SSM Practising Certificate No. 202008000375]
Company Secretaries

Shah Alam
22 September 2023

Notes:-

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*

2. *To be valid, the instrument appointing a proxy duly completed must be deposited at the Registered Office at No. 8, Jalan Majistret U1/26, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.*

3. *A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.*

4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

6. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*

7. *If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*

8. *A depositor shall not be regarded as a member entitled to attend this general meeting and to speak and vote thereat unless his/her name appears in the Register of Members and/or Record of Depositors as at 13 October 2023 issued by Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") upon request by the Company in accordance with the rules of the Bursa Depository.*

Explanatory Notes:

A. ***Agenda 1*** *- This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.*

B. ***Agenda 6*** *- Messrs PricewaterhouseCoopers PLT, the retiring auditors have expressed their intention that they would not be seeking for re-appointment as Auditors of the Company at this AGM and accordingly, the term of office of Messrs PricewaterhouseCoopers PLT shall end upon the conclusion of the 34th AGM of the Company. The Company is in the midst of identifying a suitable audit firm to be appointed as new auditors as soon as possible. Further announcement shall be made in due course once the proposed new appointment is confirmed.*

C. ***Agenda 7*** *- Ordinary Resolution 7: Proposed Authority to Issue Shares and Waiver of Statutory Pre-Emptive Rights of the Shareholders.*

The proposed Ordinary Resolution 7, if passed, would allow the Company to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

This authority will give power to the Directors of the Company to issue ordinary shares in the capital of the Company up to an aggregate amount of not exceeding 10% of the total number of issued shares of the Company for the time being for the purpose of increasing the capacity of current business operations for long term growth and to cater for additional working capital requirements in line with the Company's expansion and diversification plans. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's AGM and accordingly no proceeds were raised.

This authority, unless revoked or varied at a General Meeting, will expire at the next AGM of the Company.

D. ***Agenda 8*** *- Ordinary Resolution 8: Proposed Renewal of Share Buy-Back Authority*

The details of the Proposed Renewal of the Share Buy-Back Authority are as set out in the Statement to Shareholders dated 22 September 2023.

BOARD OF DIRECTORS

DR CHIU HONG KEONG
Chairman/Managing Director

KHOO YOK KEE
Executive Director

CHIU WEI WEN
Executive Director

LIM CHEE ENG
Executive Director

CHIU WEI SIONG
Non-Independent Non-Executive Director

PHE KHENG PENG
Independent Non-Executive Director

NURHALIDA BINTI DATO' SERI MOHAMED KHALIL
Independent Non-Executive Director

COMPANY SECRETARIES

NG SALLY (MAICSA 7060343)
[SSM Practicing Certificate No. 202008002702]
GOH XIN YEE (LS 0010359)
[SSM Practicing Certificate No. 202008000375]

REGISTERED OFFICE

NO. 8 JALAN MAJISTRET U1/26
HICOM-GLENMARIE INDUSTRIAL PARK
40150 SHAH ALAM
SELANGOR DARUL EHSAN
TEL : 03-5569 1516
FAX : 03-5569 1517
E-MAIL : info@pintaras.com.my

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
TEL : 03-7890 4700
FAX : 03-7890 4670
E-MAIL : BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

UNITED OVERSEAS BANK (MALAYSIA) BERHAD
UNITED OVERSEAS BANK LIMITED
MALAYAN BANKING BERHAD

AUDITORS

MESSRS PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF 1146)
10TH FLOOR MENARA TH 1 SENTRAL
JALAN RAKYAT
KUALA LUMPUR SENTRAL
50706 KUALA LUMPUR

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD
Sector : Construction
Stock Name : PTARAS
Stock Code : 9598

WEBSITE

www.pintaras.com.my

DR CHIU HONG KEONG

Dr Chiu Hong Keong, a Malaysian, male, aged 68 is the founder member of Pintaras Jaya Berhad ("PJB") and was appointed as the Managing Director of the Company since 23 November 1989 and elected as the Chairman of the Board on 18 October 1994. He is a member of the Risk Management Committee. He graduated with a Bachelor of Civil Engineering degree (1st Class Honours) from the University of Auckland, New Zealand in 1977 and obtained his Doctorate of Philosophy degree in Engineering from Monash University, Australia in 1982. He worked as a Geotechnical Engineer with the Victorian Country Roads Board of Australia for a brief stint before returning to Malaysia to join Pilecon Engineering Bhd in 1982 as a Geotechnical Engineer. In 1983, he joined Ho Hup Construction Company Sdn Bhd until 1989. He holds a total of 96,602,696 shares (direct and indirect) in PJB and is deemed to have an interest in the shares of the subsidiary companies to the extent held by PJB. He is the spouse of Madam Khoo Yok Kee, an Executive Director, the father of Mr Chiu Wei Wen, an Executive Director of PJB and Mr Chiu Wei Siong, a Non-Independent Non-Executive Director of PJB and is deemed a major shareholder of PJB.

KHOO YOK KEE

Madam Khoo Yok Kee, a Malaysian, female, aged 63 is an Executive Director of PJB. She was appointed to the Board on 18 March 1991. She serves as the Chairperson of the Risk Management Committee. She graduated with a Bachelor of Economics (Accounting) degree from Monash University, Australia in 1982. She obtained her Master of Business Administration degree from Southern Cross University, Australia in 2000. She is a Fellow of CPA Australia and a member of the Malaysian Institute of Accountants. She has many years of experience in accounting, marketing, finance, administration and corporate affairs. She holds a total of 96,602,696 shares (direct and indirect) in PJB and is deemed to have an interest in the shares of the subsidiary companies to the extent held by PJB. She is the spouse of Dr Chiu Hong Keong, the Managing Director, the mother of Mr Chiu Wei Wen, an Executive Director of PJB and Mr Chiu Wei Siong, a Non-Independent Non-Executive Director of PJB and is deemed a major shareholder of PJB.

CHIU WEI WEN

Mr Chiu Wei Wen, a Malaysian, male, aged 38 is an Executive Director of PJB. He was appointed to the Board on 20 October 2011. He is a member of the Risk Management Committee. He graduated with a Bachelor of Science (Information System) degree and a Graduate Diploma in Management from the University of Melbourne in 2007 and 2010 respectively. He has worked with IBM Australia as a consultant, servicing the toll road, telecommunications, government agencies as well as the banking industry. He has experience in developing, testing, support and business analyst roles within the IT industry. He holds a total of 198,500 shares directly in PJB and is deemed to have an interest in the shares of the subsidiary companies to the extent held by PJB. He is the son of Dr Chiu Hong Keong, the Managing Director and a major shareholder of PJB and Madam Khoo Yok Kee, an Executive Director, brother of Mr Chiu Wei Siong, a Non-Independent Non-Executive Director of PJB and is deemed a major shareholder of PJB.

LIM CHEE ENG

Mr Lim Chee Eng, a Malaysian, male, aged 63 is an Executive Director of PJB. He was appointed to the Board on 18 November 2019. He graduated with a Bachelor of Engineering (Honours) degree and Master in Science (Civil) degree. He is the Chief Executive Officer and Director of the Company's subsidiaries in Singapore, namely Pintary International Pte Ltd, Pintary Foundations Pte Ltd, Pintary Geotechnics Pte Ltd and Pintary Realty Pte Ltd. He is a registered Professional Engineer (Civil) and Specialist Professional Engineers (Geotechnical) in Singapore. He has extensive professional experience in the management of large-scale civil engineering, heavy foundations and geotechnical projects in Singapore and Southeast Asia countries. He does not hold any securities, direct or indirect, in PJB or any of its subsidiaries. He has no family relationship with any Director and/or major shareholder of PJB.

CHIU WEI SIONG

Mr Chiu Wei Siong, a Malaysian, male, aged 36 is a Non-Independent Non-Executive Director of PJB. He was appointed to the Board on 15 February 2019. He is a member of the Audit Committee. He graduated with a Bachelor of Commerce (Marketing) degree from Monash University in 2009. He has experience in marketing, warehousing management and distribution within the e-commerce industry. He does not hold any securities, directly in PJB or any of its subsidiaries. He is the son of Dr Chiu Hong Keong, the Managing Director and a major shareholder of PJB and Madam Khoo Yok Kee, an Executive Director, brother of Mr Chiu Wei Wen, an Executive Director of PJB and is deemed a major shareholder of PJB.

PHE KHENG PENG

Ms Phe Kheng Peng, a Malaysian, female, aged 53, is an Independent Non-Executive Director of PJB. She was appointed to the Board on 3 January 2022. She serves as the Chairman of the Audit, Remuneration and Nomination Committees. She graduated with a Bachelor of Commerce majoring in Accounting and Finance degree from the University of New South Wales, Sydney, Australia in 1994. She is a Fellow member of CPA Australia and a certified Public Accountant since 1994. She has close to 30 years of experience in the financial industry. She started her career in 1996 with the Funds Management Division of Arab-Malaysian Banking Group first as a Quantitative Analyst and then as a Fund Manager and subsequently assumed the role as Chief Investment Officer, Fixed Income. She later served in AmBank Group as the Co-Head of Treasury & Global Markets in 2009 before assuming the role as Managing Director, Global Markets Division in 2010. She joined Deutsche Bank (Malaysia) Berhad in 2013 as Managing Director to head the Institutional Clients Group (ICG). Her last position in Deutsche Bank (Malaysia) Berhad was Managing Director (ICG APAC) before she left in November 2021. She does not hold any securities, direct or indirect, in PJB or any of its subsidiaries. She has no family relationship with any Director and/or major shareholder of PJB.

NURHALIDA BINTI DATO' SERI MOHAMED KHALIL

Puan Nurhalida Binti Dato' Seri Mohamed Khalil, a Malaysian, female, aged 58, is an Independent Non-Executive Director of PJB. She was appointed to the Board on 1 December 2022. She is a member of the Audit, Nomination and Remuneration Committees. Specialising in International Human Rights and Humanitarian Law, Public International Law and Constitutional Law, with more than 30 years of experience as a lecturer at the University of Malaya's Faculty of Law, she completed her Bachelor of Law (LLB) at the University of Malaya (1989) and her Master of Laws (LLM) in Public International Law at the University of London, UK (1991). She was seconded to the Ministry of Foreign Affairs of Malaysia, from 2010-2015. She does not hold any securities, direct or indirect, in PJB or any of its subsidiaries. She has no family relationship with any Director and/or major shareholder of PJB.

GENERAL INFORMATION

1. All the Directors do not hold any other directorships of public companies nor listed issuers, save for Ms Phe Kheng Peng who currently sits on the Board of the following companies:-

    - Yu Cai Foundation (a company limited by guarantee) as a Trustee;
    - Public Investment Bank Berhad as an Independent Non-Executive Director;
    - Federation of Investment Managers Malaysia as a Public Interest Director;
    - Southern Score Builders Berhad as an Independent Non-Executive Director; and
    - Public Financial Holdings Ltd as Independent Non-Executive Director.

2. None of the Directors have any conflict of interest with PJB.

3. None of the Directors have had convictions for any offences within the past five (5) years, other than traffic offences, if any.

4. All the Directors attended five (5) Board Meetings of PJB held for the financial year ended 30 June 2023 save for the following:-

    - Mr Arnold Kwan Poon Keong who had resigned on 30 November 2022, attended 2/2 Board Meetings; and
    - Puan Nurhalida Binti Dato' Seri Mohamed Khalil who was appointed as a Director on 1 December 2022, attended 3/3 Board Meetings.

TAN YONG KWANG

Mr Tan Yong Kwang, a Singaporean, male, aged 40 is both the General Manager and Director of the Company's subsidiaries, Pintary Foundations Pte Ltd, Pintary Geotechnics Pte Ltd and Pintary Realty Pte Ltd. He oversees the day to day operations of the Construction Division in Singapore. He was appointed as General Manager on 1 December 2017 and as a Company Director on 1 December 2022. Mr Tan graduated with a Bachelor's degree in Applied Science in Construction Management from Royal Melbourne Institution of Technology and has a Diploma in Civil & Structural Engineering from Singapore Polytechnic. He has over 18 years of experience in the piling industry.

KHOO CHOON BON

Mr Khoo Choon Bon, a Malaysian, male, aged 43 is the Assistant General Manager (Operations) of the Company, overseeing the day to day operations of the Construction Division in Malaysia. He was appointed on 17 September 2021. Mr Khoo graduated with a Bachelor of Engineering (Honours) Civil degree from University of Science Malaysia in 2004. He has about 20 years of experience in the construction industry.

CHONG FUI THUNG

Mr Chong Fui Thung, a Malaysian, male, aged 59 is a General Manager (Manufacturing) of the Company, overseeing the day to day operations of the Manufacturing Division. He joined the Company on 4 October 2021. Mr Chong graduated with a Bachelor of Engineering (Materials) degree from Monash University, Australia in 1988 and obtained a Certified Diploma in Accounting and Finance, ACCA (UK) in 1991. He completed his Master of Business Administration degree from Heriot Watt University, Scotland in 1996. He has more than 34 years of experience in the manufacturing industry.

GENERAL INFORMATION

1. The key senior management has no family relationship with any Director and/or major shareholder of Pintaras Jaya Berhad ("PJB").

2. The key senior management does not hold any other directorships in public companies nor listed issuers.

3. None of the key senior management has any conflict of interest with PJB.

4. None of the key senior management has had convictions for any offences within the past five (5) years, other than traffic offences, if any.

The Board of Directors ("Board") of Pintaras Jaya Berhad ("PJB" or "Company") and its subsidiaries (collectively, "the Group") recognizes the importance of good corporate governance practices and is committed to upholding the principles of corporate governance as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") as well as ensuring compliance with the Main Market Listing Requirements ("MMLR") and the Companies Act 2016 ("the Act") by having in place processes and structure to direct and manage the business and affairs of the Group as a fundamental part of discharging its responsibility to protect and enhance shareholders value.

The Board is pleased to present the Corporate Governance ("CG") Overview Statement for the financial year ended 30 June 2023 ("FY 2023"). This statement summarises the practices adopted by the Group as guided by the MCCG and is to be read together with the CG Report of the Company which is available on the Company's website.

The Board is satisfied that the practices as set out in the MCCG have been applied with some exceptions. The explanations for departure of the relevant practices with the alternative approaches or measures that the Company has taken or intend to adopt are clearly stated in the CG Report 2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board's main responsibility is to lead and manage the Group in an effective manner including charting its overall strategic direction and to retain full and effective control over the Group's activities and exercising oversight in management. One of its main functions is to ensure that appropriate and efficient systems and processes are implemented to manage the Group's financial and operational risks. Towards this end, the Board delegates and confers some of its responsibilities to the Chairman, Executive Directors and Management as well as on properly constituted Board Committees comprising exclusively of Non-Executive Directors who are members of the Audit, Nomination and Remuneration Committees.

These Board Committees assist the Board in making informed decisions through focused and in-depth deliberations on issues within their respective purview. The Chairman of the relevant Board Committees report to the Board on key issues deliberated, matters considered and their recommendation thereon. The final decision on all matters, however, lies with the Board after considering recommendations by the Board Committees except to the extent that certain matters are delegated by the Board to the said Board Committees.

2. The Chairman and Managing Director

Dr Chiu Hong Keong ("Dr Chiu"), the Chairman of the Board, who is also the founder of the Company, leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Together with other Independent Non-Executive Directors, he leads the discussion on the strategies and policies recommended by the Management. He chairs the meeting of the Board and the shareholders.

The Board continues to be mindful of the combined roles of the Chairman and Managing Director currently held by Dr Chiu. Nonetheless, the Board has established the roles and responsibilities of the Chairman which are distinct and separate from the duties and responsibilities of the Managing Director as set out in the Board Charter. In the best interest of the Group, this combined role is maintained as the valuable knowledge of the business operations contributed by Dr Chiu is essential for the effective management of the Group as well as to provide leadership to the Board.

Nevertheless, Dr Chiu is not involved in the Audit Committee, Nomination Committee or Remuneration Committee of the Company to avoid the risk of self-review and to ensure there is check and balance as well as objective review by the board.

3. Board Meetings and Supply of Information

The Directors meet at least four (4) times a year with additional meetings convened when necessary. During the FY 2023, the Board has conducted five (5) Board meetings and each Board member has fulfilled the required attendance of Board meetings under Paragraph 15.05 of the MMLR. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. This is evidenced by the attendance record of the Directors at Board Meetings during the financial year as follows:

Directors	No. of Meetings Attended
Dr Chiu Hong Keong	5/5
Khoo Yok Kee	5/5
Chiu Wei Wen	5/5
Lim Chee Eng	5/5
Chiu Wei Siong	5/5
Phe Kheng Peng	5/5
Arnold Kwan Poon Keong (Resigned on 30 November 2022)	2/2
Nurhalida Binti Dato' Seri Mohamed Khalil (Appointed on 1 December 2022)	3/3

The approval of the Board is required for material transactions which include large capital expenditure, restructuring, acquisition and disposal of significant assets, investment proposals, periodic announcement of financial results and annual report.

During the financial year, major items on the agenda of Board meetings included review and approval of the following:

- Quarterly results
- Reports and financial statements
- Internal audit report
- Directors' Fit and Proper Policy
- Policy and Procedures on Disaster Recovery Plan
- Anti-bribery and Corruption Policy
- Interim dividends and recommendation of final dividends

Dissemination of information for Board Meetings is by way of Board papers which contain management and financial information and other matters to be discussed and circulated to the Board at least seven (7) days before the meeting. The Board members are also notified of material issues affecting the performance of the Group and new developments within the Group during Board meeting. Senior management staff are invited to attend Board and Audit Committee meetings whenever necessary.

4. Company Secretaries

The Board is supported by qualified Company Secretaries who are responsible for providing support and guidance to the Board on issues relating to compliance with rules and regulations and relevant laws affecting the Company.

All Directors have access to the services of the Company Secretaries. The Company Secretaries provide support to the Board in fulfilling their fiduciary duties. They also play an advisory role to the Board, particularly in compliance to applicable rules and regulations as well as Board meeting procedures. Additionally, Directors may solicit for independent advice, if necessary, at the Company's expense.

5. Board Charter

A Board Charter was established and approved by the Board on 27 August 2013 and is reviewed periodically. The objective of the Board Charter is to ensure that all Board members are aware of their duties and responsibilities as Board members, the various legislations and regulations including but not limited to the Code of Ethics for directors issued by the Companies Commission of Malaysia and that the practices of good corporate governance are applied in all dealings by Board members individually and/or on behalf of the Group.

The Board Charter is made available on the Company's website.

6. Directors' Fit and Proper Policy

The Directors' Fit and Proper ("DFP") Policy sets out the policies and procedures on the appointment and re-election of directors to ensure that the Group is led by persons of integrity who are credible and competent as well as in compliance with the relevant regulatory obligations.

The DFP Policy was reviewed on 27 October 2022 and is made available on the Company's website.

7. Code of Conduct

The Group recognises it has obligations to protect and contribute positively to the needs of a range of stakeholders in the community and environment in which it operates. Towards this end, the Group has adopted a Code of Conduct ("COC") which covers a wide range of business practices and procedures to guide employees and to create awareness in support of its Corporate Social Responsibility initiatives. The COC includes guidelines for appropriate workplace and marketplace behaviour. Employees' health and well-being is constantly looked after through the effective and stringent implementation of good occupational safety and health practices in all its business operations. The COC also enunciates the Group's approach to supporting community and environmental programmes.

The COC is made available on the Company's website.

8. Anti-Bribery and Corruption Policy

The Group adopts a zero tolerance towards all forms of bribery and corruption with strict adherence to all laws and regulations. An Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") was adopted in 2020 to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption.

The ABAC Policy was reviewed in May 2023 and is made available on the Company's website.

9. Whistleblowing Policy

The Board established a Whistleblowing Policy with procedures to provide and facilitate a channel for its employees and stakeholders of the Group to disclose any improper conduct or wrongdoing within the Company to achieve and maintain high standards of integrity, accountability and ethical behavior in conducting its businesses and operations.

The Whistleblowing Policy is made available on the Company's website.

10. Governance of Sustainability in the Company

The Board together with management takes responsibility for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets as stated in Practices 4.1 to 4.4 of the MCCG. Key sustainability drivers have been an integral part of the Group's strategies and decision-making process. The Board believes that this will lead to a more positive business impact and give confidence to the stakeholders.

The Board is committed to embody sustainable business practices throughout the Group's operations. Engagement, consultation and seeking regular feedback are key steps in driving the sustainability. These provide the opportunities for the Group to align sustainability priorities and business practice with societal and stakeholders' expectation. The Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

11. Directors' Training

The Directors are mindful that they should receive appropriate training which may be required from time to time to keep them abreast with the current developments of the industry as well as the new statutory and regulatory requirements.

During the financial year, the Directors were informed and updated on developments in Accounting Standards and Code of Corporate Governance as well as the Act by the external auditors, internal auditors and company secretaries at Board and committee meetings. The Board has undertaken an assessment of training needs of each Director.

The following trainings were attended by the Directors:

Title of training	Attended by
• Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers • What should Investor Relations know about Section 17A – MACC Act 2009 • Corporate Governance and Remuneration Practice for the ESG World • Understanding the requirements in Bursa Malaysia's Enhanced Sustainability Reporting Framework • Tax Reimagined - Designing and building a tax function fit for the future	Khoo Yok Kee
• Introduction to ESG Framework & Governance Impact to SMEs • Sanctions and Financial Crime Prevention • ESG Frameworks: Understanding the Alphabet Soup • Board's Strategic Oversight and Stewardship: Trends, Challenges and Opportunities • Contextualizing Net Zero • Global Economic Outlook 2023	Phe Kheng Peng
• Mandatory Accreditation Programme (MAP)	Nurhalida Binti Dato' Seri Mohamed Khalil

In compliance with the MMLR, the Board will continuously identify relevant training programmes for its members to ensure that they are updated with appropriate professional training to further enhance their professionalism in discharging their fiduciary duties to the Company.

12. Board Composition

The current composition of the Board comprises four (4) Executive Directors, one (1) Non-Independent Non-Executive Director, and two (2) Independent Non-Executive Directors. The composition of the Board fulfils the MMLR of having at least two (2) or one-third (1/3) of the Board comprising Independent Directors.

The Board has a vast range of experience and knowledge in the areas of business, marketing, engineering, finance and legal.

The Non-Independent Non-Executive Director and Independent Non-Executive Directors do not form part of the management and the Independent Non-Executive Directors are not related to major shareholders. They exercise their unbiased independent judgement freely and do not have any business or other relationships that may potentially interfere with their duties. Board balance is achieved with the contribution of the Non-Independent Non-Executive Director and Independent Non-Executive Directors and fair representation of the shareholders' interests. Brief profiles of the Directors are set out on pages 7 to 8 of this Annual Report.

In addition, the Board views that workplace and Board diversity are important to facilitate the decision-making process by harnessing different insights and perspective. The existing Board comprises three (3) female directors, which is more than 30% women directors. Nevertheless, the Board perceives that there is no necessity to fix a specific gender diversity policy for the time being as the sourcing of suitable candidates would be based on evaluation and matching of the criteria of "Fit and Proper" standards as set out in the DFP Policy by taking into consideration of diversity, not limited to gender but also including skills, talents and experience, where appropriate.

13. Tenure of Independent Directors

The Independent Directors of the Company provide the Board with a good mix of industry-specific knowledge plus broad business and commercial experience. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure the highest standards of conduct and integrity were maintained by the Group.

Each of the Independent Directors had provided their annual confirmation of independence to the Board based on the criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR of Bursa Securities.

None of the tenure of the Independent Directors of the Company exceeded a cumulative term of nine (9) years.

14. Nomination Committee ("NC")

The NC comprises two (2) Independent Non-Executive Directors, namely:

Phe Kheng Peng (Chairperson)
Nurhalida Binti Dato' Seri Mohamed Khalil (Appointed on 1 December 2022)

The Committee meets at least once a year with additional meetings convened when necessary. During the financial year, one (1) committee meeting was held with full attendance of all its members.

The NC is responsible for making recommendations for any appointments to the Board/Board Committees. The NC will assess and review the mix of skills and experience of each Director and their contributions to the Board. The Committee also assists the Board in reviewing other qualities of existing Board members including the core competencies of Non-Executive Directors as well as assessing the independence of its Independent Directors and to note the trainings attended by each Director during the financial year. The NC is also involved in discussions pertaining to succession planning for the Group as well as boardroom gender diversity.

The activities of the NC during the FY 2023 were as follows:

- Reviewed the mix of skills and experience of the existing Board;
- Undertook an annual assessment for FY 2023 of the effectiveness of:
  - the Board as a whole in terms of its structure, roles and responsibilities, strategy and planning, financial overview, shareholder communications and investor relation;
  - Board Committees based on fulfilment of their function as spelled out in the respective terms of reference; and
  - contribution of individual Directors based on pre-determined criteria relating to personal integrity and competency, contribution and performance as well as calibre and personality; and
- Discussed succession planning for the Group;
- Reviewed the independence of the Independent Directors; and
- Recommended the re-election of retiring Directors at the forthcoming AGM in accordance with the Constitution of the Company.

In addition, the Company has in place the DFP, which sets out the selection criteria that NC use as part of its assessment for the appointment and/or re-election of Directors and appointment of Key Senior Management. The processes for the appointment of Puan Nurhalida binti Dato' Seri Mohamed Khalil as new Director during the financial year is summarised as follows:

1. The candidate is identified upon the recommendation by the Management of the Company;
2. In evaluating the suitability of a candidate to the Board, the NC considers the Fit & Proper Criteria based on three (3) main components, inter alia, the character and integrity, experience and competency and time commitment of the candidate proposed for appointment as director;
3. Having satisfied that the candidate for new appointment as director fulfils the Fit & Proper Criteria, recommendation is made by NC to the Board including the appointment as Board Committees' member, where applicable; and
4. The Board deliberated on the proposed new appointment (including the appointment to the various Board Committees) upon recommendation from the NC.

Based on the assessments conducted in the financial year under review, it was concluded that the Board and its Committees as a whole, as well as the individual Directors, had operated effectively and possessed all necessary skills, experience and qualities required from them. The NC was also satisfied with the present Board composition fairly reflects its ability in overseeing the operations and coordinating development and implementation of business and corporate strategies.

15. Re-election of Directors

The Company's Constitution provide for all Directors to submit themselves for re-election at least once in every three (3) years. With the current Board size of seven (7) directors, three (3) Directors namely Madam Khoo Yok Kee, Mr Chiu Wei Wen and Mr. Lim Chee Eng, being the longest in office since their last election are to retire in accordance with Clause 77 of the Constitution and are seeking for re-election.

In addition, Puan Nurhalida Binti Dato' Seri Mohamed Khalil who was appointed during the year is also seeking for re-election at the forthcoming AGM in accordance with Clause 82 of the Constitution.

The NC has taken into account the Board Evaluation Assessment including the results of Self and Peer Assessment of Madam Khoo Yok Kee, Mr Chiu Wei Wen, Mr. Lim Chee Eng and Puan Nurhalida Binti Dato' Seri Mohamed Khalil and concurred that they have met the Board's expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Directors of the Company. The said Directors who are seeking for re-election have been duly assessed in accordance with the DFP Policy and are recommended for re-election. Their particulars are set out in the Profile of Directors on pages 7 to 8 of this Annual Report.

16. Remuneration

i. Remuneration Committee ("RC") and Directors' Remuneration

The RC comprises two (2) Independent Non-Executive Directors, namely:

Phe Kheng Peng (Chairperson)
Nurhalida Binti Dato' Seri Mohamed Khalil (Appointed on 1 December 2022)

The Committee meets at least once a year with additional meetings convened when necessary.

To attract and retain individuals of sufficiently high calibre at the Board level, the remuneration for Executive Directors is linked partly to the performance of the Group while the level of remuneration of Non-Executive Directors reflects the experience and level of responsibility undertaken. The Company has in place a fairly structured reward system for its Board members according to the guidelines provided by the Code.

The RC remains responsible for recommending the individual Directors' level of remuneration. The RC reviews annually the Directors' Remuneration and the interested Directors abstain from discussing their own remuneration packages.

During the financial year, one (1) committee meeting was held with full attendance of all its members to deliberate and review the revision on remuneration for the Executive Chairman/Managing Director and Executive Directors and to recommend the same to the Board for approval.

The aggregate remuneration of the Directors received from the Company and on Group basis for FY2023 are as follows:-

		In % of the Total Remuneration					
	Total Remuneration (nearest RM50,000)	Fees	Salaries and EPF	Bonuses	Other employee benefit	Benefit-in-Kind	ESOS
The Company							
Executive Directors							
Dr Chiu Hong Keong	RM150,000	–	74	19	–	7	–
Khoo Yok Kee	RM150,000	–	70	14	1	15	–
Chiu Wei Wen	RM300,000	–	89	7	–	4	–
Independent Non-Executive Directors							
Phe Kheng Peng	RM50,000	100	–	–	–	–	–
Nurhalida Binti Dato' Seri Mohamed Khalil(1)	RM23,350	100	–	–	–	–	–
Arnold Kwan Poon Keong(2)	RM16,700	100	–	–	–	–	–
Non-Independent Non-Executive Director							
Chiu Wei Siong	RM40,000	100	–	–	–	–	–
The Group							
Executive Directors							
Dr Chiu Hong Keong	RM 900,000	–	91	8	–	1	–
Khoo Yok Kee	RM 300,000	–	77	14	1	8	–
Chiu Wei Wen	RM 900,000	–	89	9	–	2	–
Lim Chee Eng	RM1,600,000	–	87	13	–	–	–
Independent Non-Executive Directors							
Phe Kheng Peng	RM50,000	100	–	–	–	–	–
Nurhalida Binti Dato' Seri Mohamed Khalil(1)	RM23,350	100	–	–	–	–	–
Arnold Kwan Poon Keong(2)	RM16,700	100	–	–	–	–	–
Non-Independent Non-Executive Director							
Chiu Wei Siong	RM40,000	100	–	–	–	–	–

Note:

(1) Nurhalida Binti Dato' Seri Mohamed Khalil was appointed as an Independent Non-Executive Director on 1 December 2022; and
(2) Arnold Kwan Poon Keong resigned as an Independent Non-Executive Director on 30 November 2022.

ii. Top Senior Management's Remuneration

The Board acknowledges a departure from Practice 8.2 of MCCG where the disclosure of the components of the remuneration of the Top Senior Management in the band width basis instead of on named basis as pursuant to Practice 8.2 of MCCG. This is due to confidentiality and sensitivity of the remuneration package and competitive nature of human resource market.

Details of the remuneration (inclusive of salary, bonus, benefit-in-kind and other emoluments) of the Top Senior Management excluding the executive directors during the FY2023, are as follows:

Range of remuneration	**Number of Top Senior Management**
RM200,000 to RM800,000	3

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee ("AC")

The AC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Further details of AC are set out in the AC Report of this Annual Report.

The AC has not adopted a policy that require a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC and currently the Board has no intention to appoint any former partner as a Board member.

2. Risk Management Committee ("RMC") and Internal Control

The Board has established a framework to formulate and review risk management policies and risk strategies. The RMC which comprises the Board and Senior Management is responsible for setting the direction and approach on all strategic and policy matters in relation to risk management while the Board is responsible oversee its functions and to assess the efficacy of the risk management controls and measures taken. The Group maintains risks registers which are reviewed and updated annually or as and when required.

The Company has not adopted Practice 10.3 of MCCG where its RMC comprises a majority of independent directors to oversee the Company's risk management framework and policies.

The Board acknowledges the importance of having an adequate system of internal controls and regulatory compliance to be in place within the Group. The Statement on Risk Management and Internal Control furnished on pages 19 to 20 provides an overview of the risk management and internal control framework within the Group.

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

1. Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year mainly through the quarterly announcements, annual financial statements and the Chairman's Statement in the annual reports. The Board is assisted by the AC to oversee the Group's financial reporting process and its quality.

The AC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM. The AC will convene meeting with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary. As part of the AC review processes, the AC has also obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

2. Statement of Directors' Responsibility

The Directors are required to prepare financial statements in accordance with the provision of the Act and applicable approved accounting standards in Malaysia which give a true and fair view of the state of affairs, results and cash flows of the Group and of the Company for the financial year under review.

In this respect, the Directors acknowledge their responsibility in ensuring proper accounting records are kept for the purpose of disclosing with reasonable accuracy, the financial position of the Group and of the Company.

3. Engagement with Stakeholders

The primary channels through which information is disseminated to the shareholders are annual reports and financial statements, quarterly announcements on financial results and other announcements. All the above are easily accessible through the official website of the Bursa Securities as well as the Company's website.

During the year, the Managing Director and Executive Directors have met with institutional investors, fund managers and analysts to brief and keep them updated on the performance, business expansion plans and other matters related to shareholders' interest. By this, the Board aims to keep the shareholders and the general public abreast on the Group's performance and development as well as to maintain good investor relations.

The Company's website has provided the links which enable the public to access to its announcements on financial results and annual reports. It also serves as a platform for the public to provide their feedback and to understand further on the Group's business.

4. Relationship with Auditors

The Group maintains an appropriate relationship with the External Auditors through the AC. An AC report and its terms of reference, detailing its role in relation to the External Auditors are set out on pages 22 to 24 of this Annual Report.

The group has outsourced its internal audit function to a professional service firm. The Internal Auditors report directly to the AC periodically on its assessment of reviews covering the financial, operational and compliance controls as well as risk management process.

The information on the internal audit functions is set out in the Statement on Risk Management and Internal Control.

5. Conduct of General Meetings

The Board views the Company's Annual General Meeting ("AGM") as the principal forum to communicate with shareholders. Shareholders of the Company are encouraged to present any questions or concerns regarding the operations, financial performance and major development of the Group during the AGM and to vote on all resolutions.

The Company circulates Notice of the AGM, Annual Report and Circular to the shareholders by giving sufficient notice of at least twenty-eight (28) days before the date of the meeting to enable shareholders to have full information prior to the AGM in order to facilitate informed decision-making.

In 2022, the 33rd AGM of the Company was conducted physically at a location which was near to the Company's registered office and easily accessible by the public. All the Board members, Senior Management, external auditors and other advisers of the Company where applicable were present to respond to Shareholders' queries.

This statement is made in accordance with the resolution of the Board of Directors dated 25 August 2023.

INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") for Pintaras Jaya Berhad ("PJB") and its subsidiaries ("Group") for the financial year ended 30 June 2023. This SORMIC is made in compliance with paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR").

RESPONSIBILITY

The Board acknowledges its responsibility of maintaining a good system and consistently reviewing the effectiveness of internal controls covering not only financial controls but also operational and compliance controls as well as risks assessments. The Board sets the tone and culture towards effective risk management by identifying and monitoring material risks, setting risk appetite and determining the risk tolerance of the Group. This system was designed to enable the Group to meet its business objectives and to minimise rather than eliminate risks while protecting its assets and safeguarding the shareholders' investment.

While it is the principal responsibility of the Board to identify key risks and ensure the implementation of appropriate systems to manage risks, it is assisted by the various committees put in place to address the different risks inherent to the Group's construction and manufacturing divisions. The Audit Committee ("AC") and Risk Management Committee ("RMC") have continued to provide significant assistance in this respect.

The AC under delegation from the Board, regularly oversees the effectiveness of the processes and the system of risk management and internal control of the Group and the RMC maintains and periodically reviews the risk register which sets out the nature, risk levels and control of material risks faced by each department and the Group as a whole.

The Board is of the view that the system of risk management and internal control is in place for the year under review and up to the date of approval of the annual report and financial statements.

RISK MANAGEMENT POLICY

The Board recognises that its primary responsibility is to ensure the long-term viability of the Group. One of the key tasks is to understand the principal risks of all aspects of the business that the Group is engaged in, as all significant business decisions require the incurrence of risks. Our Integrated Risk Management policy is to identify, and reduce or mitigate risks to its property, interests and employees, to minimise and contain the costs and consequences in the event of harmful or damaging incidents arising from those risks in the pursuit of its business objectives.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Written policies and procedures are present in the form of the Group's Operations Manual and the PJB Group Integrated Risk Management Framework. They serve as guidelines for best work practices and provide tools to identify and manage risks. A Risk Register is maintained to record the key risks and it is updated as and when new risks are identified. The respective control measures are discussed in RMC meetings and documented.

The following summarises our Group's risk management framework which consists of the following four elements:-

1. Developing a corporate risk profile;
2. Establishing an integrated risk management function;
3. Practising integrated risk management; and
4. Ensuring continuous risk management learning.

The Group's organisational structure is divided into the construction and manufacturing divisions to provide a more relevant framework to manage the different risks. This enhances communication and clearly defines the line of authority as well as to facilitate reporting. The duties and responsibilities of designated employees are also communicated to them at the point of employment. As an additional measure, the Executive Directors are involved directly in the management of operational and financial controls. This practice ensures close monitoring and effective supervision over the operating subsidiaries. In addition, the Executive Directors and senior management exercise direct supervision by visiting the project sites and factory floors regularly.

As the major driver of internal control, the RMC supervises the overall management of the principal areas of risk. This Committee consists of Board members and senior management personnel from the various departments in the Group. The construction division's Operations Meetings and the manufacturing division's Management Meetings are held regularly and their findings are reported to the RMC who then reports directly to the Board. In this way, the risks faced at the operational level are conveyed to the Board who possesses the authority to review, form and implement mechanisms of control. Thus, the Board remains well informed and able to effectively manage the control environment in the Group.

INTERNAL AUDIT FUNCTION

The internal audit function which reports directly to the AC, is outsourced to a professional service firm. The firm undertakes independent and systematic reviews of internal controls so as to provide the AC with independent and objective feedback and reports to ensure that the internal control systems continue to operate satisfactorily and effectively. The internal auditors recommend actions to ensure that proper controls are in place for the key operational areas and regular follow-ups are made to ensure the actions are implemented. The Board with the assistance of the AC and the RMC reviews the effectiveness of the Group's system of internal control on a continuous basis.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

For the financial year under review, the Board is satisfied that the current internal control system was reasonably effective in managing the Group's risks and there was no significant deficiency noted. Nevertheless, the Board will continue to assess the need to employ suitable measures to enhance the Group's control environment.

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad MMLR, the external auditors have reviewed this SORMIC. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Moving forward, the Group will continue to improve and enhance the existing systems of risk management and internal controls, taking into consideration the changing business environment.

This SORMIC is made in accordance with the resolution of the Board of Directors dated 25 August 2023.

1. UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposals during the financial year.

2. AUDIT AND NON-AUDIT FEES

Audit fees payable to the external auditors by the Group and the Company for the financial year amount to RM501,180 and RM65,000 respectively.

Non-audit fees payable to the external auditors by the Company for the financial year amount to RM10,000 being services rendered in relation to the review of the Statement on Risk Management and Internal Control.

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors or major shareholders.

4. CONTRACTS RELATING TO LOAN

There were no contracts relating to loan by the Company and its subsidiaries in respect of item 3.

(A) MEMBERS OF THE AUDIT COMMITTEE

During the financial year ("FY"), the Audit Committee ("AC") comprised the following directors:

Phe Kheng Peng (Chairperson)
Independent Non-Executive Director

Chiu Wei Siong (Member)
Non-Independent Non-Executive Director

Nurhalida Binti Dato' Seri Mohamed Khalil (Member)
Independent Non-Executive Director (Appointed on 1 December 2022)

Arnold Kwan Poon Keong
Independent Non-Executive Director (Resigned on 30 November 2022)

(B) TERMS OF REFERENCE

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board of Directors ("Board") to seek external legal or other professional assistance if it considers necessary.

FUNCTIONS

The functions of the Committee shall be:

a) to review
   (i) with the external auditors, the audit plan;
   (ii) with the external auditors, their evaluation of the system of internal controls;
   (iii) with the external auditors, their findings in respect of the audit and the auditors' report, including the key audit matters reported;
   (iv) the assistance given by the Company's officers to the external auditors;
   (v) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
   (vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   (vii) the quarterly results and year-end financial statements prior to the approval by the Board, focusing particularly on:
      - changes in or implementation of major accounting policy changes;
      - significant and unusual events; and
      - compliance with accounting standards and other legal requirements; and
   (viii) any related party transactions that may arise within the Company or the Group.

b) to consider the nomination of a person or persons as external auditors, the audit fees and any question on resignation or dismissal.

c) to promptly report to Bursa Malaysia Securities Berhad ("Bursa Securities") on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements ("MMLR").

d) to carry out any functions as may be agreed to by the Committee and the Board.

MEETINGS

The Committee will meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. The external auditors may request for a meeting if they consider that one is necessary.

The quorum for each meeting shall be two (2) members and the majority of members present must be Independent Non-Executive Directors.

The Finance Manager, or any other authorised Officers and a representative of the external auditors shall normally attend the meetings. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors, the internal auditors or both, without executive Board members and employees present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee, and circulating to the AC members and to other members of the Board.

(C) ACTIVITIES

During the FY, five (5) AC Meetings were held. Details of attendance of the AC Members are as follows:

AC Members	**No. of Meetings Attended**
Phe Kheng Peng	5/5
Chiu Wei Siong	5/5
Nurhalida Binti Dato' Seri Mohamed Khalil (Appointed on 1 December 2022)	3/3
Arnold Kwan Poon Keong (Resigned on 30 November 2022)	2/2

During the FY, the AC met with the external auditors twice and one (1) private meeting was held with the external auditors without the presence of the management.

A summary of the activities of the AC in discharging its functions and duties during the year included a review of the following:

a) the draft audited financial statements for the financial year ended 30 June 2022, including the auditors' report and key audit matters;
b) the external auditors' reports in relation to audit, accounting and internal control issues arising from the audit and updates of the developments on accounting standards issued by the Malaysian Accounting Standards Board;
c) the Annual Report prior to presentation to the Board for approval and subsequent dissemination to shareholders;
d) the quarterly financial results prior to the Board's approval and announcement;
e) the audit plan of the external auditors and their scope of work for the financial year ended 30 June 2023;
f) the major findings on internal audit reports and management's response to the findings and ensure corrective actions recommended by the Internal Auditors on the reported weaknesses are acted upon;
g) the extent of the Group's compliance with the relevant provisions set out under the Malaysian Code on Corporate Governance 2021 for the purpose of issuing the Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the MMLR; and
h) related party transactions.

The AC has obtained a written assurance from Messrs. PricewaterhouseCoopers PLT ("PWC") as External Auditors on 15 June 2023 confirming their independence. The Committee and the Board agreed and concluded that the External Auditors are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and they have met the criteria of suitability. The AC is also satisfied with the quality of services and adequacy of resources the external auditors provided to the Group.

PWC has indicated their intention not to seek re-election as External Auditors of the Company at the forthcoming Annual General Meeting due to a disagreement regarding the fees associated with conducting the audit for the next financial year and accordingly, the term of office of PWC shall end upon the conclusion of the 34th AGM of the Company.

The Board is satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the AC's terms of reference.

(D) INTERNAL AUDIT FUNCTION

An internal audit function has been set up to undertake regular reviews of the Group's system of controls, policies and procedures, implementation and operation. The primary objective of the internal audit function is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group by bringing an independent, systematic and disciplined approach to anticipating potential risk exposures over key business processes within the Group.

The Group has appointed a professional service firm to assist the Board and the AC in carrying out the function. The internal auditors report directly to the AC who reviews and approves the annual internal audit plan.

During the year, the internal audit function performed various internal audit activities in accordance with the plan to ascertain the adequacy of the internal control systems and make recommendations for improvement where weaknesses exist.

The internal auditors audited the Group's construction division in Malaysia and manufacturing division on pre-construction management and the sales, credit control and collection processes respectively.

Audit reports were issued together with recommendations which were then passed to the management for management's response and action. Audit findings and actions taken by the management were deliberated during the AC meetings and final audit reports were presented to the Board.

The cost incurred in managing the internal audit function in respect of the FY was RM36,998.

The Board of Directors ("Board") of Pintaras Jaya Berhad ("PJB" or "Company") and its subsidiaries ("Group") recognise the importance of sustainability in the Group's business operations as well as the significant impact on the economy, environment and society ("EES").

PJB continues to uphold sustainability as a core priority and an aspirational way to demonstrate a meaningful corporate culture. Good governance, practicing ethics and code of conduct at all levels are imperative to accomplish the Group's initiatives in the areas of environmental sustainability, ethical governance, community development, client collaboration as well as an inclusive workplace culture.

As the Group stays focused on providing its capabilities in engineering, it is committed to ensure that sustainable practices are incorporated into the construction and manufacturing activities to optimise profit and to create sustainable long-term value for its stakeholders.

This statement sets out the Group's efforts in achieving sustainability goals across operations. It articulates the management of EES risks and opportunities ("collectively known as "Material Sustainability Matters") arising from the business operations of the Group.

SCOPE AND BASIS OF SCOPE

This statement covers the Group's significant operations in Malaysia ("MY") and Singapore ("SG") to reflect the sustainability performance during the period of 1 July 2022 to 30 June 2023 ("FY2023"). Accordingly, the following are the entities covered in this Statement:

CORE BUSINESSES	
CONSTRUCTION Piling and sub-structure works	**MANUFACTURING** Metal containers manufacturing
Pintaras Megah Sdn Bhd ("PM") Pintary Foundations Pte Ltd ("PF")	Prima Packaging Sdn Bhd ("PP")

The information and data disclosed in this statement were derived from internal reporting processes, systems and records.

REPORTING FRAMEWORK AND STANDARDS

This statement is prepared in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board has considered the Sustainability Reporting Guide and its accompanying Toolkits issued by Bursa Securities to be the reporting framework in preparing this statement.

SUSTAINABILITY GOVERNANCE

The Board has collective oversight of the Group's sustainability strategies and works closely with the Management to identify and manage relevant Material Sustainability Matters as part of its business strategy. The Management including the heads of department is tasked to incorporate sustainability issues in the day-to-day operations of the Group.

This complements the existing risk management processes that the Group has in place and highlights the importance of good governance which includes sound business ethics, viable policies and stewardship.

The Management works across the Group's principal activities and operating units report to the Board.

Board Of Directors

i) Ultimately responsible for sustainability practices and performance;
ii) Oversees sustainability performance; and
iii) Sets business strategies incorporating sustainability considerations.

Management Team (including Heads of Department)

i) Identify, assess, monitor and report sustainability matters to the Board;
ii) Conducts sustainability awareness and engagement activities; and
iii) Oversees implementation of the sustainability strategy.

STAKEHOLDERS ENGAGEMENT

We recognise that it is vital that our management approaches are adaptable to the dynamics of business and operating environment to meet our stakeholders' expectations. It is important to us that we create value for our stakeholders.

We have identified the following key stakeholders with their needs and expectations:

Stakeholder	Goal	Management Approach	Mode and Frequency
Government agencies, authorities and regulators	• Statutory and regulatory compliance • Regulation review and formulation	• Compliance with Government policies, laws and regulation • Compliance with stock exchange requirements	• Meeting and discussion as and when needed • Site inspections from time to time • Workshops and seminars
Shareholders/ Potential Investors	• To provide regular updates on financial performance, business strategies and other issues	• Clear and timely communication on operation and financial performance • Timely corporate information updates • Sustainability of value creation • Ethical business practices • Talent attraction and retention • Regulatory compliance	• Quarterly Financial Results • Announcements to Bursa Securities throughout the year • Annual General Meeting • Press Releases as and when needed • Annual Report • Fund managers and Analysts Meetings • Selected business associates during business meetings

Stakeholder	Goal	Management Approach	Mode and Frequency
Employees	• Career development and progression • Skill and capability enhancement • Performance review	• Ethical business practices • Occupational safety and health • Staff training and upskilling • Whistleblowing channel	• Meetings and discussions as and when needed • Annual employee performance evaluation • Internal training programmes • Interaction during work
Customers	• Delivery on schedule with satisfactory quality and good safety record • Identification of customer needs	• On schedule delivery with satisfactory quality • Quality execution of works	• On-site inspection • Progress reports and meetings • Industry events • Customer feedback and communication • Customers' satisfaction survey
Suppliers/Sub-contractors	• Transparent and fair procurement • Effective pricing • Compliance with terms and conditions of business contracts • Safe project sites and health standards	• Timeliness in delivery • Product and service quality • Price competiveness • Transparent and fair business processes • Compliance with terms and conditions of business contracts • Whistleblowing policy	• Supplier/Sub-contractors appraisal and evaluation • Periodical progress reports • Site visit/interview • Meetings as necessary throughout the year
Communities	• Ethical business practices • Support deserving community efforts and underprivileged groups • Create economic, environmental and social value	• To monitor the wastage management • Ensure all work activities do not cause undue pollution to society and to provide a sustainable built environment	• Corporate social responsibility initiatives

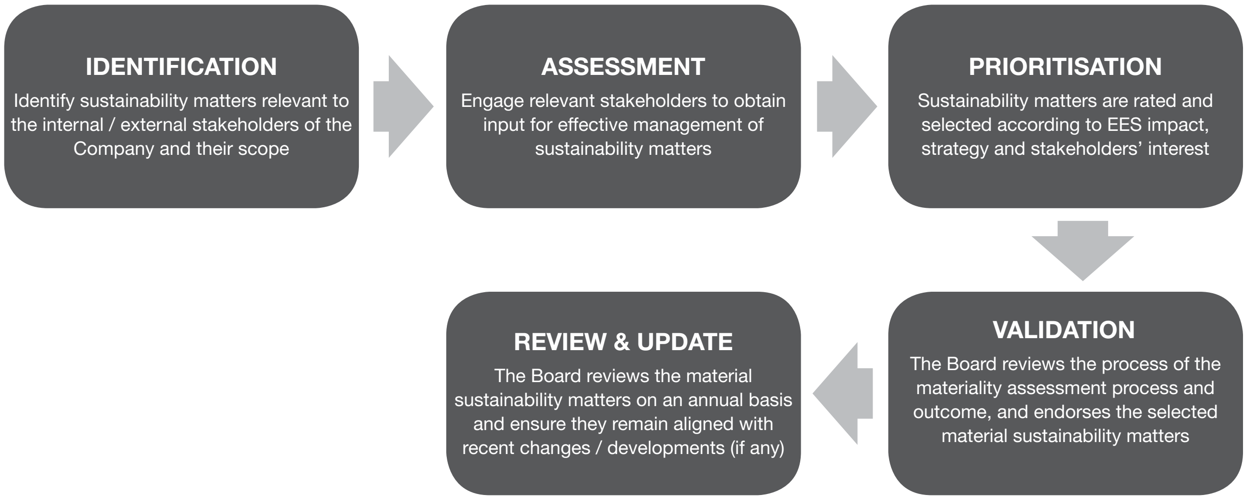
MATERIALITY ASSESSMENT

The Company has adopted the following process to determine the relevant material sustainability topics that are key areas of interest to our stakeholders and that involve substantive impacts from its business activities. The assessment took into consideration the views and concerns of the Group's stakeholders such as shareholders, potential investors, customers, suppliers, employees, community and regulators.

The materiality process focuses on the identification, assessment, and prioritisation of the Company's stakeholders and sustainability matters, with the main aim of understanding how material each EES matter is to the Company's business and its key stakeholders. Sustainability matters are prioritised through the criteria prescribed by Bursa Securities in Para 6.3 of Practice Note 9 of the MMLR, which:

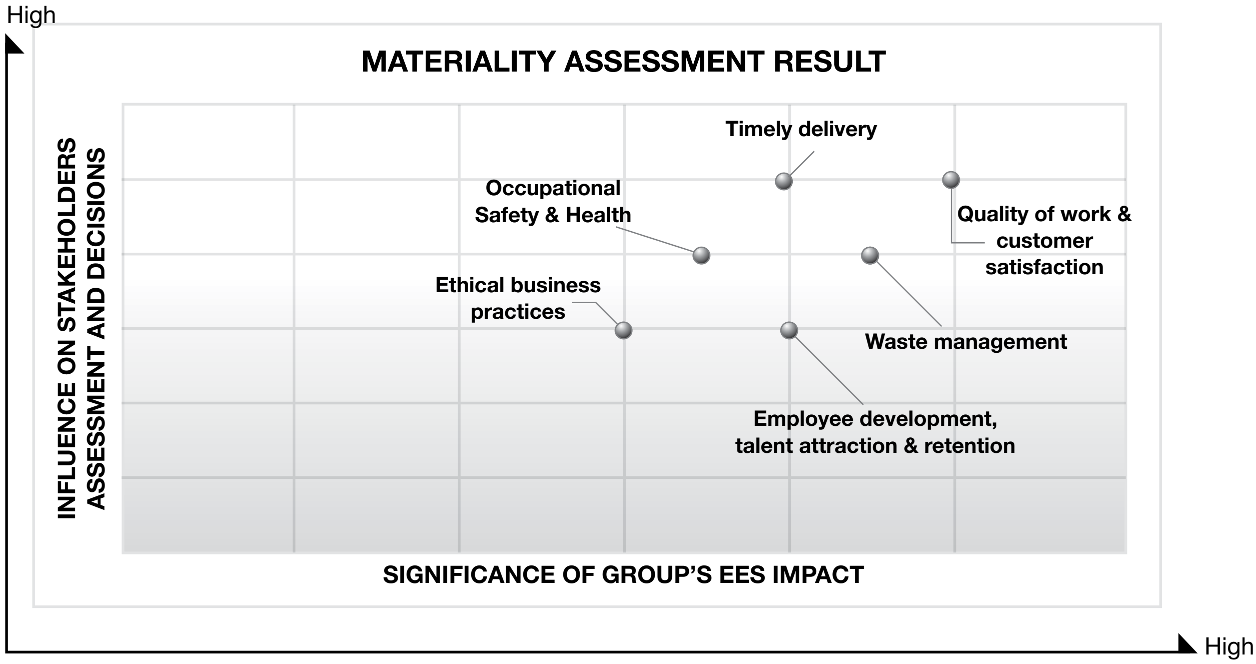
- reflect the Group's significant EES impact; and/or
- substantively influence the assessments and decisions of stakeholders.

The following five (5)-step process is used to determine the Company's material sustainability matters:



MATERIAL SUSTAINABILITY MATTERS

The Group has identified and considered three (3) key themes of sustainability practices being sustainable business growth, environmental stewardship and social responsibility and prioritised the following as material sustainability matters under the scope of EES:



Sustainable Business Growth

We strive to deliver the highest quality of work done with timely delivery to our clients. The Group is committed in delivering quality construction services and products to our clients by undertaking the following:

1. Providing innovative, appropriate, practical and economical technology to meet clients' requirements;
2. Emphasising clients' satisfaction through professionalism, quality and timely completion of projects;
3. Continually improve for higher quality and standards in its business processes; and
4. Providing a safe, healthy and conducive work environment for quality performance.

Under this theme, we shall report on our sustainability practices pertaining to achieving this goal.

Customer Satisfaction

Customer satisfaction surveys have been carried out in PP, PM and PF whereby all clients are requested to provide their feedback in terms of product and service satisfaction. For FY2023, 75% of our clients had responded to our customer satisfaction survey, out of which 87% of the feedback reported that the Group has met or exceeded their expectations.

Ethical Business Practice

We believe that maintaining high level of ethical business practices forms the foundation of sustainable business operations. Hence, we have incorporated strong business ethics in our corporate culture and in our business dealings.

Our Code of Conduct ("Code") outlines our commitment to the highest level of ethics and integrity. The Code is supported by our Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy. All new recruits are briefed on the Code as part of their orientation programme.

The table below illustrated the number of cases reported or recorded for the FY2023.

	2023
Number of reported whistleblowing cases	NIL

Innovation and Technology

The Group's provision of services in both construction and manufacturing is delivered by highly skilled and experienced engineers and skilled workers. Our employees and workers are provided with regular training to keep them abreast of the latest development and technology in the related fields such as digital transformation in tools and application in geotechnical engineering and design, and new developments in construction method and materials.

There were a total of 25 technical trainings, conferences and workshops attended by our employees during FY2023.

Environmental Stewardship

In an effort to protect the environment, we focus on energy management by close monitoring of plant and machinery efficiency with regular service and maintenance. In addition, we upgrade our plant and machinery periodically to newer technology which are energy-saving.

We promote responsible consumption by identifying opportunities for reuse and recycle before responsible disposal. Wastage control on raw materials is carried out by close supervision and continuous training to personnel involved to ensure minimal wastage.

Wastage Management

We endeavour to minimise material wastage and reduce the environmental impact of our operations. We monitor every project by setting a theoretical percentage of tolerable wastage and recording the actual material wastages for our raw materials. Deviations from tolerable wastage are then investigated and mitigated.

The table below details our average wastage for steel bars and ready-mix concrete in construction division in both MY and SG's operation as well as tin plate in manufacturing division for the FY2023.

Material	Average wastage for FY2023
Construction	
Steel Bars (Foundation Works)	6.6%
Steel Bars (Structural Works)	7.5%
Ready-Mix Concrete (Foundation Works)	17.8%
Ready-Mix Concrete (Structural Works)	5%
Manufacturing	
Tin Plates	21.4%

Additionally, we have incorporated the following practices in our daily business operations to minimise waste disposal and protect our environment:

Construction

- Any excess ready-mix concrete during concreting work is used to produce concrete blocks and pavers for our use at project sites
- Steel bar offcuts are repurposed for tool fabrication work or collected for recycling
- Concrete or rock debris from hacking work are repurposed as hardcore for platform support
- Large water tanks are stationed at our store and project sites to harvest rainwater for our use

Manufacturing

- All tin plate orders are cut to size
- Tin plate offcuts are collected for recycling

We will strive to improve based on the following average tolerable wastage targets for accountability which are aligned with our ISO 9001:2015 quality objectives:

Targets for Tolerable Average Wastage for FY2024

- Steel Bars (Foundation Works) : 5%
- Steel Bars (Structural Works) : 7%
- Ready-Mix Concrete (Foundation Works) : Below 30%
- Ready-Mix Concrete (Structural Works) : 5%

Social Responsibility

Our employees are the foundation upon which we build all our business initiatives and conduct our day-to-day activities. We take responsibility to ensure that people who work with us have a safe & healthy working environment with appropriate education and training to create opportunities for them to seek challenges and grow.

In this regard, the Group aims to meet the expectations, ambitions and aspirations of the employees by providing the necessary tools to achieve their personal and career development goals. Relevant trainings and upgrading of skills as well as mentoring by senior employees are provided to all levels of personnel.

Board and Employee Diversity

The Board views that workplace and Board diversity are important to facilitate the decision-making process by harnessing different insights and perspective and allows the Group to have a wide range of expertise and experience critical to the Group's success. The analysis of the Group's employees by age and gender reflects a gender-balanced and age-diversified workplace.

The following are the tabulation of the Board and workforce diversity breakdown by age and gender for FY 2023.

Directors			
Age range	**Percentage (%)**		**Total**
	Male	**Female**	
31 – 40	29	-	29%
41 – 50	-	-	-
51 – 60	-	29	29%
61 and above	29	14	43%
TOTAL	**57%**	**43%**	**100%**

Employees					
Age range	**Executive**		**Non-Executive**		**Total**
	Male	**Female**	**Male**	**Female**	
30 and below	3.7%	2.8%	7.9%	1.1%	15.5%
31 - 40	7.3%	3.7%	23.2%	0.8%	35.0%
41 - 50	4.5%	2.8%	20.6%	1.1%	29.1%
51 - 60	3.7%	2.0%	7.3%	2.3%	15.3%
61 and above	1.7%	0.3%	2.3%	0.8%	5.1%
TOTAL	**20.9%**	**11.6%**	**61.3%**	**6.2%**	**100.0%**

Occupational Safety and Health ("OSH")

The Group places employees and workers at the forefront and consider them our most valuable assets. Strong emphasis is placed on employees' OSH matters as well as talent development and retention.

The Group has established and embedded the OSH Policy on safety and health practices with the assistance of the Safety and Health Team led by qualified personnel. The respective Safety and Health teams performs periodic audit at the sites, store/workshop as well as factory floor and report improvement opportunities and any non-compliance for timely corrective actions to be taken.

Various safety and health programmes are regularly conducted including daily tool box meetings at project sites to inculcate a mindset on safety awareness and practices amongst the employees, workers and contractors who are trained to anticipate, recognise, evaluate, control and manage possible safety and health hazards arising at the workplace.

Part of the safety and health related programmes held periodically or during FY2023 across the Group were as follows:-

Programme		Description of Programme	Frequency of programme
A Practical Guide to Occupational Safety and Health ("OSH") Risk Management	-	Understanding of OSH risk management, legislation, code of practice, standards and guideline, hazard classification, process, and risk assessment methodology.	Once a year
Safety and Health Officer ("SHO") Transformation Seminar	-	Overview of The Occupational Safety and Health (Amendment) Act 2022 ("OSHA") and Factories and Machinery (Repeal) Act 2022 ("FMA") and to understand the difference between OSH and SHO and effective ways of workplace improvement, etc.	Twice a year
OSH Performance Indicator	-	Understanding of OSH performance in ISO45001:2018 requirements, challenges in sustaining OSH performance indicator, leading OSH performance indicator and OSH performance indicators methodology.	Twice a year
Building up a Future Towards Sustainable Risk Assessment and Safety Development	-	Understanding in risk management in ISO45001:2018 OSH Management Perspective, risk assessment approach and new guidelines for risk assessment.	Twice a year
Pintary Safety and Work Processes	-	Understanding of workforce processes to carry out safety for all hazardous tasks performed at the workplace.	Monthly
Pintary Safety Bulletin	-	Sharing of safety information and updating on changes to legislation and procedures.	Monthly
WSH Coordinator Refresher Training	-	Understanding of role as a WSH coordinator and to enhance their current competencies through the essential and updated WSH knowledge and skills.	By batches
WSQ Respond to Fire Incident in Workplace	-	To equip learners with the skills necessary to handle a relatively simple fire incident which might happen anywhere in the workplace.	By batches

There were 4 major incidences on safety and health issues reported or recorded in FY2023.

Type of Incident	2023
Fatality	NIL
Major incident	4

Employee Development, Talent Attraction and Retention

The Group recognises the need to constantly train and upskill our workforce by providing equal opportunities to all personnel and career enhancement within the Group. We aim to meet the expectations, ambitions and aspirations of the employees by providing the necessary opportunities and tools to achieve their personal and career development goals.

Training programmes for employees and workers are devised based on individual training needs analysis, which are conducted during employees' and workers' annual performance appraisals. The employees are then required to attend the training programmes as identified from the training needs analysis. For FY2023, we have achieved our target for employees' training (including non-technical training) by providing 192 trainings to 207 employees within the Group.

The Company also recognises the value of dedicated and long-serving employees, acknowledging their loyalty and contributions to the Group. We strive to promote work-life balance by providing our employees a safe, comfortable and conducive working environment to ensure their working hours are used in an effective and productive manner.

Community Caring

We engage with local communities through education, project liaison and support them through charitable work, sponsorship and other support initiatives. The Group has made consistent donations to various charities nationwide such as The Malaysian Association for the Blind, The Monfort Boys Town & Youth Centre, Hospis Malaysia, HOPE Worldwide Malaysia, Kiwanis Down Syndrome Foundation, Kasih Foundation, Persatuan Kebajikan Acacia, The Salvation Army, Shelter and Cheshire Selangor to help the needy and to elevate the standard of living and quality of life of the communities. The Group has also accepted students from local and foreign institutions of higher learning as interns to allow them exposure to practical training as part of their preparation for work life.

We believe in managing our Group in a sustainable manner to develop strong competency and resilience to meet future challenges. We shall endeavor to continuously improve our sustainability reporting over time as we progress in our sustainability management.

On behalf of the Board of Directors ("Board"), it is with pleasure that I present the Annual Report of Pintaras Jaya Berhad ("PJB" or "Company") and its subsidiaries ("Group") for the financial year ended 30 June 2023 ("FY2023").

REVIEW OF RESULTS

The Group recorded a pre-tax profit ("PBT") of RM5.9 million and loss after tax of RM2.1 million. Our construction segment recorded a loss before tax of RM5 million compared to a PBT of about RM48 million last financial year ("FY"). PBT from manufacturing came in at RM2.9 million versus a PBT of RM7.5 million last FY.

DIVIDENDS

Subject to the approval of shareholders at the forthcoming Annual General Meeting, the Board has recommended a final dividend of 3 sen per share. Based on 165,864,800 ordinary shares, this amounts to RM4,975,944. The Company had earlier in July 2023 paid an interim dividend of 2 sen per share amounting to RM3,317,296. If approved, the final dividends together with the interim dividends will be a total payout of RM8,293,240 despite a net loss after tax position.

REVIEW OF OPERATIONS

The Group achieved a revenue of RM333 million against last FY's revenue of RM443 million representing a decrease of 25%. Construction revenue decreased by 28% to RM289 million from last FY revenue of RM402 million. Our manufacturing revenue increased by about 7% to about RM44 million contributing 13% to our Group's total revenue.

For FY2023, construction revenue for Malaysia ("MY") decreased 13% to RM40 million. It has been highly damaging for us having to bear the shortage of workers, material price escalations, labour cost increases and supply chain disruptions. When workers were finally allowed in, many were not our experienced workers resulting in an incredible loss of productivity. Losses from project delays resulting in liquidated damages have been significant.

Our operations in Singapore ("SG") have also suffered from similar issues as in MY but to a much lesser extent. However, revenue was also down by 30% to RM249 million. As fewer projects take off, competition has intensified resulting in razor thin margins and fewer job wins.

CORPORATE AND BUSINESS DEVELOPMENTS

In FY2023 there were neither corporate nor business developments.

OUTLOOK

FY2023 has been quite devastating for us. It has been a very long time since we last sufferred a loss after tax result and we hope the worst is behind us. Inflation appears to be abating. Worker numbers have improved but worker quality has to be developed. Material supply and service chains are now more reliable. We need the global economy to improve in particular we need the Malaysian economy to have more fire and SG's to gain more traction. Hopefully, a recovery will occur in FY2024.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to express our appreciation and gratitude to our shareholders, clients, suppliers, sub-contractors, bankers and business associates for their continued support and co-operation during the year.

I also wish to record our deep appreciation to our loyal and dedicated employees for their continued hard work and commitment to the Group.

DR CHIU HONG KEONG
Chairman/Managing Director
September 2023

OVERVIEW OF BUSINESS

Pintaras Jaya Berhad ("PJB" or Company") and its subsidiaries' ("Group") core businesses in financial year ("FY") 2023 ("FY2023") continue to be in piling and sub-structure construction and the manufacturing of metal containers of 1 to 25 litre capacity. In construction, we operate mainly in Klang Valley although we can operate anywhere in Malaysia ("MY"). Through our wholly owned subsidiary, Pintary International Pte Ltd ("Pintary") in Singapore ("SG") we have extensive piling and sub-structure construction activities in SG. For manufacturing, our factory is located in Selangor and we focus on the domestic market and export about 11% of our goods. Presently, our construction business contributes about 87% to Group revenue.

Over the years we have strived to be a leading piling, geotechnical and substructure specialist contractor. We focus on operational excellence and superior performance delivering to our clients quality works in a timely and safe manner.

To achieve a higher revenue, improve on our earnings and diversify our income streams, we continuously

- Seek new markets and actively explore new business segments;
- Maintain, upgrade and expand our fleet of equipment;
- Focus on bottom line growth through project selection and cost control;
- Emphasize on integrity, professionalism, quality and innovation;
- Develop our people resources; and
- Improve safety at work places.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

The Group recorded a revenue of RM333 million, profit before taxation ("PBT") of RM5.9 million and loss after tax of RM2.1 million for FY2023 compared to RM443 million, RM48.3 million and profit after tax ('PAT') of RM41.2 million for financial year 2022 ("FY2022") respectively. A summary of the Group's financial performance for the last 5 years is presented in the following section of the Annual Report.

Our FY2023 PBT is 1.8% of revenue whilst loss after tax less than 1% of revenue. This compares with percentages of 11% and PAT of 9% respectively for FY2022. These results are a culmination of labour shortages, material price increases, high energy costs and supply chain disruptions adversely impacting our operations costs and timely delivery of projects. The loss after tax figure is a result of a RM3 million reversal of deferred tax asset provision from FY2022.

Our Group's receivables stands at about RM165 million while payables are at RM100 million. Generally, the collection period of our receivables is around 4 to 5 months and our payables settled within 2 months. Our cash level is about RM138 million in addition to liquid assets (equities) worth about RM38 million. We have borrowings in SG arising from hire purchase arrangements with about RM19 million outstanding. These borrowings are all in SGD.

Dividend per share for FY2023 will total to 5 sen per ordinary share if the current proposed 3 sen per ordinary share is approved. We have reduced the dividends to conserve cash to help us face the uncertainties and expected challenges in financial year 2024.

SEGMENTAL OVERVIEW

Construction

The Group's construction revenue decreased by about 28% to RM289 million from last FY's value of RM402 million. The decrease was mainly from SG operations. Our construction segment incurred a loss of about RM5 million compared to a PBT of RM48 million last FY. The loss was attributable to our MY operations despite a positive PBT for our SG operations. In MY, we only attained a revenue of RM40 million, which certainly cannot sustain our operational and overhead costs. The main causes for our MY losses were low project rates, increased costs of materials, services, energy and labour. Productivity was poor arising from labour shortages, skill deficiencies, supply chain and services disruptions and our own management weaknesses. Liquidated damages imposed for late delivery of projects also were substantial. We remain on a cautious mode in our tendering activities while we complete our jobs in hand. These unprofitable projects should be completed by 1H2024. Tender prices are currently very competitive and we remain very vigilant. Understandably for MY, capital expenditure was almost negligible for FY2023.

For FY2023 our construction revenue in SG was RM249 million versus RM356 million in FY2022. Our SG operations have moderated significantly as the SG economy slows down. There are new project starts but competition is intense. We have deliberately been very selective in securing projects to avoid projects where we are unlikely to cover our costs. Consequently our capacity utilization remains below 70% and our plant capital expenditure was very small. We purchased a workshop worth about RM6.5 million for our fabrication and repair activities and have taken posession of the property in July 2023.

Manufacturing

Our revenue increased by about 7% to RM44 million over last FY. PBT decreased to RM2.9 million from RM7.5 million as tin plate prices averaged about 15% higher and inventory of cheaper plates were fully utilized last FY. Generally, labour, material and energy costs were a further 10% higher than last FY. We have taken delivery of and installed a new printing line in May 2023. We hope this will help us improve on our supply to our customers and increase our sales.

OUTLOOK

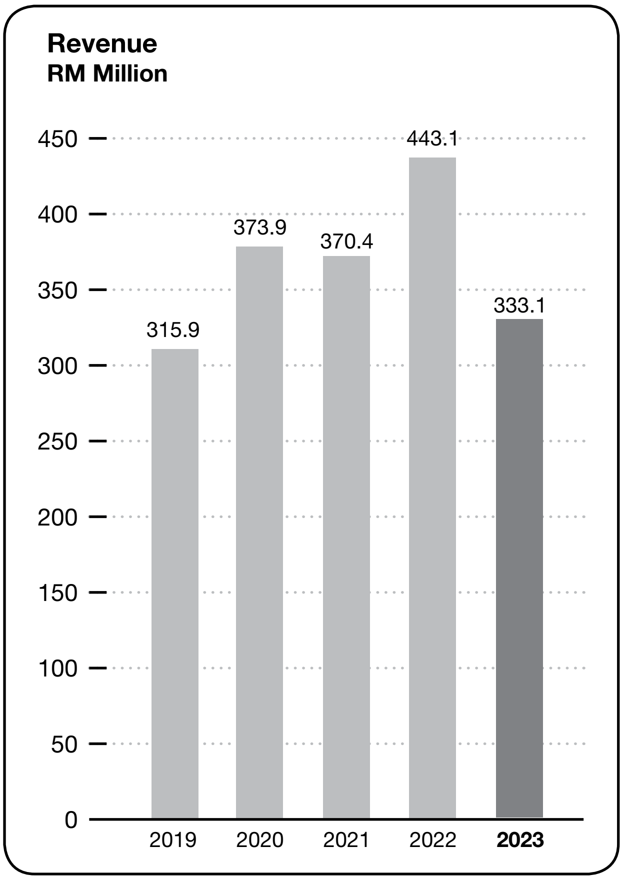
Another tough year is ahead for us. Inflationary pressures have started to ease but economic growth for most economies have moderated and recessionary fears are prevalent. The Ukraine-Russia war continues and China's post-Covid recovery has not happened.

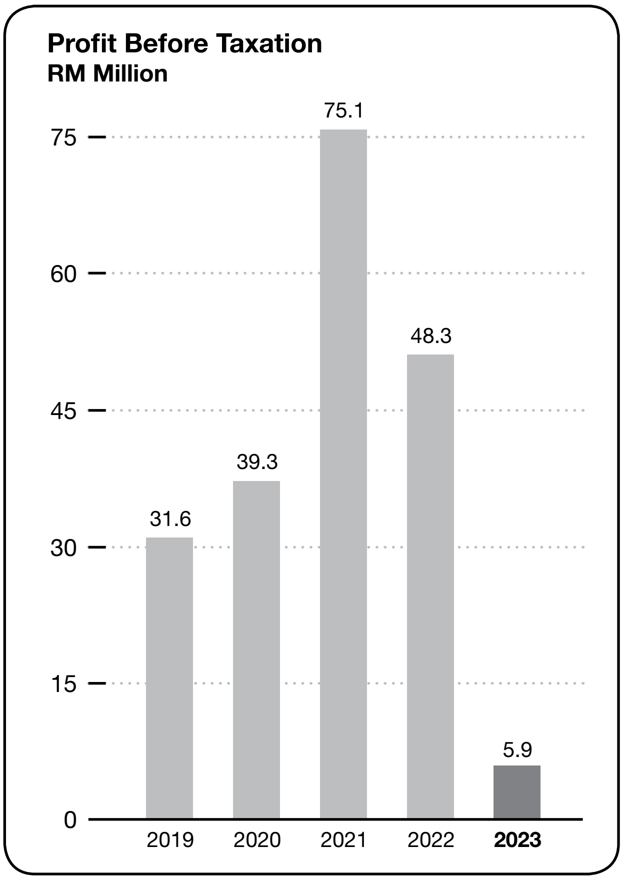
In MY, the state elections have just concluded and hopefully the Government can now focus on economic matters. We expect the construction sector to be better but competition for jobs will be intense. Our manufacturing business should perform better both in revenue and profits as our new printing line becomes fully operational. More importantly tin plate prices have come off its peak.

In SG, we will continue to have a steady flow of work and we hope that construction activities will pick up soon. Projects like Changi T2 connection and T5, Cross Island Line, Marina Bay Sands, Resorts World Sentosa are expected to commence in 2024.

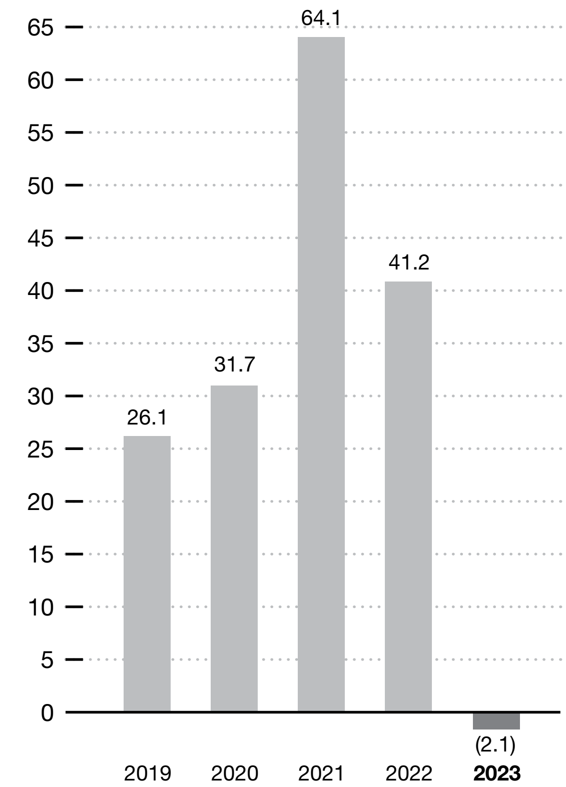
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	333,078	443,138	370,437	373,900	315,919
Profit before taxation	5,886	48,265	75,123	39,262	31,607
Profit/ (Loss) after taxation	(2,119)	41,203	64,121	31,690	26,103
Paid-up capital	165,865	165,865	165,865	165,865	165,865
Shareholders' funds	400,265	400,203	372,180	324,048	318,358
Total assets	551,147	591,255	566,486	508,548	498,258
Earnings/ (Loss) per share (RM)	(0.01)	0.25	0.39	0.19	0.16
Net tangible assets per share (RM)	2.41	2.41	2.24	1.95	1.92
Gross dividend rate (sen)	5#	10	10	10	20

declared and paid - 2 sen, recommended - 3 sen.

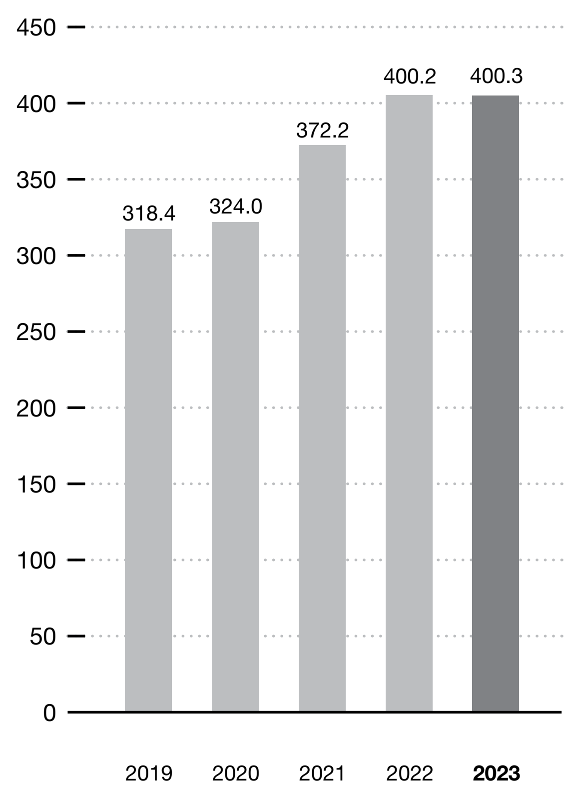




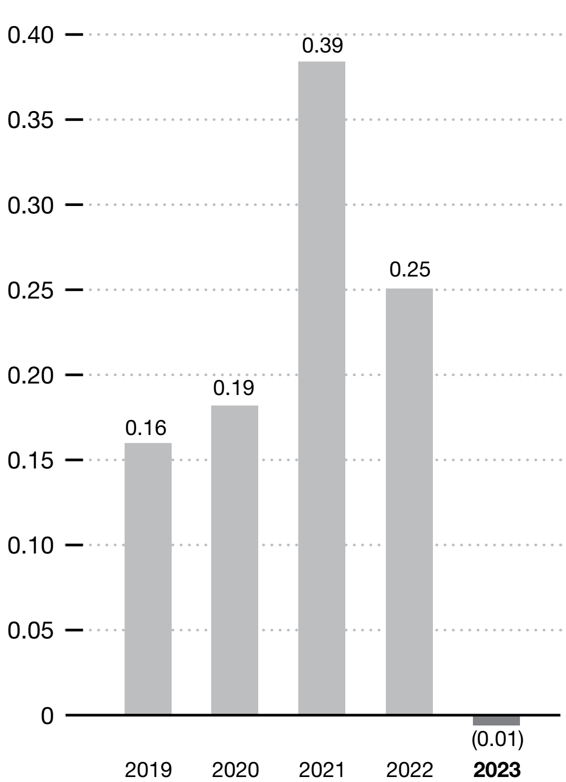
Profit/ (Loss) After Taxation
RM Million



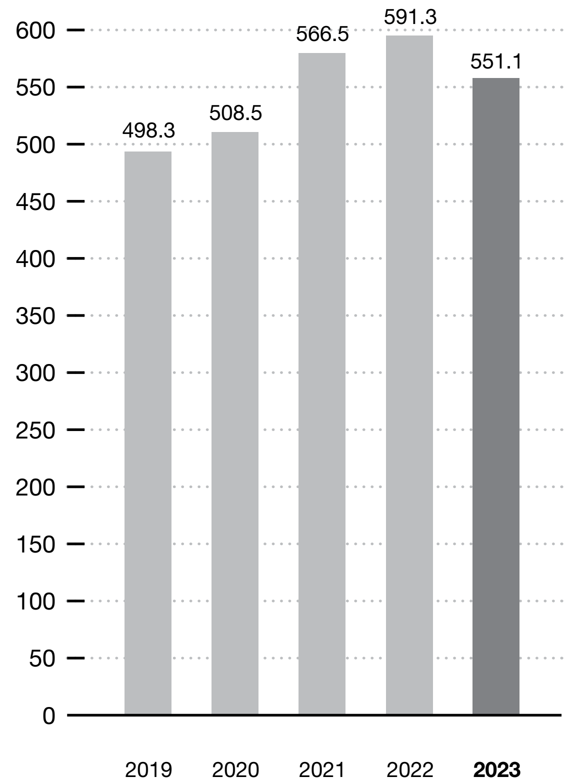
Shareholders' Funds
RM Million



Earnings/ (Loss) Per Share
RM



Total Assets
RM Million



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The Directors of Pintaras Jaya Berhad have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

DIRECTORS

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

Dr Chiu Hong Keong	
Khoo Yok Kee	
Chiu Wei Wen	
Chiu Wei Siong	
Lim Chee Eng	
Phe Kheng Peng	
Nurhalida Binti Mohamed Khalil	(Appointed on 1 December 2022)
Arnold Kwan Poon Keong	(Resigned on 30 November 2022)

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and undertaking of piling contracts, civil engineering and building construction works and rental of plant and machinery. The principal activities of the subsidiary companies are set out in Note 13 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(2,119,389)	(23,337,102)

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' remuneration in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as disclosed in Note 27 to the financial statements.

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares			
	At 1.7.2022	**Acquired**	**Disposed**	**At 30.6.2023**
Direct interests in the Company				
Dr Chiu Hong Keong	24,315,720	–	–	24,315,720
Khoo Yok Kee	11,501,760	750,000	–	12,251,760
Chiu Wei Wen	948,500	–	750,000	198,500

	Number of ordinary shares			
	At 1.7.2022	**Acquired**	**Disposed**	**At 30.6.2023**
Indirect interests in the Company				
Dr Chiu Hong Keong	72,286,976	750,000	750,000	72,286,976*1
Khoo Yok Kee	85,100,936	–	750,000	84,350,936*2

*1 Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Mdm. Khoo Yok Kee, and his son, Mr. Chiu Wei Wen, in Pintaras Jaya Berhad.

*2 Deemed interest through her shareholding in Pintaras Bina Sdn Bhd and interest held by her spouse, Dr. Chiu Hong Keong, and her son, Mr. Chiu Wei Wen, in Pintaras Jaya Berhad.

(i) By virtue of their interests in the Company, the above Directors are deemed to have an interest in the shares of the subsidiary companies to the extent held by the Company.

(ii) Other than as disclosed above, none of the other Directors in office at the end of the financial year held any interest in the shares in the Company or its related corporations during the financial year.

DIVIDENDS

The dividends paid or declared by the Company since 30 June 2022 were as follows:

	RM
In respect of financial year ended 30 June 2022:	
- interim single-tier dividend of 4 sen per share, declared on 27 May 2022, paid on 6 July 2022	6,634,592
- final single-tier dividend of 6 sen per share, declared and approved on 21 October 2022, paid on 6 January 2023	9,951,888
In respect of financial year ended 30 June 2023:	
- interim single-tier dividend of 2 sen per share, declared on 26 May 2023, paid on 5 July 2023	3,317,296
	19,903,776

On 25 August 2023, the Directors recommended the payment of a final single-tier dividend of 3 sen per share on 165,864,800 ordinary shares, amounting to RM4,975,944 for the financial year ended 30 June 2023 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REMUNERATION

The Directors' remuneration for the Group and the Company as set out in Note 8 as follows:

	Group RM	Company RM
Executive Directors:		
- salaries and bonuses	3,429,799	479,500
- defined contribution plan	244,888	57,540
- other employee benefits	6,336	2,555
	3,681,023	539,595
Non-Executive Directors:		
- fees	130,050	130,050
Total	3,811,073	669,645
Benefits-in-kind	43,750	43,750

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

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

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONTINUED)

(d) No contingent 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 affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

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

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Dr Chiu Hong Keong
Khoo Yok Kee
Chiu Wei Wen
Koo Git Loo @ Chiu Git Loo
Lim Chee Eng
Lee Sock Tin
Tan Yong Kwang (Appointed on 1 December 2022)

SUBSIDIARIES

Details of the subsidiaries are set out in Note 13 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration for the Group and the Company as set out in Note 7 to the financial statement are RM511,180 and RM75,000 respectively.

This report was approved by the Board of Directors on 21 September 2023. Signed on behalf of the Board of Directors:

DR CHIU HONG KEONG
CHAIRMAN

KHOO YOK KEE
DIRECTOR

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Revenue	5	333,078,391	443,137,709	13,330,166	16,281,200
Cost of sales		(321,786,800)	(392,855,495)	(6,403,949)	(6,748,397)
Gross profit		11,291,591	50,282,214	6,926,217	9,532,803
Other operating income		13,702,626	28,124,760	9,200,432	22,442,761
Administrative expenses		(10,947,958)	(12,880,220)	(669,289)	(1,614,575)
Other operating expenses:					
- reversal of impairment of receivables		1,392,572	1,280,854	–	–
- provision for impairment of advances to subsidiaries		–	–	(36,113,660)	(1,869,135)
- impairment losses of investment in subsidiary company		–	–	–	(1,000,000)
- fair value loss on financial assets at fair value through profit or loss		(853,381)	(2,754,139)	(561,958)	(1,917,696)
- gain/(loss) on disposals of financial assets at fair value through profit or loss		29,907	(5,759,060)	29,907	(2,877,035)
- others		(7,756,551)	(9,060,739)	(1,788,715)	(3,579,012)
Finance cost	6	(972,576)	(968,867)	–	–
Profit/(Loss) before taxation	7	5,886,230	48,264,803	(22,977,066)	19,118,111
Taxation	9	(8,005,619)	(7,061,812)	(360,036)	(44,341)
(Loss)/Profit for the financial year, attributable to equity holders of the Company		(2,119,389)	41,202,991	(23,337,102)	19,073,770
Other comprehensive income: Items that will be reclassified subsequently to profit or loss (net of tax): Foreign currency translation differences		15,449,717	3,406,464	–	–
Total comprehensive income/(loss) for the financial year, attributable to equity holders of the Company		13,330,328	44,609,455	(23,337,102)	19,073,770
(Loss)/Earnings per share (sen) - basic and diluted	10	(1.3)	24.8		

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	163,640,001	171,835,688	22,915,190	28,315,547
Investments in subsidiary companies	13	–	–	20,514,806	20,514,806
Investment properties	14	6,147,342	3,256,187	2,757,821	–
Financial assets at fair value through profit or loss - equity instruments	15	38,202,989	46,475,977	25,725,550	28,707,115
Deferred tax assets	16	4,402,840	7,373,228	–	–
		212,393,172	228,941,080	71,913,367	77,537,468
CURRENT ASSETS					
Contract assets	17	6,392,757	7,040,636	–	–
Inventories	18	26,993,141	22,889,493	–	–
Tax recoverable		2,538,685	1,631,947	1,911,062	1,577,421
Receivables	19	164,566,164	203,736,771	3,344,849	23,112,172
Amounts due from subsidiary companies	20	–	–	36,041,260	46,756,500
Short-term deposits	21	123,712,844	66,538,842	79,759,804	61,972,190
Investment in money market funds	21	–	15,036,936	–	15,036,936
Cash and bank balances	21	14,550,659	45,439,472	1,747,697	10,630,756
		338,754,250	362,314,097	122,804,672	159,085,975
TOTAL ASSETS		551,147,422	591,255,177	194,718,039	236,623,443

AS AT 30 JUNE 2023 (CONTINUED)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Equity attributable to equity holders of the Company:					
Share capital	22	180,178,116	180,178,116	180,178,116	180,178,116
Exchange translation reserve		20,478,703	5,028,986	–	–
Retained earnings		199,607,799	214,996,372	8,590,780	45,197,066
TOTAL EQUITY		400,264,618	400,203,474	188,768,896	225,375,182
NON-CURRENT LIABILITIES					
Deferred tax liabilities	16	11,101,342	7,214,209	2,024,592	2,654,005
Borrowings	23	9,040,714	18,600,097	–	–
Lease liabilities	24	5,035,855	–	–	–
		25,177,911	25,814,306	2,024,592	2,654,005
CURRENT LIABILITIES					
Contract liabilities	17	1,674,192	4,188,274	–	–
Payables	25	100,071,897	128,711,320	607,255	1,959,664
Borrowings	23	13,843,800	15,027,232	–	–
Lease liabilities	24	3,193,502	684,817	–	–
Dividend payable		3,317,296	6,634,592	3,317,296	6,634,592
Taxation		3,604,206	9,991,162	–	–
		125,704,893	165,237,397	3,924,551	8,594,256
TOTAL LIABILITIES		150,882,804	191,051,703	5,949,143	11,248,261
TOTAL EQUITY AND LIABILITIES		551,147,422	591,255,177	194,718,039	236,623,443

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share capital RM	Attributable to equity holders of the Company Exchange translation reserve RM	Retained earnings RM	Total equity RM
Group					
At 1 July 2022		180,178,116	5,028,986	214,996,372	400,203,474
Comprehensive income/(loss):					
- loss for the financial year		–	–	(2,119,389)	(2,119,389)
- other comprehensive income		–	15,449,717	–	15,449,717
Total comprehensive income/(loss) for the financial year		–	15,449,717	(2,119,389)	13,330,328
Dividends	11	–	–	(13,269,184)	(13,269,184)
At 30 June 2023		180,178,116	20,478,703	199,607,799	400,264,618
At 1 July 2021		180,178,116	1,622,522	190,379,861	372,180,499
Comprehensive income:					
- profit for the financial year		–	–	41,202,991	41,202,991
- other comprehensive income		–	3,406,464	–	3,406,464
Total comprehensive income for the financial year		–	3,406,464	41,202,991	44,609,455
Dividends	11	–	–	(16,586,480)	(16,586,480)
At 30 June 2022		180,178,116	5,028,986	214,996,372	400,203,474

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 July 2022		180,178,116	45,197,066	225,375,182
Total comprehensive loss:				
- loss for the financial year		–	(23,337,102)	(23,337,102)
Dividends	11	–	(13,269,184)	(13,269,184)
At 30 June 2023		180,178,116	8,590,780	188,768,896
At 1 July 2021		180,178,116	42,709,776	222,887,892
Total comprehensive income:				
- profit for the financial year		–	19,073,770	19,073,770
Dividends	11	–	(16,586,480)	(16,586,480)
At 30 June 2022		180,178,116	45,197,066	225,375,182

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit for the financial year		(2,119,389)	41,202,991	(23,337,102)	19,073,770
Adjustments for:					
Depreciation of property, plant and equipment and right-of-use assets		35,188,823	33,253,194	5,598,854	6,082,203
Loss/(Gain) on disposals of property, plant and equipment		87,930	(19,642,294)	–	(19,466,065)
Property, plant and equipment written off		23,151	16,676	–	881
Depreciation of investment properties		190,405	145,353	37,268	–
(Reversal)/Provision for rectification costs		(8,115,574)	9,051,023	–	–
Provision/(Reversal) for foreseeable losses		2,864,151	(329,093)	–	–
Provision for contract costs		3,274,450	593,550	–	–
(Gain)/Loss on disposals of financial assets at fair value through profit or loss		(29,907)	5,759,060	(29,907)	2,877,035
Fair value loss on financial assets at fair value through profit or loss		853,381	2,754,139	561,958	1,917,696
Net unrealised gain on foreign exchange		(4,787,462)	(1,280,395)	(4,799,724)	(1,297,578)
Impairment losses of investment in subsidiary company		–	–	–	1,000,000
(Reversal)/Provision for impairment:					
- advances to subsidiary companies		–	–	36,113,660	1,869,135
- receivables		(2,824,093)	(1,286,411)	–	–
Receivables written off		1,431,521	–	–	–
Bad debts written off		3,316	5,557	–	–
Inventories written off		145,593	48,233	–	–
Inventories written down		98,000	–	–	–
Interest income:					
- deposits		(3,732,042)	(932,078)	(2,466,589)	(680,924)
Interest expenses		972,576	968,867	–	–
Dividend income from financial assets at fair value through profit or loss		(603,508)	(695,506)	(603,508)	(599,254)
Dividend income from subsidiary companies		–	–	(5,100,000)	(8,100,000)
Taxation		8,005,619	7,061,812	360,036	44,341
		30,926,941	76,694,678	6,334,946	2,721,240

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Changes in working capital:					
Contract assets		(2,029,507)	(21,545,566)	–	–
Inventories		(4,291,975)	(4,011,758)	–	–
Receivables		23,469,760	(35,984,015)	(2,850,976)	(216,178)
Payables		(26,904,741)	12,761,305	(1,352,410)	1,606,938
Amounts due from subsidiary companies *		–	–	(4,328,191)	(161,644)
Cash flows generated from/ (used in) operations		21,170,478	27,914,644	(2,196,631)	3,950,356
Tax paid		(8,983,868)	(9,984,458)	(1,125,894)	(1,657,500)
Tax refunded		79	131,536	–	93,461
Dividend income received		–	–	5,100,000	17,100,000
Interest income received		3,343,389	943,295	2,083,179	692,819
Net cash flows generated from operating activities		15,530,078	19,005,017	3,860,654	20,179,136
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiary companies		–	–	–	(600,000)
Purchases of property, plant and equipment	12	(6,781,785)	(11,015,932)	(198,497)	(2,444,944)
Proceeds from disposals of property, plant and equipment		23,067,833	2,994,731	22,754,045	2,678,339
Purchases of financial assets at fair value through profit or loss		(1,553,039)	(40,060,784)	(1,553,039)	(25,735,166)
Investment in equity fund		–	(38,593,539)	–	(19,988,234)
Proceeds from disposals of financial assets at fair value through profit or loss		1,156,035	79,808,630	1,156,035	47,669,202
Dividend income received from financial assets at fair value through profit or loss		586,089	778,359	586,089	658,481
Advances to subsidiary companies		–	–	(70,874,255)	(89,069,860)
Repayment of advances from subsidiary companies		–	–	47,010,669	58,504,295
Decrease in short-term deposits and bank balances used for investment purposes		73,852	10,936,089	73,852	10,105,070
Withdrawal of investment in money market funds		22,245,891	47,528,468	22,245,891	47,528,468
Withdrawal of Investment in equity funds		8,000,000	–	3,000,000	–
Additional investment in money market funds		(7,208,955)	(15,174,305)	(7,208,955)	(15,174,305)
Net cash flows generated from investing activities		39,585,921	37,201,717	16,991,835	14,131,346

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(16,586,480)	(16,586,480)	(16,586,480)	(16,586,480)
Repayment of hire purchase liabilities		(17,063,778)	(18,763,018)	–	–
Repayment of bank borrowings		(508,441)	(2,788,748)	–	–
Repayment of lease liabilities		(2,181,342)	(1,597,608)	–	–
Interest paid		(972,576)	(968,867)	–	–
Net cash flows used in financing activities		(37,312,617)	(40,704,721)	(16,586,480)	(16,586,480)
NET INCREASE IN CASH AND EQUIVALENTS		17,803,382	15,502,013	4,266,009	17,724,002
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		111,877,202	94,515,273	72,501,834	53,529,839
CURRENCY TRANSLATION DIFFERENCES		8,555,659	1,859,916	4,712,398	1,247,993
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	138,236,243	111,877,202	81,480,241	72,501,834

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

Reconciliation of liabilities arising from financing activities:

A reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Borrowings RM	Hire purchase liabilities RM	Lease liabilities RM	Total RM
Group				
At 1 July 2022	3,711,896	29,915,433	684,817	34,312,146
Cash flows:				
Repayment of principal	(508,441)	(17,063,778)	(2,181,342)	(19,753,561)
Interest paid	(115,665)	(681,259)	(175,652)	(972,576)
Non-cash changes:				
Additions of hire purchase	–	4,156,864	–	4,156,864
Additions of right-of-use assets	–	–	9,191,644	9,191,644
Interest expense	115,665	681,259	175,652	972,576
Effect of foreign exchange differences	319,415	2,353,125	534,238	3,206,778
At 30 June 2023	3,522,870	19,361,644	8,229,357	31,113,871
At 1 July 2021	6,405,377	36,163,887	2,260,331	44,829,595
Cash flows:				
Repayment of principal	(2,788,748)	(18,763,018)	(1,597,608)	(23,149,374)
Interest paid	(37,344)	(912,100)	(19,423)	(968,867)
Non-cash changes:				
Additions of hire purchase	–	11,805,213	–	11,805,213
Interest expense	37,344	912,100	19,423	968,867
Effect of foreign exchange differences	95,267	709,351	22,094	826,712
At 30 June 2022	3,711,896	29,915,433	684,817	34,312,146

Non-cash transaction

*The changes in working capital for amount due from subsidiary companies include the purchase of investment properties by Pintaras Jaya Berhad with the consideration being an offset against the receivable balances in Pintaras Geotechnics Sdn Bhd, amounting to RM2,795,089.

1 GENERAL INFORMATION

The principal activities of the Company consist of investment holding and undertaking of piling contracts, civil engineering and building construction works and rental of plant and machinery.

The principal activities of the subsidiary companies are set out in Note 13 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

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

The address of the registered office and principal place of business of the Company is as follows:

No. 8, Jalan Majistret U1/26,
HICOM-Glenmarie Industrial Park,
40150 Shah Alam,
Selangor Darul Ehsan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparing the consolidated financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(i) Amendments to published standards and annual improvements that are effective

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2022:

- Amendments to MFRS 116 'Proceeds before Intended Use'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'
- Annual Improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
- Annual Improvements to MFRS 141 'Taxation in Fair Value Measurements'
- Amendments to MFRS 3 'Reference to the Conceptual Framework'

The adoption of the amendments and annual improvements listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards and amendments to published standards to existing standards that are applicable to the Group and the Company but not yet effective

A number of new standards and amendments to standards are effective for the financial year beginning after 1 July 2023. None of these is expected to have a significant effect on the financial statements of the Group and the Company, except as set out below.

Financial year beginning on 1 July 2023

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, companies are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

- The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

  The amendment explains an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

  MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The amendments to MFRS 108, redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

  Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

Financial year beginning on 1 July 2024

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024) specify that the measurement of the lease liability arises in a sale and leaseback transaction which satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

  The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards and amendments to published standards to existing standards that are applicable to the Group and the Company but not yet effective (continued)

A number of new standards and amendments to standards are effective for the financial year beginning after 1 July 2023. None of these is expected to have a significant effect on the financial statements of the Group and the Company, except as set out below. (continued)

Financial year beginning on 1 July 2024 (continued)

- There are two amendments to MFRS 101 'Presentation of Financial Statements'. The 2020 amendments clarify that a liability is classified as non-current if an entity has the right to defer settlement for at least 12 months after the reporting period. Such a right exists when an entity complies with covenants based on its circumstances at the reporting date, even if compliance with such covenants were tested only within 12 months after that date.

  The 2022 amendments were in response to concerns raised on applying the 2020 amendments explained in the preceding paragraph on the current vs non-current classification of liabilities with covenants that would have become effective for annual periods beginning on or after 2023. The 2022 amendments specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

  Both amendments are effective for annual reporting periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application of the 2022 amendments is permitted but only if the 2020 amendments are also applied from the same date.

(b) Revenue recognition

Revenue is recognised when it is probable that economic benefits will flow to the Group or the Company and when they can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

(i) Contract revenue

Contract revenue with customers include contracts relating to geotechnical and foundation engineering services.

These contracts may include multiple performance obligations as they are not highly integrated. Hence, the transaction price will be allocated to each performance obligation based on the standalone selling price.

Where the contracts are highly integrated, they are recognised as a single performance obligation. Revenue is recognised progressively based on the progress towards complete satisfaction of the performance obligation.

Revenue is recognised over time when control of the asset is transferred over time when the Group's performance:

- creates and enhances an asset that the customer controls as the services are being performed; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition (continued)

Revenue is recognised when it is probable that economic benefits will flow to the Group or the Company and when they can be measured reliably. Revenue is measured at the fair value of consideration received or receivable. (continued)

(i) Contract revenue (continued)

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract is recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. No element of financing is deemed present as the payment schedule and credit terms of 30 days to 120 days are consistent with the market practice.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer. Variation claim gives rise to a variable consideration which is estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed.

The Group's construction contracts contain penalty clauses (i.e. liquidated and ascertained damages) for late delivery. When it is probable that the construction contract will not be fulfilled on time, the penalty will be deducted from the contract transaction price.

The 'percentage-of-completion method' is used to determine the appropriate amount to be recognised as revenue in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

(ii) Sales of metal containers

The Group recognises revenue after identifying the contract with its customers and the relevant performance obligations (transfer of goods/or services), determining the consideration to which it is expected to be entitled in exchange for performing each of said obligations, and assessing how to perform these obligations (at a specific point in time versus over time).

Revenue from the sale of goods is recognised based on the price specified in the contract (net of discounts and taxes collected on behalf) at the point when the control of the assets has been transferred to the customer, i.e. when the assets is delivered to the customer in accordance with contractual provisions and the customer acquired the ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sale of goods are either on cash terms or on credit terms of 30 to 120 days, which is consistent with market practice.

(iii) Rental of machinery

Revenue from rental of machinery is recognised based on the rental period when the machinery are used by the customers.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition (continued)

Revenue is recognised when it is probable that economic benefits will flow to the Group or the Company and when they can be measured reliably. Revenue is measured at the fair value of consideration received or receivable. (continued)

(iv) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(v) Interest income

Interest income is recognised on an accrual basis, using the effective interest rate method.

(vi) Property investment

Rental income is recognised on an accrual basis.

(c) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Consolidation (continued)

(i) Subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transactions between group of companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in 'other operating income or expenses' in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

Freehold land is not depreciated as it has an indefinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives. The annual rates of depreciation are summarised as follows:

Freehold building	2%
Leasehold assets	1.3% - 5.6%
Plant and machinery	10% - 20%
Motor vehicles	10% - 33%
Site equipment	10% - 20%
Site office and workshop	10% - 40%
Office equipment	10% - 40%
Furniture and fittings	10% - 33%
Office renovation	10% - 20%

Leased assets (including leasehold building, leasehold property and right-of-use for storage space) are presented as a separate category of assets in the property, plant and equipment. See accounting policy Note 2(t) on right-of-use assets for these assets.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group assesses the residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

(f) Investment properties

Investment properties, comprising principally land and office buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Investment property is depreciated on the straight-line basis to allocate the cost to their residual values over their estimated useful lives of 27 to 50 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment property is de-recognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in 'other operating income or expenses' in the profit or loss.

<u>Right-of-use assets that meet the definition of investment properties</u>

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 is presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss to the extent of previously recognised impairment losses unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(h) Financial assets

(i) Classification

The Group classifies the financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss ("FVTPL"); and
- those to be measured at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost or FVTPL.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI") are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other operating expenses in the period in which it arises.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in fair value of financial assets at FVTPL are recognised in other operating expenses in the statement of comprehensive income. Dividends from such investments continue to be recognised in the statement of comprehensive income as other operating income when the Group's right to receive payments is established.

(iv) Subsequent measurement – Impairment for debt instruments at amortised cost

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has three types of financial instruments; trade receivables including contract assets and intercompany trade balances, other receivables and amounts due from subsidiary companies that are subject to the ECL model.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Simplified approach for trade receivables and contract assets (including intercompany trade balances)

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets (including intercompany trade balances).

General 3-stage approach for other receivables and amounts due from subsidiary companies

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Subsequent measurement – Impairment for debt instruments at amortised cost (continued)

Significant increase in credit risk

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

The following indicators are incorporated:
- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets the unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the debtor is insolvent; and
- the contract has been terminated and lawsuit has been initiated by either party.

Financial instruments that are credit-impaired are assessed on an individual basis.

Groupings of instruments for ECL measured on the following basis:

(i) Individual assessment

Trade receivables arising from construction contracts and those receivables which are in default or credit-impaired are assessed individually.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Subsequent measurement – Impairment for debt instruments at amortised cost (continued)

Write-off

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables and amounts due from subsidiary companies

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. There is no outstanding contractual amounts of such assets written off during the financial year.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(j) Contract assets and contract liabilities

Contract assets is the right to consideration for goods or services transferred to the customers. In the case of construction contracts, contract assets is the excess of cumulative revenue earned over the billings to-date.

The Group assesses a contract asset for impairment at each reporting period and the loss allowance is measured at an amount equal to lifetime expected credit losses for the contract asset.

Contract liabilities is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. In the case of construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers.

(k) Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Share issue costs

Incremental external costs directly attributable to the issue of new shares or options are deducted against equity.

(iii) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(m) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities within the scope of MFRS 9 are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, net of, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives which are measured at fair value, if any.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is de-recognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow or resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

(o) Current and deferred income tax

Tax expense for the financial year comprises current and deferred tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(p) Foreign currencies

(i) Functional and presentation currency

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss on a net basis within 'other operating income or expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

(q) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group. These benefits are accrued when incurred and are measured on an undiscounted basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (continued)

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(r) Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(s) Inventories

(i) Finished goods, raw materials, construction materials and supplies and work in progress

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct labour, other direct costs and an appropriate proportion at variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(ii) Properties

Properties are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis.

(t) Leases

(i) Leases – Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases (continued)

(i) Leases – Accounting by lessee (continued)

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date). (continued)

Lease term (continued)

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Right-of-use assets (storage space)	2 years
Leasehold building	18 to 22 years
Leasehold property	75 years

If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group presents ROU assets within 'Property, plant and equipment' and 'Investment properties' in the statement of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases (continued)

(i) Leases – Accounting by lessee (continued)

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date). (continued)

Lease liabilities (continued)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liabilities is presented within the finance cost in the statement of comprehensive income.

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of twelve (12) months or less. Low-value assets comprise office equipment, such as photocopy machine. Payments associated with short-term leases and low-value assets are recognised on a straight-line basis as an expense in the statement comprehensive income.

(ii) Leases – Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which there are incurred.

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant relating to costs are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate, and is presented as ‘other operating income’ in the statement of comprehensive income.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group monitors its capital through its gearing.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The gearing ratio is calculated as borrowings divided by total equity. Total equity is as shown in the statement of financial position.

The gearing ratio were as follows:

	Group	
	2023 RM	2022 RM
Borrowings	22,884,514	33,627,329
Total equity (comprising issued share capital, reserves and retained earnings)	400,264,618	400,203,474
Gearing ratio	0.06:1.00	0.08:1.00

The Group is subject to certain externally imposed requirements in the form of loan covenants. The Group monitor the compliance with the loan covenants based on the terms of the respective loan agreements. The Group has complied with the loan covenants requirements during and as at the financial year.

The Company does not have any borrowing and as such, the gearing ratio is not applicable.

Financial risk management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market risks (including price risk, interest rate risk and foreign currency exchange risk), credit risk and liquidity and cash flows risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions. Financial risk management is carried out through risk reviews, internal control systems and insurance programme.

(a) Market risks

(i) Price risk

The Group and the Company are exposed to equity securities price risk arising from its equity investments. To manage its price risk arising from investment in equity securities, the Group and the Company diversify the portfolio which is managed by independent fund managers.

An 8% increase/decrease to the Group and 11% to the Company on the market price and/or currency risk of these marketable securities at the reporting date, with other variables held constant, would result in the profit after tax and equity of the Group and the Company for the financial year to be RM3,046,207 and RM2,803,207 higher/lower, respectively. The effects to profit after tax and equity of the Group and the Company for the previous financial year arising from a 6% and 8% increase/ decrease to the market price of these marketable securities are RM2,993,975 and RM2,195,136 higher/lower respectively.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(a) Market risks (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company's exposure to interest rate risks relates primarily to the time deposits and interest bearing floating rate borrowings.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group and the Company manage their interest rate risks by placing such funds on short tenures of 12 months or less.

The Group and the Company generally borrow principally on a floating rate basis (other than hire purchase liabilities which are based on fixed interest rates) and ensure that interest rates obtained are competitive.

If the Group's borrowings at variable rates change by the following basis points, with all other variables being held constant, the effects on profit after tax and equity would be as follows:

	Group	
	2023	**2022**
	RM	**RM**
Floating rate instruments:		
- increase by 100 basis points (2022: 100 basis points)	(29,241)	(30,808)
- decrease by 100 basis points (2022: 100 basis points)	29,241	30,808

(iii) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group and the Company are exposed to foreign currency exchange risk as a result of foreign currency transactions entered with third parties in currencies other than Ringgit Malaysia, primarily in Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Yuan Renminbi ("CNY"), and European Monetary Unit ("EUR").

The Group's exposure to foreign currencies other than functional currencies of the group entities, in respect of its assets and liabilities are as follows:

	Receivables RM	**Short-term deposits and bank balances RM**	**Payables RM**	**Net financial assets RM**
At 30 June 2023				
SGD	421,776	72,643,561	(7,400)	73,057,937
USD	3,037	–	(348,950)	(345,913)
EUR	–	109,977	–	109,977
Total	424,813	72,753,538	(356,350)	72,822,001

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(a) Market risks (continued)

(iii) Foreign currency exchange risk (continued)

	Receivables RM	Short-term deposits and bank balances RM	Payables RM	Net financial assets RM
At 30 June 2022				
SGD	431,970	62,299,448	(124,806)	62,606,612
USD	–	–	(641,373)	(641,373)
CNY	–	–	(4,195,811)	(4,195,811)
EUR	–	99,460	–	99,460
Total	431,970	62,398,908	(4,961,990)	57,868,888

The Company's exposure to foreign currencies other than functional currency of the Company in respect of its assets and liabilities are as follows:

	Amount due from subsidiary company RM	Short-term deposits and bank balances RM	Net financial assets RM
At 30 June 2023			
SGD	305,941	72,297,285	72,603,226
EUR	–	109,977	109,977
Total	305,941	72,407,262	72,713,203
At 30 June 2022			
SGD	129,432	62,299,448	62,428,880
EUR	–	99,460	99,460
Total	129,432	62,398,908	62,528,340

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(a) Market risks (continued)

(iii) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's profit after tax and equity for the financial year to the reasonable change in major currency exchange rates against Ringgit Malaysia, with all other variables held constant.

	Strengthen by %	Increase/(Decrease) in profit after tax/equity for the financial year 2023 RM	2022 RM
Group			
SGD against RM	9% (2022: 3%)	6,575,214	1,878,198
USD against RM	6% (2022: 6%)	(20,755)	(38,482)
CNY against RM	5% (2022: 2%)	–	(83,916)
EUR against RM	11% (2022: 7%)	12,097	6,962

The following table demonstrates the sensitivity of the Company's profit after tax and equity for the financial year to the reasonable change in major currency exchange rates against Ringgit Malaysia, with all other variables held constant.

	Strengthen by %	Increase/(Decrease) in profit after tax/equity for the financial year 2023 RM	2022 RM
Company			
SGD against RM	9% (2022: 3%)	6,534,290	1,872,866
EUR against RM	11% (2022: 7%)	12,097	6,962

A similar percentage decrease in the foreign exchange rate would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(b) Credit risk

The Group's exposure to credit risk is monitored on an ongoing basis. The Group has credit policies in place to manage the credit risk exposure. The risk is managed through the application of the Group's credit management procedures which include the application of credit evaluations or approvals and follow up procedures.

The Group adopts the policy of dealing only with customers of appropriate credit history where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

The Group seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. Furthermore, sales to customers are suspended when overdue amounts have reached the credit limits assigned to them.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(b) Credit risk (continued)

The Group actively monitors the utilisation of credit limits to manage the risk of any material loss from the non-performance of its counter-parties.

The Group has applied MFRS 9 “Financial Instruments” which requires the impairment of financial instruments to be assessed using the expected credit loss (“ECL”) model. ECL represents a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of cash flows that the Group expects to receive, over the remaining life of the financial instrument.

The Group and the Company have the following financial instruments that are subject to the ECL model:

- Trade receivables
- Contract assets
- Other receivables
- Amounts due from subsidiary companies
- Cash and bank balances

Simplified approach for trade receivables and contract assets (including intercompany trade balances)

The Group and the Company apply the simplified approach in measuring the ECL as prescribed by MFRS 9, which estimates a lifetime expected loss provision for all trade receivables and contract assets. The Group and the Company account for credit risk by appropriately providing for expected credit losses on a timely basis based on individual assessment, taking into account forward-looking information.

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assessed the lifetime ECL based on the PD*LGD*EAD approach which is further defined below:

PD	Probability of default (the likelihood that the borrower cannot pay during the contractual period)
LGD	Loss given default (percentage of contractual cash flows that will not be collected if default happens)
EAD	Exposure at default (outstanding amount that is exposed to default risk)

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data by each debtor by category and adjusts for forward-looking macroeconomic data. Loss allowance is measured at a probability weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

As at 30 June 2023, the Group’s trade receivables of RM157,572,663 (2022: RM180,301,024) and contract assets of RM6,392,757 (2022: RM7,040,636) were subject to expected credit losses under the individual assessment. The expected credit loss on contract assets is not material.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(b) Credit risk (continued)

Simplified approach for trade receivables and contract assets (including intercompany trade balances) (continued)

The ECL as at the reporting date is mainly in respect of the trade receivables balances which are assessed on an individual basis. The gross carrying amount of the trade receivables, and thus the maximum exposure to expected credit loss, is further analysed as follows:

	Gross individual receivables RM	Expected credit loss RM	Net trade receivables RM
At 30 June 2023			
Non credit-impaired			
Not past due	140,640,109	–	140,640,109
1 to 60 days overdue	10,217,294	(345,350)	9,871,944
61 to 120 days overdue	3,245,016	–	3,245,016
121 to 365 days overdue	2,878,601	–	2,878,601
Past due over 365 days	496,773	–	496,773
	157,477,793	(345,350)	157,132,443
Credit-impaired			
Past due over 365 days	94,870	(94,870)	–
Total	157,572,663	(440,220)	157,132,443
At 30 June 2022			
Non credit-impaired			
Not past due	157,244,520	–	157,244,520
1 to 60 days overdue	11,816,494	(315,850)	11,500,644
61 to 120 days overdue	1,249,919	–	1,249,919
121 to 365 days overdue	3,398,540	–	3,398,540
Past due over 365 days	3,438,675	–	3,438,675
	177,148,148	(315,850)	176,832,298
Credit-impaired			
Past due over 365 days	3,152,876	(3,152,876)	–
Total	180,301,024	(3,468,726)	176,832,298

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(b) Credit risk (continued)

General 3-stage approach for bank deposits and other receivables (including non-trade intercompany balances)

The entity is also exposed to credit risk in relation to bank deposits and other receivables. The maximum exposure to credit risk at the end of the reporting period is the carrying amounts of these financial assets.

The Group uses 3 categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Description	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 months ECL
Under performing	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Principal repayments are 90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL (credit-impaired)
Write off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset written off

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL using a PD*LGD*EAD methodology. Other receivables, including intercompany balances are considered to have low default risk, and thus the impairment provision recognised during the period was limited to 12 months expected credit losses. These receivables are considered to be low credit risk as the counterparties have strong financial capacity to meet their contractual cash flow obligations in the near future. As at 30 June 2023, the Group's expected credit losses of the other receivables balance amounted to RM 580,590 (2022: RM540,471).

Bank balances are placed with licensed financial institutions with high credit ratings assigned by credit rating agencies, hence, the credit risk is considered to be low.

(c) Liquidity risk

The Group's policy on liquidity risk management is to maintain sufficient cash and have available funding through adequate amounts of committed credit facilities and credit lines for working capital requirements.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 year RM	Between 1 and 5 years RM	Over 5 years RM	Total RM
Group				
At 30 June 2023				
Trade payables	48,898,662	–	–	48,898,662
Other payables and accruals	51,173,235	–	–	51,173,235
Dividend payable	3,317,296	–	–	3,317,296
Borrowings:				
- principal	13,843,800	8,305,343	735,371	22,884,514
- interest	470,920	424,457	42,365	937,742
Lease liabilities				
- principal	3,193,502	5,035,855	–	8,229,357
- interest	271,049	160,972	–	432,021
	121,168,464	13,926,627	777,736	135,872,827
At 30 June 2022				
Trade payables	74,980,102	–	–	74,980,102
Other payables and accruals	53,731,218	–	–	53,731,218
Dividend payable	6,634,592	–	–	6,634,592
Borrowings:				
- principal	15,027,232	17,448,667	1,151,430	33,627,329
- interest	633,626	502,869	35,899	1,172,394
Lease liabilities				
- principal	684,817	–	–	684,817
- interest	2,157	–	–	2,157
	151,693,744	17,951,536	1,187,329	170,832,609

	Within 1 year	
	2023 RM	2022 RM
Company		
Trade payables	5,437	–
Other payables and accruals	601,818	1,959,664
Dividend payable	3,317,296	6,634,592
	3,924,551	8,594,256

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value measurement

The carrying amounts of short-term deposits (measured at amortised cost), cash and bank balances, trade and other current assets, and trade and other liabilities approximated their respective fair values due to relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and the Company's financial assets that are measured at fair value.

	Group Level 1 RM	**Company Level 1 RM**
At 30 June 2023		
Financial assets at fair value through profit or loss:		
- equity instruments	9,925,274	9,925,274
Investment in equity funds	28,277,715	15,800,276
	38,202,989	25,725,550
At 30 June 2022		
Financial assets at fair value through profit or loss:		
- equity instruments	9,617,496	9,617,496
Investment in equity funds	36,858,481	19,089,619
Investment in money market funds	15,036,936	15,036,936
	61,512,913	43,744,051

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Construction contracts

Revenue is recognised when or as the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the stage of completion method. The stage of completion of a construction contract is measured by reference to the proportion of the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

Significant judgement is required in determining the extent of construction costs incurred to date, estimated total construction costs, which include rectification works to be carried out, the uncertified variation orders and claims from customers, and liquidated ascertained damages for the projects which are completed or expected to be completed beyond the contractual completion dates. In making the judgement, the Group relied on past experience and work of specialists, if deemed necessary, circumstances of the projects and specific past experiences with the customers. In addition, the Group made an assessment on the latest information available on the progress of the projects at site in determining the expected completion dates of the projects which have been delayed and the contracted terms and the likelihood of approval of an extension of time ("EOT") by the customers.

Any changes in any of the components may have a significant impact on the financial results of the Group. If the estimated costs to complete in respect of projects which are still on-going as at 30 June 2023 were 5% higher/lower with all other variables held constant, this would decrease/increase the pre-tax profit with a corresponding increase/decrease in contract assets of the Group by approximately RM3,076,410 (2022: RM3,847,962).

(b) Provision for impairment of receivables

The measurement of ECL allowance for the outstanding trade receivable balance is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour of the customers. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 3(b). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Individual assessment for the purpose of measuring ECL

  The Group uses judgement in determining the risk of default and expected loss rates to be applied in the assessment of loss allowance for each customers. The impairment assessment includes evaluation of the Group's past history of loss rate, the creditworthiness and financial health of the customers, existing market conditions and forward-looking estimates at the reporting date.

- Determining the number and relative weightings of forward-looking scenarios

  The Group measures loss allowance at the probability-weighted amount that reflects the possibility of credit loss occurring. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Income taxes and deferred tax assets

Significant judgement is required in determining the recognition of income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. The quantum of deferred tax assets not recognised is disclosed in Note 16.

5 REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers:				
- construction contracts	289,067,612	401,789,426	–	–
- sale of goods	44,010,779	41,348,283	–	–
	333,078,391	443,137,709	–	–
Other sources of income:				
- dividend income from subsidiary companies (gross)	–	–	5,100,000	8,100,000
- income from rental of machinery	–	–	8,230,166	8,181,200
	–	–	13,330,166	16,281,200
	333,078,391	443,137,709	13,330,166	16,281,200
Revenue from contracts with customers is represented by:				
- over time	289,067,612	401,789,426	–	–
- point in time	44,010,779	41,348,283	8,230,166	8,181,200
	333,078,391	443,137,709	8,230,166	8,181,200

6 FINANCE COST

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- bank borrowings	115,665	37,344	–	–
- hire purchase	681,259	912,100	–	–
- lease liabilities	175,652	19,423	–	–
	972,576	968,867	–	–

7 PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
Audit fees:				
- current financial year	501,180	405,883	65,000	57,200
- prior financial year	4,970	27,550	2,900	2,200
Other fees:				
- current financial year	10,000	8,500	10,000	8,500
Impairment losses of investments in subsidiary company	–	–	–	1,000,000
(Reversal)/Provision for impairment:				
- advances to subsidiary companies	–	–	36,113,660	1,869,135
- receivables	(2,824,093)	(1,286,411)	–	–
Receivables written off	1,431,521	–	–	–
Bad debts written off	3,316	5,557	–	–
(Reversal)/Provision for rectification costs	(8,115,574)	9,051,023	–	–
Provision/(Reversal) for foreseeable loss	2,864,151	(329,093)	–	–
Provision for contract costs	3,274,450	593,550	–	–
Depreciation of:				
- property, plant and equipment and right-of-use assets	35,188,823	33,253,194	5,598,854	6,082,203
- investment properties	190,405	145,353	37,268	–
Property, plant and equipment written off	23,151	16,676	–	881
Inventories written off	145,593	48,233	–	–
Inventories written down	98,000	–	–	–
Sub-contractor costs	45,553,632	49,689,201	–	–
Direct construction materials	98,335,931	143,843,516	–	–
Direct construction expenses	54,397,326	67,185,130	–	–
Plant and machinery services	12,278,005	12,865,656	974,367	560,300
Rental of plant and machinery	5,792,893	7,519,170	–	–
Raw materials consumed	29,236,984	23,633,421	–	–
Manufacturing expenses	5,764,976	5,010,579	–	–
Staff cost (including remuneration of Directors) (Note 8)	48,888,445	48,697,949	870,526	1,296,007
Expenses related to short term leases (included in cost of goods sold):				
- short term rental of accommodation	1,805,180	1,791,741	–	–
Expenses related to leases of low value assets (included in cost of goods sold)	21,169	13,009	–	–
Directors' fees	130,050	90,000	130,050	90,000
Fair value loss on financial assets at fair value through profit or loss	853,381	2,754,139	561,958	1,917,696
Loss on disposals of financial assets at fair value through profit or loss	–	5,759,060	–	2,877,035
Loss on disposals of property, plant and equipment	87,930	–	–	–

7 PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after crediting:				
Dividend income from financial assets at fair value through profit or loss	603,508	695,506	603,508	599,254
Gain on disposals of property, plant and equipment	–	19,642,294	–	19,466,065
Gain on disposals of financial assets at fair value through profit or loss	29,907	–	29,907	–
Interest income:				
- deposits	3,732,042	932,078	2,466,589	680,924
Rental income arising from investment properties	176,996	165,282	–	–
Net unrealised gain on foreign exchange	4,787,462	1,280,395	4,799,724	1,297,578
Net realised gain on foreign exchange	1,375,789	115,705	1,330,038	228,032
Wages subsidies (see note below)	55,362	1,905,277	–	9,600

Construction contract cost of the Group recognised as an expense during the financial year amounted to RM282,663,594 (2022: RM360,364,608). Inventory costs of the Group recognised as an expense during the financial year amounted to RM39,123,206 (2022: RM32,490,887). Included in cost of sales of the Group and the Company is depreciation expense amounting to RM34,379,296 (2022: RM32,482,591) and RM5,346,321 (2022: RM5,827,796) respectively.

During the financial year, the Group has received government incentive related to job growth and wages credit scheme amounting to RM55,362 (2022: RM1,905,277) from the local governments in which the Group operate. These support incentives were extended to the companies to support employers to expand local hiring and to cope with rising wage cost. However, the Company does not receive wages subsidy during the financial year (2022: RM9,600).

8 STAFF COST (INCLUDING REMUNERATION OF DIRECTORS)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries and bonuses	41,250,664	42,030,828	766,542	1,147,348
Defined contribution plan	2,791,974	2,989,951	92,470	138,294
Other employee benefits	4,845,807	3,677,170	11,514	10,365
	48,888,445	48,697,949	870,526	1,296,007

8 STAFF COST (INCLUDING REMUNERATION OF DIRECTORS) (CONTINUED)

Directors' remuneration is analysed as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors:				
- salaries and bonuses	3,429,799	3,731,861	479,500	587,600
- defined contribution plan	244,888	246,689	57,540	70,512
- other employee benefits	6,336	5,319	2,555	2,109
	3,681,023	3,983,869	539,595	660,221
Non-Executive Directors:				
- fees	130,050	90,000	130,050	90,000
Total	3,811,073	4,073,869	669,645	750,221
Benefits-in-kind	43,750	49,642	43,750	49,642

9 TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current taxation:				
- current financial year	3,944,586	9,642,166	1,004,880	794,467
- (over)/under provision in prior financial years	(2,596,614)	1,167	(15,431)	3,138
	1,347,972	9,643,333	989,449	797,605
Deferred taxation: (Note 16)				
- origination and reversal of temporary differences	6,657,647	(2,581,521)	(629,413)	(753,264)
	8,005,619	7,061,812	360,036	44,341

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

9 TAXATION (CONTINUED)

The reconciliation between the effective tax rate and the Malaysian statutory tax rate are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Statutory income tax rate	24.0	24.0	24.0	24.0
Tax effects of:				
- effect of tax rates in foreign jurisdictions	(21.6)	(5.6)	–	–
- income not subject to tax	(25.5)	(11.1)	13.3	(37.5)
- expenses not deductible for tax purposes	5.1	6.4	(38.9)	13.7
- under/(over) provision of taxation in prior financial years	(44.1)	–*	–*	–*
- under provision of deferred taxation in prior financial years	60.2	–*	–*	–*
- deferred tax assets not recognised	32.9	1.1	–	–
- deductible temporary differences not recognised	114.4	–*	–	–
- utilisation of previously unrecognised deferred tax assets	(7.9)	–	–	–
- tax incentives and rebates	(1.5)	(0.2)	–	–
Effective tax rate	136.0	14.6	(1.6)	0.2

** The tax effects of these reconciling items are less than 1%*

10 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the Group's profit attributable to equity holders by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
(Loss)/Profit attributable to equity holders of the Company (RM)	(2,119,389)	41,202,991
Weighted average number of ordinary shares in issue	165,864,800	165,864,800
Basic (loss)/earnings per share (sen)	(1.3)	24.8

The Group does not have in issue any financial instruments or other contracts that may entitle its holder to ordinary shares and therefore dilute its basic earnings per share in the current financial year.

11 DIVIDENDS

	Group and Company			
	2023		2022	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
Interim single-tier dividend	2	3,317,296	4	6,634,592
Final single-tier dividend:				
- for the financial year ended 2021	–	–	6	9,951,888
- for the financial year ended 2022	6	9,951,888	–	–
		13,269,184		16,586,480

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 30 June 2023 of 3 sen (2022: 6 sen) per share amounting to RM4,975,944 (2022: RM9,951,888) will be proposed for the shareholders' approval. These financial statements do not reflect the proposed final dividend which will be accrued as a liability in the financial year ending 30 June 2024 when approved by the shareholders.

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Freehold building RM	ROU assets-Leasehold office building* RM	ROU assets-Leasehold property* RM	Plant and machinery RM	Motor vehicles RM	Site equipment RM	Site office and workshop RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	ROU assets-Storage space* RM	Total RM
Group													
Net book value													
At 1 July 2022	11,810,114	5,759,445	4,655,421	–	120,914,553	3,670,584	23,731,292	172,904	227,132	19,738	196,810	677,695	171,835,688
Additions	–	–	–	156,000	5,886,964	–	671,396	5,940	60,034	1,080	–	9,191,644	15,973,058
Disposals	–	–	–	–	(365,810)	(32,510)	(3,398)	–	–	–	–	–	(401,718)
Write off	–	–	–	–	(454)	–	(22,697)	–	–	–	–	–	(23,151)
Depreciation charge *	–	(198,632)	(384,682)	(1,539)	(25,961,814)	(633,929)	(5,498,601)	(46,900)	(104,033)	(4,988)	(103,581)	(2,250,124)	(35,188,823)
Effect of foreign exchange differences	–	–	501,989	–	8,237,460	207,790	1,950,208	–	4,798	–	12,818	529,884	11,444,947
At 30 June 2023	11,810,114	5,560,813	4,772,728	154,461	108,710,899	3,211,935	20,828,200	131,944	187,931	15,830	106,047	8,149,099	163,640,001

* Leasehold office building and storage space are classified as right-of-use assets ("ROU"). Refer to Note 24 to the financial statements for the nature of these assets.
The ROU assets-Leasehold property in relation to a leasehold apartment is amortised over the remaining lease term of 75 years.
Included in depreciation charge of the Group is depreciation of property, plant and equipment amounting to RM32,552,478 and depreciation of right-of-use assets amounting to RM2,636,345.

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold building RM	ROU assets- Leasehold office building* RM	ROU assets- Leasehold property* RM	Plant and machinery RM	Motor vehicles RM	Site equipment RM	Site office and workshop RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	ROU assets- Storage space* RM	Total RM
Group													
At 30 June 2023													
Cost	11,810,114	11,025,079	7,330,956	156,000	396,420,854	6,772,219	57,463,359	420,663	1,912,493	263,878	1,030,488	9,778,917	504,385,020
Accumulated depreciation	–	(5,464,266)	(2,558,228)	(1,539)	(287,709,955)	(3,560,284)	(36,582,359)	(288,719)	(1,724,562)	(248,048)	(924,441)	(1,629,818)	(340,692,219)
Accumulated impairment loss	–	–	–	–	–	–	(52,800)	–	–	–	–	–	(52,800)
Net book value	11,810,114	5,560,813	4,772,728	154,461	108,710,899	3,211,935	20,828,200	131,944	187,931	15,830	106,047	8,149,099	163,640,001

As at 30 June 2023, the carrying amounts of certain plant and machinery, site equipment and motor vehicles held under hire purchase arrangement amounted to RM47,697,729 (2022: RM58,266,909) and these assets are pledged as securities for the related hire purchase (Note 23). Leasehold buildings of the Group with net carrying amounts of RM4,772,728 (2022: RM4,655,421) were secured against bank borrowings of the Group (Note 23).

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold building RM	ROU assets-Leasehold office building* RM	Plant and machinery RM	Motor vehicles RM	Site equipment RM	Site office and workshop RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	ROU assets-Storage space* RM	Total RM
Group												
Net book value												
At 1 July 2021	17,659,232	5,958,077	4,888,218	125,076,527	3,297,879	26,978,667	132,618	175,717	21,046	289,875	2,250,906	186,728,762
Additions	–	–	–	18,169,221	1,180,282	1,708,092	82,333	179,113	3,670	–	–	21,322,711
Disposals	(5,849,118)	–	–	–	(212,209)	(44,863)	–	(292)	–	–	–	(6,106,482)
Write off	–	–	–	(8,063)	–	(7,701)	–	(912)	–	–	–	(16,676)
Depreciation charge *	–	(198,632)	(364,624)	(24,683,959)	(652,348)	(5,479,968)	(42,047)	(128,511)	(4,978)	(98,284)	(1,599,843)	(33,253,194)
Effect of foreign exchange differences	–	–	131,827	2,360,827	56,980	577,065	–	2,017	–	5,219	26,632	3,160,567
At 30 June 2022	11,810,114	5,759,445	4,655,421	120,914,553	3,670,584	23,731,292	172,904	227,132	19,738	196,810	677,695	171,835,688

* Leasehold building and storage space are classified as right-of-use assets ("ROU"). Refer to Note 24 to the financial statements for the nature of these assets.

Included in depreciation charge of the Group is depreciation of property, plant and equipment amounting to RM31,288,727 and depreciation of right-of-use assets amounting to RM1,964,467.

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold building RM	ROU assets- Leasehold office building* RM	Plant and machinery RM	Motor vehicles RM	Site equipment RM	Site office and workshop RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	ROU assets- Storage space* RM	Total RM
Group												
At 30 June 2022												
Cost	11,810,114	11,025,079	6,624,431	376,645,903	6,606,422	52,518,503	429,887	1,807,142	250,527	952,873	3,388,472	472,059,353
Accumulated depreciation	–	(5,265,634)	(1,969,010)	(255,731,350)	(2,935,838)	(28,734,411)	(256,983)	(1,580,010)	(230,789)	(756,063)	(2,710,777)	(300,170,865)
Accumulated impairment loss	–	–	–	–	–	(52,800)	–	–	–	–	–	(52,800)
Net book value	11,810,114	5,759,445	4,655,421	120,914,553	3,670,584	23,731,292	172,904	227,132	19,738	196,810	677,695	171,835,688

* As at 30 June 2022, the carrying amounts of certain plant and machinery, site equipment and motor vehicles held under hire purchase arrangement amounted to RM12,762,062 (2021: RM22,234,713) and these assets are pledged as securities for the related hire purchase (Note 23). Leasehold buildings of the Group with net carrying amounts of RM4,655,421 (2021: RM4,888,218) were secured against bank borrowings of the Group (Note 23).

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold building RM	Plant and machinery* RM	Motor vehicles RM	Site equipment RM	Site office and workshop RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	Total RM
Company										
Net book value										
At 1 July 2022	5,668,774	2,393,981	19,378,175	732,952	32,972	113	88,658	19,736	186	28,315,547
Additions	–	–	160,000	–	–	5,190	32,227	1,080	–	198,497
Depreciation charge	–	(89,413)	(5,345,464)	(122,151)	–	(857)	(35,795)	(4,988)	(186)	(5,598,854)
At 30 June 2023	5,668,774	2,304,568	14,192,711	610,801	32,972	4,446	85,090	15,828	–	22,915,190
At 30 June 2023										
Cost	5,668,774	4,470,640	189,462,394	2,131,184	4,523,755	5,839	226,438	65,946	121,861	206,676,831
Accumulated depreciation	–	(2,166,072)	(175,269,683)	(1,520,383)	(4,490,783)	(1,393)	(141,348)	(50,118)	(121,861)	(183,761,641)
Net book value	5,668,774	2,304,568	14,192,711	610,801	32,972	4,446	85,090	15,828	–	22,915,190

* The plant and machinery of the Company is subject to operating lease as the Company leases these assets to its subsidiaries on a short term basis.

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold building RM	Plant and machinery* RM	Motor vehicles RM	Site equipment RM	Site office and workshop RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	Total RM
Company										
Net book value										
At 1 July 2021	11,517,892	2,483,393	23,329,630	497,706	32,972	1,467	35,434	21,044	467	37,920,005
Additions	–	–	1,882,187	482,950	–	–	76,137	3,670	–	2,444,944
Disposals	(5,849,118)	–	(7,200)	(110,000)	–	–	–	–	–	(5,966,318)
Write off	–	–	–	–	–	–	(881)	–	–	(881)
Depreciation charge	–	(89,412)	(5,826,442)	(137,704)	–	(1,354)	(22,032)	(4,978)	(281)	(6,082,203)
At 30 June 2022	5,668,774	2,393,981	19,378,175	732,952	32,972	113	88,658	19,736	186	28,315,547
At 30 June 2022										
Cost	5,668,774	4,470,640	189,302,394	2,131,184	4,523,755	11,433	199,727	64,866	121,861	206,494,634
Accumulated depreciation	–	(2,076,659)	(169,924,219)	(1,398,232)	(4,490,783)	(11,320)	(111,069)	(45,130)	(121,675)	(178,179,087)
Net book value	5,668,774	2,393,981	19,378,175	732,952	32,972	113	88,658	19,736	186	28,315,547

* The plant and machinery of the Company is subject to operating lease as the Company leases these assets to its subsidiaries on a short term basis.

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The cash outflow for the acquisition of property, plant and equipment during the financial year is:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total acquisition of property, plant and equipment	15,973,058	21,322,711	198,497	2,444,944
Acquisition of property, plant and equipment by way of hire purchase	(4,156,864)	(11,965,686)	–	–
Accrual on acquisition of property, plant and equipment:				
- in the previous financial year	4,157,235	5,816,142	–	–
- during the financial year	–	(4,157,235)	–	–
Additions of new leases during the financial year	(9,191,644)	–	–	–
Cash outflow on acquisition of property, plant and equipment	6,781,785	11,015,932	198,497	2,444,944

13 INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost	22,514,806	22,514,806
Less: Accumulated impairment losses	(2,000,000)	(2,000,000)
	20,514,806	20,514,806

The subsidiary companies are as follows:

Name of subsidiary companies	Principal activities	Country of incorporation	Percentage of equity interest	
			2023 %	2022 %
Pintaras Geotechnics Sdn. Bhd.	Geotechnical and foundation engineering services	Malaysia	100	100
Pintaras Megah Sdn. Bhd.	Civil engineering and building superstructure contractor	Malaysia	100	100
Pintaras Prima Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	100
Primapac Sdn. Bhd.	Manufacturing of containers and provisions of management services	Malaysia	100	100
Pintaras Development Sdn. Bhd.	Dormant, property investment and development	Malaysia	100	100

13 INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies are as follows: (continued)

Name of subsidiary companies	Principal activities	Country of incorporation	Percentage of equity interest 2023 %	2022 %
Readycast Concrete Industries Sdn. Bhd.	Dormant, manufacturing of pre-cast concrete piles and concrete related products	Malaysia	100	100
Pintaras (East Malaysia) Sdn.Bhd.	Dormant, foundation and civil engineering contractor	Malaysia	100	100
Pintaras Piling Sdn. Bhd.	Dormant, driven pile contractor	Malaysia	100	100
Solidprop Sdn. Bhd.	Dormant, property investment	Malaysia	100	100
System Micro-Piling Sdn. Bhd.	Specialised geotechnical contractor	Malaysia	100	100
E-Wall Sdn. Bhd.	Dormant, manufacturing and installation of segmental pre-cast concrete retaining walls	Malaysia	100	100
Pintary International Pte Ltd *	Investment holding and renting of construction equipment and related parts	Singapore	100	100
Subsidiary company of Pintaras Development Sdn. Bhd.				
SMPP Development Sdn. Bhd.	Dormant, property developer	Malaysia	100	100
Subsidiary company of Pintaras Prima Sdn. Bhd.				
Prima Packaging Sdn. Bhd.	Manufacturing of metal containers	Malaysia	100	100
Subsidiary companies of Pintary International Pte Ltd				
Pintary Foundations Pte Ltd *	Providers of foundation works including micropiling, conventional piling and underpinning	Singapore	100	100
Pintary Geotechnics Pte Ltd *	Providers of foundation works including micropiling, conventional piling and underpinning	Singapore	100	100
Pintary Realty Pte Ltd *	Real estate developer	Singapore	100	–

* Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT.

14 INVESTMENT PROPERTIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cost				
At 1 July	4,076,634	3,986,861	–	–
Acquisition	2,795,089	–	2,795,089	–
Effect of foreign exchange differences	362,779	89,773	–	–
At 30 June	7,234,502	4,076,634	2,795,089	–
Accumulated depreciation				
At 1 July	820,447	659,162	–	–
Depreciation charge	190,405	145,353	37,268	–
Effect of foreign exchange differences	76,308	15,932	–	–
At 30 June	1,087,160	820,447	37,268	–
Net book value				
At 30 June	6,147,342	3,256,187	2,757,821	–
Fair value	7,719,659	4,123,275	3,252,784	–

The investment properties relate to the Group's leasehold land and office building located in Singapore which meet the definition of right-of-use assets. Leasehold land and office building is amortised over 27 years and the lease will expire on 5 June 2044.

In estimating the fair values of the investment properties, the highest and best use of the investment properties is their current use.

The fair values of investment properties are within Level 3 of the fair value hierarchy. The fair values are estimated based on either valuations by independent professionally qualified valuers or the Directors' estimates using the comparable approach by reference to the prevailing market values of the properties in the vicinity, adjusted for key attributes such as property size. The most significant input in this valuation approach is the selling price per square metre.

The investment properties generate rental income of RM176,996 (2022: RM165,282) for the Group. Direct operating expenses of those investment properties for the Group during the financial year amounted to RM51,136 (2022: RM35,192).

Bank borrowings are secured on investment properties of the Group with carrying amounts of RM3,290,095 (2022: RM3,152,912) as disclosed in Note 23 to the financial statements.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – EQUITY INSTRUMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Marketable securities:				
- shares of corporations quoted in Malaysia	8,884,785	8,134,265	8,884,785	8,134,265
- shares of corporations quoted outside Malaysia	1,040,489	1,483,231	1,040,489	1,483,231
	9,925,274	9,617,496	9,925,274	9,617,496
Equity funds investment in Malaysia	28,277,715	36,858,481	15,800,276	19,089,619
	38,202,989	46,475,977	25,725,550	28,707,115

16 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax assets	4,402,840	7,373,228	–	–
Deferred tax liabilities	(11,101,342)	(7,214,209)	(2,024,592)	(2,654,005)
Deferred taxation	(6,698,502)	159,019	(2,024,592)	(2,654,005)
At 1 July	159,019	(2,414,687)	(2,654,005)	(3,407,269)
(Charged)/Credited to profit or loss (Note 9):				
- property, plant and equipment	(2,511,899)	(1,795)	664,126	726,022
- provisions	(2,261,156)	677,705	(34,713)	27,242
- unutilised tax lossess	(1,898,145)	1,898,145	–	–
- others	13,553	7,466	–	–
	(6,657,647)	2,581,521	629,413	753,264
Effect of foreign exchange differences	(199,874)	(7,815)	–	–
At 30 June	(6,698,502)	159,019	(2,024,592)	(2,654,005)

16 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Subject to income tax				
Deferred tax assets (before offsetting):				
- provisions	5,929,215	8,190,371	8,991	43,704
- unutilised tax lossess	–	1,898,145	–	–
- others	369,164	215,593	–	–
	6,298,379	10,304,109	8,991	43,704
Offsetting	(1,895,539)	(2,930,881)	(8,991)	(43,704)
Deferred tax assets (after offsetting)	4,402,840	7,373,228	–	–
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(12,597,127)	(10,085,229)	(2,033,583)	(2,697,709)
- others	(399,754)	(59,861)	–	–
	(12,996,881)	(10,145,090)	(2,033,583)	(2,697,709)
Offsetting	1,895,539	2,930,881	8,991	43,704
Deferred tax liabilities (after offsetting)	(11,101,342)	(7,214,209)	(2,024,592)	(2,654,005)

The amount of unutilised tax losses, unutilised capital allowances and deductible temporary differences, for which no deferred tax assets are recognised in the statement of financial position, are as follows:

	Group	
	2023 RM	2022 RM
Unutilised tax losses	26,744,347	20,971,067
Utilised tax losses during the financial year	1,868,148	–
Unutilised capital allowances (no expiry period)	521,864	86,804
	29,134,359	21,057,871
Effects at Malaysian tax rate of 24% (2022: 24%)	6,992,246	5,053,889

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the deferred tax assets can be utilised in these subsidiaries.

16 DEFERRED TAXATION (CONTINUED)

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the Group's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028) as follows:

	Group	
	2023 RM	2022 RM
Unutilised tax losses		
Expiring in YA2028	8,241,455	6,950,876
Expiring in YA2029	2,513,523	4,425,584
Expiring in YA2030	5,671,066	5,650,475
Expiring in YA2031	472,420	–
Expiring in YA2032	6,128,793	3,944,132
Expiring in YA2033	3,717,090	–
At 30 June	26,744,347	20,971,067

17 CONSTRUCTION CONTRACT BALANCES

	Group	
	2023 RM	2022 RM
At 1 July	2,852,362	(18,522,593)
Revenue recognised during the financial year	289,067,612	401,789,426
Progress billings raised	(287,201,409)	(380,414,471)
At 30 June	4,718,565	2,852,362
Represented by:		
Contract assets	6,392,757	7,040,636
Contract liabilities	(1,674,192)	(4,188,274)
	4,718,565	2,852,362

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied at the reporting date is approximately RM215,867,431 (2022: RM238,237,069) of which the Group expects to recognise as revenue from FY2024 to FY2025 (2022: FY2023 to FY2024).

Revenue recognised in the current financial year in respect of contract liabilities in the previous financial year amounted to RM4,188,274 (2022: RM20,931,206).

18 INVENTORIES

	Group 2023 RM	Group 2022 RM
At cost:		
Raw materials	12,970,545	13,266,423
Work-in-progress	2,400,831	2,246,744
Finished goods	2,508,487	1,748,204
Goods in transit	3,186,457	145,799
Construction materials and supplies	1,138,991	596,493
	22,205,311	18,003,663
At net realisable value:		
Properties	4,787,830	4,885,830
	26,993,141	22,889,493

19 RECEIVABLES

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Trade receivables	89,804,026	113,451,799	–	–
Retention sum on contracts	67,768,637	66,849,225	–	–
Less: Provision for impairment of trade receivables	(440,220)	(3,468,726)	–	–
	157,132,443	176,832,298	–	–
Other receivables	4,130,470	23,892,009	2,992,876	23,003,334
Less: Provision for impairment of other receivables	(580,590)	(540,471)	–	–
	3,549,880	23,351,538	2,992,876	23,003,334
Advance payments	50,000	101,400	50,000	-
Deposits	1,954,477	2,854,591	9,090	7,090
Prepayments	1,879,364	596,944	292,883	101,748
	7,433,721	26,904,473	3,344,849	23,112,172
Total	164,566,164	203,736,771	3,344,849	23,112,172

The Group's top five customers make up 44% (2022: 51%) of the Group's trade receivables. Apart from this, the Group has no other significant concentration of credit risk that may arise from exposure to a single customer or to groups of customers. Management believes that no additional credit risk beyond the amounts allowed for collection losses is required based on the ECL assessment performed as set out in Note 3 to the financial statements.

19 RECEIVABLES (CONTINUED)

The changes in provision for expected credit loss of trade and other receivables during the financial year are as follows:

(a) Trade receivables

	Group		
	Non credit-impaired RM	**Credit-impaired RM**	**Total RM**
<u>At 30 June 2023</u>			
At 1 July 2022	402,616	3,066,110	3,468,726
Provision written-off	–	(251,850)	(251,850)
Reversal of expected credit loss	–	(2,814,260)	(2,814,260)
Effect of foreign exchange differences	37,604	–	37,604
At 30 June 2023	440,220	–	440,220
<u>At 30 June 2022</u>			
At 1 July 2021	581,465	4,152,033	4,733,498
Reversal of expected credit loss	(188,154)	(1,085,830)	(1,273,984)
Bad debt written off	–	(93)	(93)
Effect of foreign exchange differences	9,305	–	9,305
At 30 June 2022	402,616	3,066,110	3,468,726

(b) Other receivables

	Group	
	2023 RM	**2022 RM**
At 1 July	540,471	540,322
Reversal of expected credit loss	(9,833)	(12,427)
Effect of foreign exchange differences	49,952	12,576
At 30 June	580,590	540,471

20 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	Company 2023 RM	Company 2022 RM
Amounts due from subsidiary companies	76,605,113	51,206,693
Less: Provision of impairment of subsidiary companies	(40,563,853)	(4,450,193)
	36,041,260	46,756,500

The balances due from subsidiary companies are unsecured, repayable on demand and interest free.

The changes in provision for impairment of amounts due from subsidiary companies during the financial year are as follows:

	Company 2023 RM	Company 2022 RM
At 1 July	4,450,193	2,581,058
Charged to profit or loss	36,113,660	1,869,135
At 30 June	40,563,853	4,450,193

21 SHORT-TERM DEPOSITS, INVESTMENT IN MONEY MARKET FUNDS AND CASH AND BANK BALANCES

	Group 2023 RM	Group 2022 RM
Short-term deposits:		
- deposits with licensed banks	4,167,351	53,996,523
- deposits with other financial institutions	119,545,493	12,542,319
	123,712,844	66,538,842
Investment in money market funds	–	15,036,936
Cash and bank balances	14,550,659	45,439,472
	138,263,503	127,015,250
Less: Cash and bank balances in custodian accounts for investment purposes:		
- bank balances	(27,260)	(101,112)
Less: Investment in money market funds	–	(15,036,936)
	(27,260)	(15,138,048)
Cash and cash equivalents	138,236,243	111,877,202

21 SHORT-TERM DEPOSITS, INVESTMENT IN MONEY MARKET FUNDS AND CASH AND BANK BALANCES (CONTINUED)

	Company	
	2023 RM	2022 RM
Short-term deposits:		
- deposits with licensed banks	3,300,000	53,322,100
- deposits with other financial institutions	76,459,804	8,650,090
	79,759,804	61,972,190
Investment in money market funds	–	15,036,936
Cash and bank balances	1,747,697	10,630,756
	81,507,501	87,639,882
Less: Cash and bank balances in custodian accounts for investment purposes:		
- bank balances	(27,260)	(101,112)
Less: Investment in money market funds	–	(15,036,936)
	(27,260)	(15,138,048)
Cash and cash equivalents	81,480,241	72,501,834

(a) Short-term deposits

The weighted average effective interest rates per annum of short-term deposits at the reporting date are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Short-term deposits	4.09	0.54	4.02	0.42

Short-term deposits of the Group and of the Company have an average maturity of 71 days (2022: 81 days) and 50 days (2022: 68 days) respectively.

(b) Cash and bank balances

Cash and bank balances in custodian accounts for investment purposes are held by corporate trustees on behalf of the Group and the Company. These are primarily used for investment purposes and are excluded from cash and cash equivalents.

(c) Investment in money market funds

Investment in money market funds are debt instruments which are measured at fair value through profit or loss. Investment in money market funds are excluded from cash and cash equivalents.

22 SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
Issued and fully paid:				
At 1 July/30 June				
- ordinary shares with no par value	165,864,800	180,178,116	165,864,800	180,178,116

23 BORROWINGS

	Group	
	2023 RM	2022 RM
Current:		
Bank borrowings (secured)	522,239	491,407
Hire purchase liabilities (secured)	13,321,561	14,535,825
	13,843,800	15,027,232
Non-current:		
Bank borrowings (secured)	3,000,631	3,220,489
Hire purchase liabilities (secured)	6,040,083	15,379,608
	9,040,714	18,600,097
Total borrowings	22,884,514	33,627,329

Bank borrowings

The repayment periods of the bank borrowings of the Group at the reporting date are as follows:

	Group	
	2023 RM	2022 RM
Not later than one year	522,239	491,407
Between one and five years	2,265,260	2,069,059
More than five years	735,371	1,151,430
Total borrowings	3,522,870	3,711,896

Bank borrowings of the Group are secured over leasehold building and investment properties (2022: leasehold building and investment properties) of the Group.

The bank borrowings bear floating interest rates ranging from 2.19% to 5.10% (2022: 1.28% to 1.59%) per annum. The carrying amount of the bank borrowings approximate the fair values, as these are floating rate instruments.

23 BORROWINGS (CONTINUED)

Hire purchase liabilities

The Group purchased construction equipment and motor vehicles via hire purchase arrangements with non-related parties.

	Group	
	2023 RM	**2022 RM**
Minimum payments due		
- not later than one year	13,638,507	15,093,162
- between one and five years	6,107,500	15,687,970
	19,746,007	30,781,132
Less: Future finance charges	(384,363)	(865,699)
Present value of hire purchase liabilities	19,361,644	29,915,433

The present values of hire purchase liabilities are analysed as follows:

	Group	
	2023 RM	**2022 RM**
Not later than one year	13,321,561	14,535,825
Between one and five years	6,040,083	15,379,608
Present value of hire purchase liabilities	19,361,644	29,915,433

The weighted average interest rate of the hire purchase liabilities as at the reporting date is 1.68% (2022: 1.68%) per annum.

Hire purchase liabilities of the Group are secured over the plant and machinery, site equipment and motor vehicles.

The fair value of the hire purchase liabilities is as follows:

	Group	
	2023 RM	**2022 RM**
Hire purchase liabilities	19,085,818	29,211,124

24 LEASE LIABILITIES

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2023 RM	**2022 RM**
Current liabilities	3,193,502	684,817
Non-current liabilities	5,035,855	–
Total lease liabilities	8,229,357	684,817

The weighted average interest rate of the lease liabilities as at reporting date is 4.00% (2022: 1.26%) per annum.

24 LEASE LIABILITIES (CONTINUED)

(a) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group 2023 RM	Group 2022 RM
Interest expense on lease liabilities	175,652	19,423
Depreciation of right-of-use assets	2,250,124	1,599,843
Expenses relating to short term leases (included in cost of goods sold)	1,805,180	1,791,741
Expenses relating to lease of low value assets (included in cost of goods sold)	21,169	13,009
	4,252,125	3,424,016

Leased assets have been presented as a separate category of assets in property, plant and equipment (Note 12).

(b) Amounts recognised in the statement of cash flows

	Group 2023 RM	Group 2022 RM
Cash flows from operating activities:		
- expenses relating to short term leases	1,805,180	1,791,741
- expenses relating to lease of low value assets	21,169	13,009
	1,826,349	1,804,750
Cash flows from financing activities:		
- repayment of lease liabilities	2,181,342	1,597,608
- interest paid	175,652	19,423

(c) The Group's leasing activities and how it is accounted for

The Group leases various land and office buildings for its operations. Lease contracts are typically made for fixed periods of 3 to 21 years (2022: 2 to 22 years) but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leasehold building is amortised over the lease term ranging from 14 to 21 years (2022: 18 to 22 years).

Lease of storage space relates to the lease of open yard where the lease period is 36 months (2022: 29 months).

The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

25 PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	48,898,662	74,980,102	5,437	–
Other payables and accruals	51,173,235	53,731,218	601,818	1,959,664
	100,071,897	128,711,320	607,255	1,959,664

Included in other payables and accruals of the Group are provision for foreseeable losses and provision for rectification costs of RM9,511,819 (2022: RM6,387,306) and RM31,155,278 (2022: RM36,438,516) respectively.

In relation to provision for foreseeable losses, the Group has recorded a provision of RM29,558,129 (2022: RM7,087,269) in the profit or loss during the financial year. The Group has also recognised a utilisation of RM26,693,977 (2022: RM7,416,362) in the profit or loss during the financial year. The provision has been utilised as the construction cost has been incurred during the financial year.

In relation to provision for rectification costs, the Group has recorded a provision of RM8,132,639 (2022: RM10,927,469) in the profit or loss during the financial year. The Group has utilised RM12,948,693 (2022: RM1,138,082) of the provision during the financial year. The Group has recognised a reversal of the provision of RM3,299,520 (2022: RM738,364) in the profit or loss during the financial year.

Management expects to utilise the provision over the next 1 year to 2 years, which is within the normal operating cycle of a construction company.

26 CAPITAL COMMITMENT

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Authorised and contracted:				
Commitments for the purchase of property, plant and equipment	6,266,376	9,009,296	–	–

27 SIGNIFICANT RELATED PARTY DISCLOSURES

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

The Group is controlled by Dr Chiu Hong Keong by way of his deemed interest through his shareholding in Pintaras Bina Sdn. Bhd. and his direct interest in Pintaras Jaya Berhad.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions negotiated between the Group and the related party.

27 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Company 2023 RM	Company 2022 RM
(a) Significant transactions with related parties		
(i) Acquisition of subsidiaries from a subsidiary company:		
Pintaras Geotechnics Sdn. Bhd.	–	600,000
(ii) Plant and machinery rental income from subsidiary companies:		
Pintaras Geotechnics Sdn. Bhd.	–	568,442
Pintaras Megah Sdn. Bhd.	6,847,968	5,023,941
Pintary International Pte Ltd	1,382,198	2,588,817
(iii) Gross dividend income from subsidiary companies:		
Pintaras Prima Sdn. Bhd.	5,100,000	5,100,000
Pintaras Geotechnics Sdn. Bhd.	–	3,000,000
(iv) Advances to subsidiary companies:		
Solidprop Sdn. Bhd.	–	3,000
Pintaras Development Sdn. Bhd.	20,000	30,000
Pintaras Prima Sdn. Bhd.	500	–
Pintaras Geotechnics Sdn. Bhd.	6,810,000	21,314,000
Pintaras Megah Sdn. Bhd.	40,613,755	38,026,090
Prima Packaging Sdn. Bhd.	23,430,000	27,200,000
SMPP Development Sdn. Bhd.	–	10,000
Pintary International Pte Ltd	–	2,589,223
	70,874,255	89,172,313
(v) Advances from a subsidiary company:		
Pintary Foundations Pte Ltd	–	102,453
(vi) Repayment of advances from subsidiary companies:		
Pintaras Prima Sdn. Bhd.	500	–
Pintaras Geotechnics Sdn. Bhd.	10,587,278	17,710,958
Pintaras Megah Sdn. Bhd.	23,637,980	18,069,079
Prima Packaging Sdn. Bhd.	15,460,000	20,233,000
Pintary International Pte Ltd	–	2,593,711
Pintaras Development Sdn. Bhd.	110,000	–
SMPP Development Sdn. Bhd.	10,000	–
	49,805,758	58,606,748
(vii) Repayment of advances to a subsidiary company:		
Pintary Foundations Pte Ltd	–	102,453

27 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Company 2023 RM	Company 2022 RM
(b) Significant balances with related parties		
(i) Amounts due from subsidiary companies (gross):		
Pintaras Development Sdn. Bhd.	5,227,796	5,316,916
Pintaras Megah Sdn. Bhd.	49,945,019	26,963,176
Pintaras Geotechnics Sdn. Bhd.	–	5,581,111
Solidprop Sdn. Bhd.*	2,584,058	2,584,058
Prima Packaging Sdn. Bhd.	18,592,000	10,622,000
SMPP Development Sdn. Bhd.	–	10,000
Pintary International Pte Ltd	305,941	129,432
Pintary Foundations Pte Ltd	13,500	–
	76,668,314	51,206,693
(ii) Amounts due to subsidiary companies:		
Pintaras Geotechnics Sdn. Bhd.	63,201	–

* The balances due from Solidprop Sdn. Bhd. have been provided in full as at the reporting date.

(c) Compensation of key management personnel

Key management personnel are the Directors, having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The aggregate amount of remuneration received/receivable by key management personnel of the Group and the Company for the financial year is as disclosed in Note 8 to the financial statements.

28 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
Group				
At 30 June 2023				
Financial assets at fair value through profit or loss – equity instruments	15	–	38,202,989	38,202,989
Receivables (excluding advance payments, prepayments)	19	162,636,800	–	162,636,800
Short-term deposits	21	123,712,844	–	123,712,844
Cash and bank balances	21	14,550,659	–	14,550,659
Total financial assets		300,900,303	38,202,989	339,103,292
At 30 June 2022				
Financial assets at fair value through profit or loss – equity instruments	15	–	46,475,977	46,475,977
Receivables (excluding advance payment, prepayments)	19	203,038,427	–	203,038,427
Short-term deposits	21	66,538,842	–	66,538,842
Investment in money market funds	21	–	15,036,936	15,036,936
Cash and bank balances	21	45,439,472	–	45,439,472
Total financial assets		315,016,741	61,512,913	376,529,654

	Note	Financial liabilities at amortised cost RM
Group		
At 30 June 2023		
Trade payables	25	48,898,662
Other payables and accruals*	25	10,506,138
Dividend payable		3,317,296
Borrowings	23	22,884,514
Total financial liabilities		85,606,610
At 30 June 2022		
Trade payables	25	74,980,102
Other payables and accruals*	25	10,905,396
Dividend payable		6,634,592
Borrowings	23	33,627,329
Total financial liabilities		126,147,419

* excluding provision for foreseeable losses and provision for rectification cost.

28 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
Company				
At 30 June 2023				
Financial assets at fair value through profit or loss – equity instruments	15	–	25,725,550	25,725,550
Receivables (excluding advance payments and prepayments)	19	3,001,966	–	3,001,966
Amounts due from subsidiary companies	20	36,041,260	–	36,041,260
Short-term deposits	21	79,759,804	–	79,759,804
Cash and bank balances	21	1,747,697	–	1,747,697
Total financial assets		120,550,727	25,725,550	146,276,277

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
Company				
At 30 June 2022				
Financial assets at fair value through profit or loss – equity instruments	15	–	28,707,115	28,707,115
Receivables (excluding advance payment and prepayments)	19	23,010,424	–	23,010,424
Amounts due from subsidiary companies	20	46,756,500	–	46,756,500
Short-term deposits	21	61,972,190	–	61,972,190
Investment in money market funds	21	15,036,936	–	15,036,936
Cash and bank balances	21	10,630,756	–	10,630,756
Total financial assets		157,406,806	28,707,115	186,113,921

28 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Note	Financial liabilities at amortised cost RM
Company		
At 30 June 2023		
Trade payables	25	5,437
Other payables and accruals	25	601,818
Dividend payable		3,317,296
Total financial liabilities		3,924,551
At 30 June 2022		
Other payables and accruals	25	1,959,664
Dividend payable		6,634,592
Total financial liabilities		8,594,256

The Group's and the Company's exposure to various risks associated with the financial instruments is discussed in Note 3(b). The maximum exposure to credit risk at the end of the financial year is the carrying amount of each class of financial assets mentioned above.

29 SEGMENTAL INFORMATION

The Group's operations comprise the following business segments:

(i) Piling, civil engineering and construction works; and
(ii) Manufacturing (manufacturing of metal containers)

(a) Business segments

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2023			
Revenue			
Construction contracts	289,067,612	–	289,067,612
Sale of goods	–	44,010,779	44,010,779
Total revenue			333,078,391

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2023			
Results			
Segment results	(5,046,145)	2,911,722	(2,134,423)
Unallocated income:			
- interest income			3,732,042
- dividend income			603,508
- unrealised gain on foreign exchange			4,778,659
- others			1,304,247
Total unallocated income			10,418,456
Unallocated costs:			
- fair value loss on financial assets at fair value through profit or loss			(853,381)
- gain on disposals of financial assets at fair value through profit or loss			29,907
- others			(601,753)
Total unallocated costs			(1,425,227)
Finance cost			(972,576)
Profit before taxation			5,886,230
Taxation			(8,005,619)
Loss for the financial year			(2,119,389)
Net assets			
Segment assets	321,859,477	48,715,292	370,574,769
Unallocated assets (including short-term deposits of RM123,712,844 and financial assets at fair value through profit or loss of RM38,202,989)			180,572,653
Total assets			551,147,422
Segment liabilities	128,648,755	4,209,012	132,857,767
Unallocated liabilities			18,025,037
Total liabilities			150,882,804

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2023			
Results (continued)			
Other information			
Additions of property, plant and equipment and right-of use assets	10,355,826	5,617,232	15,973,058
Depreciation of property, plant and equipment and right-of-use assets	34,283,093	905,730	35,188,823
Reversal for impairment of receivables	(1,392,572)	–	(1,392,572)
2022			
Revenue			
Construction contracts	401,789,426	–	401,789,426
Sale of goods	–	41,348,283	41,348,283
Total revenue			443,137,709
Results			
Segment results	48,005,035	7,460,507	55,465,542
Unallocated income:			
- interest income			932,078
- dividend income			695,506
- unrealised gain on foreign exchange			1,183,243
- others			544,340
Total unallocated income			3,355,167

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2022			
Results (continued)			
Unallocated costs:			
- fair value loss on financial assets at fair value through profit or loss			(2,754,139)
- loss on disposals of financial assets at fair value through profit or loss			(5,759,060)
- others			(1,073,840)
Total unallocated costs			(9,587,039)
Finance costs			(968,867)
Profit before taxation			48,264,803
Taxation			(7,061,812)
Profit for the financial year			41,202,991
Net assets			
Segment assets	402,740,835	42,638,348	445,379,183
Unallocated assets (including short-term deposits and investment in money market funds of RM81,575,778 and financial assets at fair value through profit or loss of RM46,475,977)			145,875,994
Total assets			591,255,177
Segment liabilities	160,865,187	6,320,413	167,185,600
Unallocated liabilities			23,866,103
Total liabilities			191,051,703

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2022			
Results (continued)			
Other information			
Additions of property, plant and equipment and right-of use assets	21,107,317	215,394	21,322,711
Depreciation of property, plant and equipment and right-of-use assets	32,471,180	782,014	33,253,194
Reversal for impairment of receivables	(1,286,411)	–	(1,286,411)

Segment results comprised profit before taxation, adjusted for unallocated income and cost and finance cost. Unallocated income includes interest income, dividend income and gain on disposal of financial assets at fair value through profit or loss and fair value gain on financial assets at fair value through profit or loss. Unallocated costs represent fair value loss on financial assets through profit or loss, loss on disposal of financial assets through profit or loss, corporate expenses, and property maintenance expenses. Unallocated assets include financial assets at fair value through profit or loss, short-term deposits, and freehold land and buildings used for head office purposes. Unallocated liabilities include taxation, deferred tax liabilities and dividend payable.

Capital expenditure comprises additions to property, plant and equipment (Note 12).

(b) Geographical information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Group				
Malaysia	84,156,702	87,541,843	42,621,757	40,728,425
Singapore	248,921,689	355,595,866	127,165,586	134,363,450
	333,078,391	443,137,709	169,787,343	175,091,875

Non-current assets information presented above exclude financial instruments and deferred tax assets as presented in the consolidated statements of financial position.

29 SEGMENTAL INFORMATION (CONTINUED)

(c) Major customers

Revenue of approximately RM196,140,255 (2022: RM265,570,546) is derived from the Group's top five customers. The revenue contributed by these top five customers individually range from RM25,000,000 to RM60,000,000 (2022: RM26,000,000 to RM95,000,000). This revenue is attributable to piling, civil engineering and construction works segment.

30 ARBITRATION

In the previous financial year, the Group served a notice to arbitrate on a customer for one of its projects in Malaysia due to non-payment of the remaining outstanding balance by the customer following the termination of the project in 2018. Both parties agreed on a sole arbitrator in June 2020, and in accordance with the direction of the arbitrator, the Group submitted its statement of claim amounting to RM9.9 million in July 2020. The customer subsequently submitted its counterclaim of approximately RM83 million in August 2020, comprising mainly estimated rectification costs, liquidated ascertained damages, overhead costs, idling costs and loss of profits.

Based on the final judgement in 11 May 2023, the arbitrator published his award that the customer has to pay the Group of RM1,431,430 and simple interest at the rate of 5% per annum on the award sum.

31 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 September 2023.

STATEMENT BY DIRECTORS

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

We, Dr Chiu Hong Keong and Khoo Yok Kee, being two of the Directors of Pintaras Jaya Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 45 to 117 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and the financial performance of the Group and of the Company for the financial year ended 30 June 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 September 2023.

DR CHIU HONG KEONG
CHAIRMAN

KHOO YOK KEE
DIRECTOR

STATUTORY DECLARATION

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

I, Khoo Yok Kee, being the Director primarily responsible for the financial management of Pintaras Jaya Berhad, do solemnly and sincerely declare that the financial statements set out on pages 45 to 117 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KHOO YOK KEE
(MIA No. 7010)

Subscribed and solemnly declared by the abovenamed at Petaling Jaya, Selangor Darul Ehsan on 21 September 2023.

Before me:

WONG CHOY YIN
No. B508
COMMISSIONER FOR OATHS
Petaling Jaya

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PINTARAS JAYA BERHAD

(Incorporated in Malaysia)
Registration No. 198901012591 (189900 H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Pintaras Jaya Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 45 to 117

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

TO THE MEMBERS OF PINTARAS JAYA BERHAD

(Incorporated in Malaysia)
Registration No. 198901012591 (189900 H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue and profit recognition - Construction contracts The Group recognises revenue from construction contracts in the statement of comprehensive income by using the stage- of-completion method. The stage of completion is measured by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project. The Group recognised revenue and cost from construction contracts of RM289 million and RM283 million respectively for the financial year ended 30 June 2023 as disclosed in Note 5 and Note 7 to the financial statements, respectively. Construction contracts accounting is inherently complex and we focused on this area because there is judgement involved in the following areas: • Extent of construction costs incurred to date • Estimated total construction costs • Change in scope • Uncertified variation orders and claims with customers • Extent of liquidated ascertained damages ("LAD") to be recognised Refer to Note 2(j), Note 4(a), Note 5, and Note 17 to the financial statements.	We tested the operating effectiveness of the key controls over the appropriateness of the construction contracts' project budgets, including relevant management's approvals to assess the reliability of the construction costs of the projects. We checked subsequent invoices and sub-contractor claims on a sampling basis, received or paid after year end, to address completeness and cut off of construction costs incurred to date. We checked the extent of costs incurred to date on significant projects by agreeing a sample of costs incurred to supporting documentation, i.e; sub contractors' claim certificates and invoices from vendors. We checked the reasonableness of the estimated total construction costs, including subsequent changes to the costs, of selected projects, by agreeing to supporting documentation, i.e; approved budgets for the construction contracts, correspondences, quotations and variation orders with sub-contractors. We checked the rectification costs accrued on the completed projects to the correspondences with the customers or management's detailed computation on the estimated costs to be incurred on these rectification works. We checked the contract sums by agreeing to the letter of awards. We had discussions with management to understand the nature of the change in scope. We inspected the correspondences from the customers and signed variation orders. For variation orders which have yet to be approved, we checked to the approved payment certificates issued by the customers or the documents supporting the additional work performed to corroborate the key judgement applied by management. We had discussions with management to understand the basis for recognising liquidated ascertained damages for the projects which were delayed.

TO THE MEMBERS OF PINTARAS JAYA BERHAD
(Incorporated in Malaysia)
Registration No. 198901012591 (189900 H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
	We tested management's estimate of the liquidated ascertained damages in respect of the projects which have been delayed to supporting documentation such as correspondences with the customers on the delays, and extension of time approvals issued by the customers, if any. For projects which have been delayed but no liquidated ascertained damages were recorded, we discussed with management on the enforceability of the liquidated ascertained damages by the customers and corroborated with the contractual arrangements and correspondences between the Group and the customers, if any, on the nature of the delay. Based on the procedures performed, we noted no material exceptions.

We have determined that there are no key audit matters to report for the Company.

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 Directors' Report and other contents in the 2023 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

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

TO THE MEMBERS OF PINTARAS JAYA BERHAD
(Incorporated in Malaysia)
Registration No. 198901012591 (189900 H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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:

(a) 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) 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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

TO THE MEMBERS OF PINTARAS JAYA BERHAD
(Incorporated in Malaysia)
Registration No. 198901012591 (189900 H)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

ONG CHING CHUAN
02907/11/2023 J
Chartered Accountant

Kuala Lumpur
21 September 2023

ANALYSIS OF SHAREHOLDINGS

AS AT 25TH AUGUST 2023

Total Number of Shares	:	165,864,800
Class of Share	:	Ordinary share
Voting Rights	:	1 vote per ordinary share
Number of Shareholders	:	2,701

SUBSTANTIAL SHAREHOLDERS

The following are the substantial shareholders of Pintaras Jaya Berhad ("PJB" or "Company") according to the Register of Substantial Shareholders:-

	Direct Interest		Indirect Interest	
Name of Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Pintaras Bina Sdn Bhd	59,836,716	36.08	–	–
Dr Chiu Hong Keong	24,315,720	14.66	72,286,976(1)	43.58
Khoo Yok Kee	12,251,760	7.39	84,350,936(2)	50.86
Urusharta Jamaah Sdn Bhd	11,352,100	6.84	–	–
Khoo Keow Pin	10,633,304	6.41	–	–

Notes:-

(1) Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Madam Khoo Yok Kee, and his son, Mr Chiu Wei Wen, in PJB.

(2) Deemed interest through her shareholding in Pintaras Bina Sdn Bhd and interest held by her spouse, Dr Chiu Hong Keong, and her son, Mr Chiu Wei Wen, in PJB.

DIRECTORS' INTERESTS

Directors' Direct and Indirect Interests in the shares and options over unissued shares in the Company based on the Register of Directors' Shareholdings maintained under Section 219 of the Companies Act 2016 of the Company:-

Issued Ordinary Shares

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Dr Chiu Hong Keong	24,315,720	14.66	72,286,976(1)	43.58
Khoo Yok Kee	12,251,760	7.39	84,350,936(2)	50.86
Chiu Wei Wen	198,500	0.12	–	–
Lim Chee Eng	–	–	–	–
Chiu Wei Siong	–	–	–	–
Phe Kheng Peng	–	–	–	–
Nurhalida Binti Dato' Seri Mohamed Khalil	–	–	–	–

Notes:-

(1) Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Madam Khoo Yok Kee, and his son, Mr Chiu Wei Wen, in PJB.

(2) Deemed interest through her shareholding in Pintaras Bina Sdn Bhd and interest held by her spouse, Dr Chiu Hong Keong, and her son, Mr Chiu Wei Wen, in PJB.

ANALYSIS OF SHAREHOLDINGS

AS AT 25TH AUGUST 2023

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	48	1.78	1,035	0.00
100 to 1,000	484	17.92	352,810	0.21
1,001 to 10,000	1,560	57.75	7,374,000	4.45
10,001 to 100,000	523	19.36	14,841,555	8.95
100,001 to less than 5% of issued shares	81	3.00	37,226,160	22.44
5% and above of issued shares	5	0.19	106,069,240	63.95
	2,701	100.00	165,864,800	100.00

AS AT 25TH AUGUST 2023

THIRTY LARGEST SHAREHOLDERS
(as shown in the Record of Depositors)

	Name of Shareholders	No. of Shares	%
1.	Pintaras Bina Sdn Bhd	59,768,116	36.03
2.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Exempt an for CGS-CIMB Securities (Singapore) Pte Ltd (Retail Clients)*	12,500,000	7.54
3.	Chiu Hong Keong	11,815,720	7.12
4.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (1)*	11,352,100	6.84
5.	Khoo Keow Pin	10,633,304	6.41
6.	Khoo Yok Kee	8,175,760	4.93
7.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Khoo Yok Kee (PB)*	4,000,000	2.41
8.	Neoh Choo Ee & Company, Sdn Berhad	2,800,000	1.69
9.	Soo Jian Yeu	1,340,000	0.81
10.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	1,211,500	0.73
11.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Deutsche Trustees Malaysia Berhad for Eastspring Investments Islamic Small-Cap Fund*	906,700	0.55
12.	Tan Ai Leng	900,000	0.54
13.	Dynaquest Sdn Bhd	800,000	0.48
14.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Singular Value Fund*	799,300	0.48
15.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chong Khong Shoong*	720,000	0.43
16.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chong Khong Shoong (E-IMO/JSI)*	615,000	0.37
17.	Fong Ting Wong	611,300	0.37
18.	Lim Pui Ngan	546,000	0.33
19.	Sow Tiap	540,000	0.33
20.	Yeo Khee Huat	535,200	0.32
21.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (RHB INV)*	490,500	0.30
22.	Chong Ik Poh	473,000	0.29
23.	Lim Pui Ying	428,000	0.26
24.	Kejutaan Vital Properties Sdn Bhd	400,000	0.24
25.	Affin Hwang Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Little Rain Assets Limited*	390,500	0.24
26.	Goh Thong Beng	370,000	0.22
27.	Guan Tak Chuan	360,000	0.22
28.	Platigold Sdn Bhd	356,900	0.21
29.	Khoo Hwee @ Khoo Yew	330,000	0.20
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tri Dato Intepris Sdn Bhd (7005762)*	320,000	0.19
	TOTAL	134,488,900	81.08

AS AT 30TH JUNE 2023

Location	Tenure	Description / Existing Use	Age Of Buildings (Years)	Approx. Area (Sq. m.)	Net Book Value at 30.06.2023 RM'000	Date of Acquisition
H.S.(D) 80039 P.T. No. 14351 Mukim Damansara Daerah Petaling Negeri Selangor	Freehold	Land with Building / Factory cum Office Premises	31	19,984	9,403	20.12.1991
Lot 46 Seksyen U1 Glenmarie Industrial Estate Mukim of Damansara District of Klang Selangor Darul Ehsan	Freehold	Land with Building / Office cum Warehouse	26	4,251	3,834	05.08.1994
Lot 6100 Mukim of Kapar District of Klang Selangor Darul Ehsan	Freehold	Industrial Land / Store and Casting Yard	–	40,494	4,134	16.03.1995
No. 17, Jalan Clover 6 Clover Garden Residence 63100 Cyberjaya Selangor	Freehold	3 Storey Semi Detached House / Residential	7	297	1,492	25.03.2014
No. 19, Jalan Clover 6 Clover Garden Residence 63100 Cyberjaya Selangor	Freehold	3 Storey Semi Detached House / Residential	7	297	1,500	25.03.2014
No. 21, Jalan Clover 6 Clover Garden Residence 63100 Cyberjaya Selangor	Freehold	3 Storey Semi Detached House / Residential	7	297	1,500	25.03.2014
12R Enterprise Road Enterprise 10 Singapore 627696	30 years' leasehold expiring in 2037	3 Storey Industrial Terrace Unit / Office	14	653	2,439	14.03.2019
12S Enterprise Road Enterprise 10 Singapore 627696	30 years' leasehold expiring in 2037	3 Storey Industrial Terrace Unit / Office	14	648	3,273	10.09.2015
71 Woodlands Industrial Park E9 #01-10, Wave 9 Singapore 757048	30 years' leasehold expiring in 2044	Ground Floor Industrial Unit / Factory	6	362	3,290	07.04.2016
H2O@Ara Damansara No. 1, Jalan PJU 1A/3 Ara Damansara 47301 Petaling Jaya Selangor	Freehold	4 units of SOHO / Residential	5	98 per unit	2,758	06.09.2022

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PINTARAS JAYA BERHAD
Registration No. 198901012591 (189900-H)
(Incorporated in Malaysia)

PROXY FORM

No. of Shares Held	
CDS Account No.	- -

*I/We ____
(Full Name in Capital Letters)

NRIC/Passport/Registration No. ____

of ____
(Address)

____being a member(s) of PINTARAS JAYA BERHAD, hereby appoint

PROXY 1		No. of Shares	%
Full name as per NRIC/ Passport			
NRIC/ Passport No.			

PROXY 2		No. of Shares	%
Full name as per NRIC/ Passport			
NRIC/ Passport No.			
	TOTAL SHARES:		100%

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-Fourth ("34th") Annual General Meeting of Pintaras Jaya Berhad ("Company") to be held at OWG, Inspire Ballroom, No. 10, Jalan Pelukis U1/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 20 October 2023 at 10.00 a.m. and at any adjournment thereof.

NO.	AGENDA	RESOLUTION	FOR	AGAINST
	ORDINARY BUSINESS			
1.	To approve the payment of final single-tier dividend of 3 sen per ordinary share.	Ordinary Resolution 1		
2.	To approve the Directors' fees for the financial year ending 30 June 2024.	Ordinary Resolution 2		
3.	To re-elect Khoo Yok Kee as a Director.	Ordinary Resolution 3		
4.	To re-elect Chiu Wei Wen as a Director.	Ordinary Resolution 4		
5.	To re-elect Lim Chee Eng as a Director.	Ordinary Resolution 5		
6.	To re-elect Nurhalida Binti Dato' Seri Mohamed Khalil as a Director.	Ordinary Resolution 6		
	SPECIAL BUSINESS			
7.	Proposed Authority to Issue Shares and Waiver of Statutory Pre-Emptive Rights of the Shareholders	Ordinary Resolution 7		
8.	Proposed Renewal of Share Buy-Back Authority.	Ordinary Resolution 8		

Please indicate with (X) in the space provided how you wish your vote to be cast, in the absence of any specific direction, your proxy will vote or abstain at his/her discretion.

Dated this ____________ day of ___________________ 2023

Tel No. ___________________________________

....
Signature(s)/Common Seal of Shareholder(s)

** Delete where inapplicable.*

Notes :-

(1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
(2) To be valid, this form, duly completed must be deposited at the Registered Office at No. 8, Jalan Majistret U1/26, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.
(3) A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
(5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
(6) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
(7) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
(8) A depositor shall not be regarded as a member entitled to attend this general meeting and to speak and vote thereat unless his/her name appears in the Register of Members and/or Record of Depositors as at 13 October 2023 issued by Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") upon request by the Company in accordance with the rules of the Bursa Depository.

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AFFIX
STAMP

PINTARAS JAYA BERHAD
Registration No. 198901012591 (189900-H)
No. 8 JALAN MAJISTRET U1/26
HICOM-GLENMARIE INDUSTRIAL PARK
40150 SHAH ALAM
SELANGOR DARUL EHSAN

2nd Fold Here

Fold This Flap For Sealing