

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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**MUDAJAYA GROUP BERHAD**  
Registration No. 200301003119 (605539-H)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

- I. **PROPOSED VARIATION TO VARY THE MODE OF THE SETTLEMENT OF THE AMOUNT OWING BY MUDAJAYA GROUP BERHAD ("MUDAJAYA") TO MINYI HOLDINGS LIMITED OF HKD216.76 MILLION (EQUIVALENT TO RM130.06 MILLION) FROM WHOLLY IN CASH, TO A COMBINATION OF CASH AND THE ISSUANCE OF NEW ORDINARY SHARES IN MUDAJAYA ("MUDAJAYA SHARE(S)" OR "SHARE(S)"); AND**
- II. **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 531,480,223 NEW MUDAJAYA SHARES ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 4 EXISTING SHARES HELD, TOGETHER WITH UP TO 531,480,223 FREE DETACHABLE WARRANTS IN MUDAJAYA ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*

**UOBKayHian**

**UOB Kay Hian Securities (M) Sdn Bhd**  
(Registration No. 199001003423 (194990-K))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") together with the Proxy Form are enclosed in this Circular. The EGM of Mudajaya will be conducted as a virtual meeting through live streaming, with remote participation and online voting facilities, via the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd in Malaysia on the following date and time or any adjournment thereof. Shareholders are advised to refer to the Notice of EGM together with the Proxy Form and Administrative Guide for the EGM, which can be downloaded from Mudajaya's website at [www.mudajaya.com](http://www.mudajaya.com) under the "*Investor Relations*" section and Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under "*Company Announcements*".

A member of Mudajaya who is entitled to participate and vote at the EGM, is entitled to appoint a proxy or proxies to participate and vote on his/ her behalf. In such event, the instrument appointing a proxy must be deposited not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, at the office of Mudajaya's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally, by fax at (603) 7890 4670, by electronic mail to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com), or by sending it through the post, or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. The lodging of the Proxy Form shall not preclude you from participating and voting at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Tuesday, 11 June 2024 at 4:00 p.m.
Date and time of the EGM	: Thursday, 13 June 2024 at 4:00 p.m. or immediately upon the conclusion of the 21 <sup>st</sup> Annual General Meeting of Mudajaya held at the same venue and on the same day at 2:30 p.m., whichever is later or at any adjournment thereof

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	: Companies Act 2016
"Acquisition"	: Acquisition by Xelmont, an indirect wholly-owned subsidiary of Mudajaya, of the entire equity interest in Real Jade for the total cash consideration of HKD400.00 million (equivalent to RM240.00 million)
"Amount Owing to MHL"	: Amount owing to the Vendor up until 8 August 2024, tantamount to a total of HKD216.76 million (equivalent to RM130.06 million), consisting of the balance consideration of HKD199.00 million (equivalent to RM119.40 million), along with the 21 months outstanding interest of HKD17.76 million (equivalent to RM10.66 million) accrued since the Completion
"BNM"	: Bank Negara Malaysia
"Board"	: Board of Directors of Mudajaya
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"Circular"	: This circular dated 17 May 2024 in relation to the Proposals
"Completion"	: Completion of the Acquisition on 9 November 2022, in which Real Jade has become a wholly-owned subsidiary of Mudajaya
"Consideration Share(s)"	: 250,000,000 new Mudajaya Shares to be issued to the Vendor pursuant to the Proposed Variation
"Deed Poll"	: Deed poll to be executed by the Company constituting the Warrants (to be issued in conjunction with the Proposed Rights Issue with Warrants), as may be supplemented from time to time
"Director(s)"	: The director(s) of Mudajaya and shall have the meaning given in Section 2(1) of the Capital Markets And Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposals were agreed upon:-  (i) a director of Mudajaya, its subsidiaries or holding company; and  (ii) a chief executive of Mudajaya, its subsidiaries or holding company
"EGM"	: Extraordinary General Meeting
"Entitled Shareholders"	: Shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on the Entitlement Date
"Entitlement Date"	: A date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue with Warrants

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## DEFINITIONS

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"EPS"	: Earnings per Share
"Full Subscription Level"	: A full subscription of the Rights Issue with Warrants basis, which entails the issuance of up to 531,480,223 Rights Shares together with up to 531,480,223 Warrants, comprising the Undertakings and underwriting arrangement to raise the total gross proceeds of RM90.35 million
"FYE"	: Financial year ended/ ending
"GDP"	: Gross domestic product
"HKD"	: Hong Kong Dollar
"Initial Circular"	: Circular to shareholders of Mudajaya dated 3 October 2022 in relation to the Acquisition
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 2 May 2024, being the latest practicable date prior to the printing and despatch of this Circular
"LTD"	: 28 November 2023, being the last traded day of Mudajaya Shares prior to the date of the announcement of the Proposals
"Market Day"	: A day on which the Bursa Securities stock market is open for trading in securities, which may include a surprise holiday*
	*A "surprise holiday" refers to a day declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MCB"	: Mudajaya Corporation Berhad, a wholly-owned subsidiary of Mudajaya
"MHL" or the "Vendor"	: Minyi Holdings Limited
"Mudajaya" or the "Company"	: Mudajaya Group Berhad
"Mudajaya Group" or the "Group"	: Mudajaya and its subsidiaries, collectively
"Mudajaya Share(s)" or "Share(s)"	: Ordinary share(s) in Mudajaya
"NA"	: Net assets attributable to the owners of the Company
"PAT"/ "(LAT)"	: Profit/ (Loss) after tax
"PRC"	: People's Republic of China
"Proposals"	: Proposed Rights Issue with Warrants and Proposed Variation, collectively

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## DEFINITIONS

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"Proposed Rights Issue with Warrants"	: Proposed renounceable rights issue of up to 531,480,223 Rights Shares on the basis of 1 Rights Share for every 4 existing Shares held, together with up to 531,480,223 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for, on the Entitlement Date
"Proposed Variation"	: Proposed variation to vary the mode of the settlement of the Amount Owing to MHL from wholly in cash, to a combination of cash and the issuance of Consideration Shares
"Protégé" or the "Independent Market Researcher"	: Protégé Associates Sdn Bhd
"RE"	: Renewable energy
"Real Jade"	: Real Jade Limited, an indirect wholly-owned subsidiary of Mudajaya
"Record of Depositors"	: A record consisting of names of depositors established and maintained by Bursa Depository under the rules of Bursa Depository
"Rights Share(s)"	: Up to 531,480,223 new Mudajaya Shares to be issued pursuant to the Proposed Rights Issue with Warrants
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Rules"	: Rules on Take-Overs, Mergers and Compulsory Acquisitions
"TERP"	: Theoretical ex-rights price
"Undertaking Shareholders"	: YSSB and MHL, collectively
"Undertakings"	: The irrevocable and unconditional undertakings provided by the Undertaking Shareholders vide their letters dated 29 November 2023 to subscribe in full for their respective entitlements based on their shareholdings as at the Entitlement Date
"UOBKH" or the "Adviser"	: UOB Kay Hian Securities (M) Sdn Bhd
"Variation Agreement"	: Conditional variation agreement entered between Mudajaya, Xelmont, MHL and Real Jade dated 29 November 2023 in relation to the Proposed Variation
"VWAP"	: Volume weighted average market price
"Warrant(s)"	: Up to 531,480,223 free detachable warrants in Mudajaya to be issued pursuant to the Proposed Rights Issue with Warrants
"Xelmont"	: Xelmont Limited, an indirect wholly-owned subsidiary of Mudajaya
"YSSB"	: Yakin Setiamas Sdn Bhd

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## DEFINITIONS

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References to "we", "us", "our" and "ourselves" are to Mudajaya, and where the context otherwise requires, the subsidiaries of the Company. All references to "you" or "your(s)" in this Circular are made to shareholders who are entitled to participate and vote at the EGM.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified. Any discrepancies between the amount listed, actual figures and the totals thereof as set out in this Circular are due to rounding.

Unless otherwise stated, the exchange rate of HKD1.00 : RM0.60 being the middle rate quoted by BNM as at 5.00 p.m. on 28 November 2023 (announcement LTD) is applied throughout this Circular.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Mudajaya Group's plans and objectives will be achieved. Shareholders should not place undue reliance on such forward-looking statement, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

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## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the EGM of the Company.

Key information	Description	Reference to Circular																				
Summary	<p><b><u>Proposed Variation</u></b></p> <p>Pursuant to the Initial Circular, the purchase consideration of HKD400.00 million (equivalent to RM240.00 million) was intended to be satisfied entirely in cash in the following manner:-</p> <table><thead><tr><th>Payment terms</th><th>Timing</th><th>HKD'000</th><th>RM'000</th></tr></thead><tbody><tr><td>Initial sum</td><td>By the completion of the Acquisition</td><td>201,000</td><td>120,600</td></tr><tr><td>Balance consideration</td><td>One lump sum payment together with any unpaid accrued interest on or before the expiration of two years after the completion of the Acquisition</td><td>199,000</td><td>119,400</td></tr><tr><td><b>Total</b></td><td></td><td><b>400,000</b></td><td><b>240,000</b></td></tr></tbody></table> <p>The initial sum of HKD201.00 million (equivalent to RM120.60 million) has been settled with the Vendor following the Completion; whereas the balance consideration of HKD199.00 million (equivalent to RM119.40 million) is to be funded through vendor financing at the interest rate of 5% per annum. The Amount Owing to MHL (comprising the balance consideration together with all interest accrued thereon) is required to be repaid to the Vendor on or before 8 November 2024.</p> <p>At this juncture, Mudajaya and the Vendor have mutually agreed to vary the mode of the settlement of the Amount Owing to MHL from wholly in cash, to a combination of cash and the issuance of Consideration Shares.</p>	Payment terms	Timing	HKD'000	RM'000	Initial sum	By the completion of the Acquisition	201,000	120,600	Balance consideration	One lump sum payment together with any unpaid accrued interest on or before the expiration of two years after the completion of the Acquisition	199,000	119,400	<b>Total</b>		<b>400,000</b>	<b>240,000</b>	Section 2				
Payment terms	Timing	HKD'000	RM'000																			
Initial sum	By the completion of the Acquisition	201,000	120,600																			
Balance consideration	One lump sum payment together with any unpaid accrued interest on or before the expiration of two years after the completion of the Acquisition	199,000	119,400																			
<b>Total</b>		<b>400,000</b>	<b>240,000</b>																			
	<p><b><u>Proposed Rights Issue with Warrants</u></b></p> <p>The Proposed Rights Issue with Warrants entails an issuance of up to 531,480,223 Rights Shares at the issue price of RM0.17 each, on the basis of 1 Rights Share for every 4 existing Shares held, together with up to 531,480,223 Warrants on the basis of 1 Warrant for each Rights Share subscribed for by the Entitled Shareholders on the Entitlement Date.</p> <p>The Proposed Rights Issue with Warrants will be undertaken on a full subscription basis.</p>	Section 3																				
Utilisation of proceeds	<p>Based on the issue price of RM0.17 per Rights Share, the RM90.35 million gross proceeds to be raised from the Proposed Rights Issue with Warrants will be utilised in the following manner:-</p> <table><thead><tr><th>Details of utilisation</th><th>Timeframe of utilisation from completion</th><th>RM'000</th><th>%</th></tr></thead><tbody><tr><td>Settlement of Amount Owing to MHL</td><td>Within 10 Business Days</td><td>75,058</td><td>83.1</td></tr><tr><td>Working capital</td><td>Within 12 months</td><td>14,544</td><td>16.1</td></tr><tr><td>Estimated expenses</td><td>Upon completion</td><td>750</td><td>0.8</td></tr><tr><td><b>Total</b></td><td></td><td><b>90,352</b></td><td><b>100.0</b></td></tr></tbody></table>	Details of utilisation	Timeframe of utilisation from completion	RM'000	%	Settlement of Amount Owing to MHL	Within 10 Business Days	75,058	83.1	Working capital	Within 12 months	14,544	16.1	Estimated expenses	Upon completion	750	0.8	<b>Total</b>		<b>90,352</b>	<b>100.0</b>	Section 3.7
Details of utilisation	Timeframe of utilisation from completion	RM'000	%																			
Settlement of Amount Owing to MHL	Within 10 Business Days	75,058	83.1																			
Working capital	Within 12 months	14,544	16.1																			
Estimated expenses	Upon completion	750	0.8																			
<b>Total</b>		<b>90,352</b>	<b>100.0</b>																			

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## EXECUTIVE SUMMARY

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Key information	Description	Reference to Circular
<b>Rationale</b>	<p><b><u>Proposed Variation</u></b></p> <p>Upon the early settlement of the Amount Owing to MHL, the Group would no longer incur finance costs and foreign exchange losses in relation to the vendor financing.</p>	<b>Section 4.1</b>
	<p><b><u>Proposed Rights Issue with Warrants</u></b></p> <p>i. Strengthen the financial position and capital base of the Company by reducing its gearing level and increasing its NA;</p> <p>ii. Help position the Group on a better financial footing to expand its business in the future;</p> <p>iii. Provide all Entitled Shareholders with an opportunity to participate in the prospects and future growth of the Group on a pro-rata basis; and</p> <p>iv. Enable the Company to raise the requisite funds without incurring additional interest expense.</p>	<b>Section 4.2</b>
<b>Approvals required/ obtained</b>	<p>The Proposals are subject to the following approvals:-</p> <p>i. Bursa Securities, which was obtained on 29 April 2024;</p> <p>ii. shareholders of the Company at the EGM; and</p> <p>iii. any other relevant authorities and/ or parties, if required.</p> <p>The Proposed Rights Issue with Warrants is conditional upon the Proposed Variation, but not vice versa. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.</p>	<b>Section 9</b>
<b>Interested parties</b>	<p>None of the Directors, major shareholders, chief executive of the Company and/ or persons connected with them have any interest, whether direct and/ or indirect, in the Proposals, save for their respective entitlements under the Proposed Rights Issue with Warrants, to which all Entitled Shareholders are similarly entitled.</p>	<b>Section 10</b>
<b>Board's recommendation</b>	<p>The Board recommends that you <b>VOTE IN FAVOUR</b> of the resolutions pertaining to the Proposals at the forthcoming EGM.</p>	<b>Section 11</b>





**MUDAJAYA GROUP BERHAD**  
Registration No. 200301003119 (605539-H)  
(Incorporated in Malaysia)

**Registered Office**

PH1, Menara Mudajaya  
No. 12A, Jalan PJU 7/3  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

17 May 2024

**Board of Directors**

Ir. James Wong Tet Foh (*Non-Independent Executive Chairman*)  
Dato' Amin Rafie Bin Othman (*Independent Non-Executive Deputy Chairman*)  
Chew Hoy Ping (*Senior Independent Non-Executive Director*)  
Oei Su Lee (*Independent Non-Executive Director*)

**To: The shareholders of Mudajaya**

Dear Sir/ Madam,

- I. **PROPOSED VARIATION; AND**
  - II. **PROPOSED RIGHTS ISSUE WITH WARRANTS**
- 

**1. INTRODUCTION**

**(I). Announcement dated 29 November 2023**

On 29 November 2023 ("**Initial Announcement**"), UOBKH had, on behalf of the Board, announced that Mudajaya proposed to undertake the following:-

- i. to vary the mode of the settlement of the amount owing by Mudajaya to MHL of HKD213.27 million (equivalent to RM127.96 million) from wholly in cash, to a combination of cash and the issuance of Consideration Shares; and
- ii. a renounceable rights issue of up to 531,480,223 Mudajaya Shares on the basis of 1 Rights Share for every 4 existing Shares held, together with up to 531,480,223 Warrants on the basis of 1 Warrant for each Rights Share subscribed for on the Entitlement Date.

As stated in the Initial Announcement, the Proposals were intended to be inter-conditional upon each other, with the understanding that the proceeds from the Proposed Rights Issue with Warrants would be used to settle the cash consideration of the Proposed Variation. In other words, the completion of the Proposed Variation was intended to be subject to the successful implementation of the Proposed Rights Issue with Warrants, as the cash consideration of the Proposed Variation would be solely financed via the proceeds to be raised from the Proposed Rights Issue with Warrants.

**(II). Announcement dated 4 April 2024**

On 4 April 2024, UOBKH had announced that after due deliberation of the structure of the Proposals, the Board has decided to expand the source of funding for the cash consideration of the Proposed Variation, thereby allowing the Company to have more flexibility to leverage on other funding alternatives to settle the cash consideration with the Vendor, to cater for such unlikely event where the Proposed Rights Issue with Warrants does not materialise or complete as intended.

Pursuant to the foregoing, the Proposed Variation will not be conditional upon the Proposed Rights Issue with Warrants as the completion of the Proposed Variation will not be dependent on the successful implementation of the Proposed Rights Issue with Warrants. However, the Proposed Rights Issue with Warrants will remain conditional upon the Proposed Variation as the main objective of the Proposed Rights Issue with Warrants is to finance the cash consideration of the Proposed Variation as highlighted in **Section 3.7** of this Circular.

Premised on the above, the Proposed Rights Issue with Warrants shall be conditional upon the Proposed Variation, but not vice versa. Furthermore, based on the Board's assessment on the progress of the Proposals, the Proposals are now expected to be completed in August 2024, as opposed to the initial timeframe of April 2024 stipulated in the Initial Announcement. As such, the amount owing by Mudajaya to MHL has increased from HKD213.27 million (equivalent to RM127.96 million) as of April 2024 to HKD216.76 million (equivalent to RM130.06 million) as of August 2024.

**(III). Announcement dated 30 April 2024**

On 30 April 2024, UOBKH had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 29 April 2024, resolved to approve the following:-

- i. listing and quotation of 250,000,000 Consideration Shares to be issued pursuant to the Proposed Variation;
- ii. admission of the Warrants to the official list of Bursa Securities;
- iii. listing and quotation of up to 531,480,223 Rights Shares and up to 531,480,223 Warrants pursuant to the Proposed Rights Issue with Warrants; and
- iv. listing and quotation of up to 531,480,223 new Mudajaya Shares to be issued arising from the exercise of the Warrants,

on the Main Market of Bursa Securities, subject to the terms and conditions as set out in **Section 9** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE EGM. THE NOTICE OF THE EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE EGM.**

## 2. DETAILS OF THE PROPOSED VARIATION

### (I). Initial Circular

Reference is made to circular to the shareholders of Mudajaya dated 3 October 2022, regarding the acquisition by Xelmont, an indirect wholly-owned subsidiary of Mudajaya, of the entire equity interest in Real Jade. The purchase consideration for the Acquisition was HKD400.00 million (equivalent to RM240.00 million) and was intended to be satisfied entirely in cash in the following manner:-

Payment terms	Timing	HKD'000	RM'000	%
Initial sum	By the completion of the Acquisition	201,000	120,600	50.3
Balance consideration	One lump sum payment together with any unpaid accrued interest on or before the expiration of two years after the completion of the Acquisition	199,000	119,400	49.7
<b>Total</b>		<b>400,000</b>	<b>240,000</b>	<b>100.0</b>

The initial sum of HKD201.00 million (equivalent to RM120.60 million) has been settled with the Vendor following the completion of the Acquisition on 9 November 2022, in which Real Jade has become a wholly-owned subsidiary of Mudajaya. The initial sum was settled in the following manner:-

Payment date	Source of funds	HKD'000	RM'000
20.10.2022	Internally generate funds	15,980	9,588
01.11.2022	Proceeds from the exercise of Warrants A (as defined in <b>Section 3.9</b> of this Circular)	185,020	111,012
		<b>201,000</b>	<b>120,600</b>

On the other hand, the balance consideration of HKD199.00 million (equivalent to RM119.40 million) was to be funded through vendor financing at the interest rate of 5% per annum. The balance consideration together with all interest accrued thereon is required be repaid to the Vendor on or before 8 November 2024.

For shareholders' information, upon the signing of the principal agreement dated 30 June 2022 pertaining to the Acquisition, Mudajaya recorded cash and bank balances of RM125.5 million on even date, out of which RM76.2 million were pledged deposits with financial institutions as collateral against the financing facilities provided by the financial institutions. Amongst which, a Sukuk facility drawdown in 2018 for the construction of the 49 Megawatts ("**MW**") Solar Photovoltaic Power Plant in Sungai Siput, Perak, which was completed in November 2018. The remaining RM49.3 million was designated as cash reserves, vital for funding the Group's working capital requirements, mainly for the construction of Light Rail Transit ("**LRT**") Line 3 Package GS01 ("**LRT3 GS01**") project, which is expected to be completed in September 2024. As at the LPD, the LRT3 GS01 project is 94% complete.

Considering the Group's financial capability at that point in time, where its cash and bank balances were already reserved for other purposes (i.e., pledged deposits and working capital), the Board then decided to opt for vendor financing as settlement of the balance consideration, as it provides the Group with an additional period to meet its payment obligations to the Vendor (i.e. on or before the expiration of two years after the completion of the Acquisition). Furthermore, the interest rate of 5% per annum charged by the Vendor was lower than the Group's then weighted average interest rate of 5.86%.

Notwithstanding the foregoing, the Board still decided to embark on the Acquisition as it represents a horizontal expansion of the Group's manufacturing & trading segment to expand its revenue stream as well as geographical reach outside of Malaysia and inroads into the PRC market. In the long-run, this would enable the Group to attain a wider market presence and marketability of its range of construction materials which can be offered to both local and international customers. Through the Acquisition, Mudajaya Group would gain regional presence in the PRC's construction materials industry.

**(II). Early settlement of the Amount Owing to MHL**

According to the principal agreement, it was mutually agreed by the parties that the interest shall only be repaid to the Vendor on a yearly basis for any portion of the outstanding balance consideration. The first and last repayment dates fall on 8 November 2023 ("**First Due Date**") and 8 November 2024 ("**Last Due Date**"), respectively.

For illustration purposes, the table below demonstrates the total amount owing to MHL, comprising the balance consideration and all outstanding interest to be incurred by the Company under different settlement scenarios:-

Balance consideration from the Acquisition	Term (Months)	Cut-off date	Outstanding interest	Total amount owing to MHL
↑ HKD199.00 mil (RM119.40 mil) ↓	0	09.11.2022	-	HKD199.00 mil (RM119.40 mil)
	1	08.12.2022	HKD0.82 mil (RM0.49 mil)	HKD199.82 mil (RM119.89 mil)
	12	08.11.2023 <i>(First Due Date)</i>	HKD9.95 mil (RM5.97 mil)	HKD208.95 mil (RM125.37 mil)
	21	08.08.2024 <i>(target completion)</i>	HKD17.76 mil (RM10.66 mil)	HKD216.76 mil (RM130.06 mil)
	24	08.11.2024 <i>(Last Due Date)</i>	HKD20.40 mil (RM12.24 mil)	HKD219.40 mil (RM131.64 mil)

Before the First Due Date, the management assessed the Group's financial capability during the FYE 31 December 2023, noting that its cash and bank balances were already reserved for other purposes (i.e., pledged deposits and working capital). Although the Group recorded cash and bank balances of RM307.0 million as at 31 December 2023, RM154.5 million are pledged deposits with financial institutions. These deposits serve as collateral against the Group's bank facilities, such as Sukuk and term loan. The Sukuk was drawdown in 2018 for the construction of the 49 MW Solar Photovoltaic Power Plant in Sungai Siput, Perak, while term loan was drawdown in 2022 for the refinancing of the 10 MW Solar Photovoltaic Power Plant in Gebeng, Pahang. The remaining RM152.5 million is designated as cash reserves, vital for funding the Group's day-to-day operations, including inventory procurement, supplier payments and operating expenses.

Following this, the management explored other options with financial institutions to settle the amount owing to MHL. However, the proposed interest rates (i.e., 6.5% - 7.5%) were considerably higher than the vendor financing rate of 5% per annum, rendering it infeasible to proceed. Therefore, the Company opted for equity financing as an alternative to settle the amount owing to MHL. Additionally, the partial settlement via the issuance of Consideration Shares will help preserve the Group's liquidity and financial flexibility for its operational needs. It recorded net cash from operating activities of RM30.9 million for the FYE 31 December 2023 (FYE 31 December 2022: RM(30.2) million).

### (III). Proposed Variation

Following the First Due Date, negotiations commenced between Mudajaya and the Vendor regarding the terms of the Proposals. The parties have mutually agreed to enter into the Variation Agreement for the early settlement of the Amount Owing to MHL, which comprises:-

Payment terms	Settlement	HKD'000	RM'000	%
Balance consideration	Tentatively by August 2024	199,000	119,400	91.8
Interest cost	Tentatively by August 2024	17,764	10,658	8.2
<b>Amount Owing to MHL</b>		<b>216,764</b>	<b>130,058</b>	<b>100.0</b>

At this juncture, the Company anticipates that the Proposals will be completed in August 2024, hence the balance consideration will be paid in full, including the outstanding interest. The early settlement of the Amount Owing to MHL by August 2024 is expected to result in interest cost savings of up to HKD2.63 million (equivalent to RM1.58 million) for the FYE 31 December 2024. However, should there be any delays to the completion of the Proposals, the interest will continue to accrue up to the actual completion date.

Further, Mudajaya and the Vendor have mutually agreed to vary the mode of the settlement of the Amount Owing to MHL from wholly in cash, to a combination of cash and the issuance of Consideration Shares as follows:-

Payment terms	HKD'000	RM'000	% <sup>*1</sup>
<b>Consideration Shares</b>			
Issuance of 250,000,000 new Shares to the Vendor at RM0.22 each <sup>*2</sup>	91,667	55,000	42.3
<b>Cash Consideration</b>			
Proceeds from the Proposed Rights Issue with Warrants	125,097	75,058	57.7
<b>Amount Owing to MHL</b>	<b>216,764</b>	<b>130,058</b>	<b>100.0</b>

#### Notes:-

<sup>\*1</sup> Allocation of the settlement between the Consideration Shares and Cash Consideration was determined after considering the requirement to maintain a public shareholding spread of at least 25% at all times, as stipulated in Paragraph 8.02 of the Listing Requirements. As illustrated in Section 3.6 of this Circular, the Company has a public shareholding spread of 28.5% as at the LPD. With the issuance of 250,000,000 Consideration Shares to the Vendor, the public shareholding spread will decrease to 25.2%, ensuring continued compliance with the Listing Requirements

<sup>\*2</sup> The 250,000,000 Consideration Shares represent 13.3% of Mudajaya's issued share capital as at the LPD. Upon completion of the Proposed Variation, MHL will become a major shareholder of the Company

In the event the tentative settlement date is delayed beyond August 2024, Mudajaya has until 8 November 2024 (the Last Due Date) to settle the balance consideration in full, including all 24-month interest incurred, thereby foregoing the interest cost savings of up to HKD2.63 million (equivalent to RM1.58 million) ("**Additional Interest Cost**"). The payment of the Additional Interest Cost will be adjusted from the proceeds to be raised from the Proposed Rights Issue with Warrants, which are earmarked for working capital.

Further details on the salient terms of the Variation Agreement are set out in **Appendix I** of this Circular.

## 2.1 Financial information of Real Jade

Summarised in the table below is an overview of Real Jade's financial performance over the last two financial years. For shareholders' information, the Acquisition was completed during the FYE 31 December 2022, on 9 November 2022:-

	Audited FYE 31 December 2022		Audited FYE 31 December 2023	
	HKD'000	RM'000*	HKD'000	RM'000*
Revenue	500,054	281,780	401,319	236,216
Gross profit	127,189	71,671	103,980	61,203
PAT	50,426	28,415	29,822	17,553
Net cash generated from operating activities	43,791	24,676	24,777	14,583

**Note:-**

\* The HKD amount as per the above financial statements have been translated into RM amount based on the following middle rate quoted by BNM as at 5.00 p.m. on the respective end dates for each financial years under review, as follows:-

FYE 31 December 2022 HKD1.00 : RM0.5635  
FYE 31 December 2023 HKD1.00 : RM0.5886

For the past two financial years under review, there were no exceptional or extraordinary items impacting the financial performance of Real Jade. Additionally, no accounting policies were adopted that are peculiar to Real Jade due to the nature of the business or the industry it operates in, and there were no audit qualifications for the financial statements of Real Jade.

### (I). Financial commentaries for the FYE 31 December 2023

For the FYE 31 December 2023, Real Jade recorded a revenue of HKD401.3 million (RM236.2 million), representing a decrease of HKD98.8 million (RM58.2 million) or 19.8% compared to the preceding financial year's revenue of HKD500.1 million (RM281.8 million). This decrease was mainly attributed to lower sales of cement, in tandem with the weak sentiment observed in the cement industry in the PRC, as highlighted in **Section 5.6** of this Circular.

For information purposes, in terms of sales volume, Real Jade recorded a lower 829.9 tonnes of total cement sales for the FYE 31 December 2023 (FYE 31 December 2022: 891.1 tonnes). The revenue in the FYE 31 December 2023 was also impacted by the lower market prices for cement during the said financial year, in which the supply and demand dynamics of cement in the PRC was beyond the control of Real Jade. In particular, based on the China Cement Price Index, the average cement selling price in the PRC reached its lowest point of 105.4 on 22 September 2023. This represented a 41.3% drop from its peak during the FYE 31 December 2022, which stood at 179.5 on 7 January 2022. The average cement selling price in the PRC was Renminbi ("RMB") 320 per tonne on 22 September 2023, as opposed to the RMB545 per tonne recorded on 7 January 2022 during the peak.

Consequently, Real Jade recorded a PAT of HKD29.8 million (RM17.6 million) for the FYE 31 December 2023, representing a decrease of HKD20.6 million (RM12.1 million) or 40.9% compared to the preceding financial year's PAT of HKD50.4 million (RM28.4 million). This decline was in tandem with a decrease in the current year's gross profit by HKD23.2 million (RM13.7 million) or 18.2%. The decrease in PAT and gross profit was mainly attributed to lower cement selling prices resulting from the weak industry sentiment, while Real Jade continued to incur its fixed operating costs such as maintenance for manufacturing facilities, depreciation and utilities in the current year.

For the FYE 31 December 2023, Real Jade recorded positive operating cash flow of HKD24.8 million (RM14.6 million), representing a decrease of HKD19.0 million (RM11.2 million) or 43.4% compared to the preceding financial year's operating cash flow of HKD43.8 million (RM24.7 million). This decrease was in tandem with the lower PAT recorded in the current year, coupled with higher outstanding receivables from its customers, amounting to HKD219.1 million (RM129.0 million) ("**Outstanding Receivables**"). This amount is subject to invoice financing, where the customers have opted for bank bills as the mode of fulfilling their payment obligations to Real Jade ("**Invoice Financing**"). Under such arrangement, the banks will assume the payment obligation of the customers to pay-off the outstanding invoices to Real Jade on the maturity date through the issuance of bank bills to Real Jade that can be redeemed in cash upon maturity.

For avoidance of doubt, these Outstanding Receivables represent trade transactions with external customers who are not related parties. However, since the corresponding bank bills are scheduled for redemption (i.e., maturity) in 2024, they remained outstanding in Real Jade's accounts receivable as at 31 December 2023.

## (II). **Details of the Invoice Financing**

### ○ **Introduction**

Based on the management's knowledge, the Invoice Financing arrangement is a commonly accepted method of settlement in the PRC in lieu of direct cash collection from customers. The maturity of the bank bills falls within the credit terms (30 days to 1 year) granted by Real Jade to its customers. In other words, Real Jade is not required to extend its credit terms to customers to accommodate the Invoice Financing arrangement.

Additionally, this Invoice Financing arrangement arises when the customers of Real Jade opt for bank bills to fulfil their payment obligations to Real Jade. Therefore, the management is not privy of the financing terms agreed upon between the customers of Real Jade and the banks. As for the dealings between Real Jade and the banks, if it wishes to redeem the bank bills before the maturity date, it is required to pay the banks a fee ranging from 2.8% - 3.3% per annum, pro-rated against the outstanding days until maturity ("**Bank Fees**").

In this instance, the bank bills were issued to Real Jade by 2 registered financial institutions in the PRC, namely China Construction Bank Corporation ("**CCB**") and Shanghai Rural Commercial Bank Co., Ltd. ("**SRCB**"). The profiles of CCB and SRCB are summarized as follows:-

- (i) **CCB** is a registered financial institution in the PRC, holding finance approval license No. B10411000H0001 issued by the China Banking Regulatory Commission. Its predecessor, People's Construction Bank of China, was incorporated in Beijing in October 1954. CCB is currently listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange under the stock codes 939 and 601939, respectively.
- (ii) **SRCB** is a registered financial institution in the PRC, holding finance approval license No. B0228H231000001 issued by the China Banking Regulatory Commission. SRCB was incorporated in Shanghai on 23 August 2005, and is currently listed on the Shanghai Stock Exchange under the code 601825.

### ○ **Benefits**

The Invoice Financing arrangement mitigates the credit risk for Real Jade. The outstanding receivables will eventually be settled by the banks on behalf of Real Jade's customers upon maturity, without the need to extend the credit terms (30 days to 1 year) granted to customers. Furthermore, depending on its operational requirements, the management can also choose early redemption of the bank bills before maturity by paying a bank fee, thereby enabling Real Jade to have flexibility in its cash flow management.

○ **Outstanding Receivables**

As at 31 December 2023, the outstanding receivables of Real Jade subject to the Invoice Financing arrangement amounted to HKD219.1 million (RM129.0 million), comprising a total of 7 invoices issued to 2 customers. This represents approximately 17.5% of Real Jade's total receivables of HKD1.3 billion (RM765.2 million) as at 31 December 2023. The details of the Outstanding Receivables, along with the respective Invoice Financing arrangements, are summarized as follows:-

<b>Customer</b>	<b>Bank</b>	<b>Outstanding Receivables (HKD'mil)</b>	<b>Maturity date</b>	<b>Bank fee</b>
Customer A	CCB	9.9	18.04.2024	3.20%
Customer A	CCB	19.9	14.05.2024	3.20%
Customer A	SRCB	18.8	14.06.2024	3.30%
Customer B	CCB	75.4	19.06.2024	2.80%
Customer B	CCB	81.8	19.08.2024	2.80%
Customer A	SRCB	11.4	19.09.2024	3.10%
Customer A	SRCB	1.9	15.10.2024	3.10%
<b>Total</b>		<b>219.1</b>		

Real Jade is not dependent on Customers A and B, as their aggregate revenue contribution was approximately 11.6% for the FYE 31 December 2023. The above invoices issued to the 2 customers were all trade in nature, with the respective maturity dates falling on the last day of the credit terms, starting from the date of invoice issuance. As at 31 December 2023, all of the Outstanding Receivables are within the credit terms (30 days to 1 year).

For shareholders' information, the management of Real Jade is not privy of the financing terms agreed upon between the customers and the banks, including the timing of when the customers opted for the Invoice Financing arrangement. It is only communicated to Real Jade on the date of bank bill issuance.

○ **Contribution to Mudajaya Group**

The FYE 31 December 2023 marks the first full financial year of Real Jade's consolidation into the Group following the completion of the Acquisition in November 2022. Despite its lower financial performance in the current year, Real Jade still contributed substantially to the Group's revenue and PAT for the FYE 31 December 2023:-

	<-----Audited FYE 31 December 2023----->		
	<b>Real Jade RM'000</b>	<b>Mudajaya Group RM'000</b>	<b>Contribution</b>
Revenue	236,216	460,701	51.3%
PAT/ (LAT)	17,553	(31,253)	>100.0%

Since Completion, Mudajaya has not incurred any impairment losses in relation to Real Jade. Barring any unforeseen circumstances, the Board does not foresee any possible impairment loss in Real Jade at this juncture or after the completion of the Proposals.



## 2.2 Background information of the Vendor

MHL was incorporated on 12 October 2020 under the laws of the British Virgin Islands ("BVI") with limited liability. MHL is principally engaged in investment holding.

As at the LPD, MHL has a total issued share capital of USD1 comprising 1 ordinary share. Further, the director of MHL and his shareholding in MHL are as follows:-

Name	Designation	Nationality	<-----Direct interest----->		<-----Indirect interest----->	
			No. of shares	%	No. of shares	%
Cheng Lung Don	Director	Chinese	-	-	1	100 <sup>1</sup>

**Note:-**

<sup>1</sup> Deemed interest by virtue of his shareholding in Mastery Cheers Enterprises and Mastery Holdings, which in turn holds 100.0% equity interest in MHL

As at the LPD, the substantial shareholders of MHL and their shareholdings in MHL are as follows:-

Name	Nationality/ Place of incorporation	<-----Direct interest----->		<-----Indirect interest----->	
		No. of shares	%	No. of shares	%
Master Cheers Enterprises	BVI	1	100	-	-
Mastery Holdings	BVI	-	-	1	100 <sup>1</sup>
Cheng Lung Don	Chinese	-	-	1	100 <sup>2</sup>

**Notes:-**

<sup>1</sup> Deemed interest by virtue of its shareholding in Master Cheers Enterprise, which in turn holds 100.0% equity interest in MHL

<sup>2</sup> Deemed interest by virtue of his shareholding in Mastery Holdings, which in turn holds 100.0% equity interest in Master Cheers Enterprise

As depicted above, Cheng Lung Don ("**Mr. Cheng**") is the sole director and ultimate shareholder of the Vendor, MHL. Aged 69, Mr. Cheng is a Chinese individual living in Hong Kong. He graduated from Hong Kong Baptist University majoring in Accounting. Mr. Cheng is a businessman who has served as a consultant to several listed companies in Hong Kong for the past 25 years. Additionally, he is a strategic investor based in Hong Kong and the PRC, undertaking numerous projects involving corporate restructuring, mergers, and acquisitions for turnaround purposes. For clarification, it is noted that as of 30 October 2022, Mr. Cheng no longer serves as a director overseeing the operations of Real Jade, having been replaced by Ng Qing Hai.

Ng Qing Hai ("**Mr. Ng**"), aged 69, is a Chinese living in Shanghai. He was first appointed the director of Shanghai Allied Cement Co., Limited, a subsidiary of Real Jade, in 1995 and has over 25 years of experience in the cement-related business. Mr. Ng completed a 3 years course in finance and accounting in building materials industry in 1983. He is a non-practising member of The Chinese Institute of Certified Public Accountants. Mr. Ng was the 6<sup>th</sup> Vice Chairman of Shanghai Cement Industrial Association of the PRC, and was a fellow member of the Asian Knowledge Management Association from November 2005 to November 2006. He was appointed as a member of the 11<sup>th</sup> and 12<sup>th</sup> Shandong Provincial Committee of the Chinese People's Political Consultative Conference in January 2013 and January 2018, respectively. Mr. Ng was an Executive Director from December 2011 to September 2018 of Allied Cement Holdings Limited (now known as Tongfang Kontafarma Holdings Limited), and a Non-Executive Director of China Shanshui Cement Group Limited from December 2015 to February 2016.

Pertaining to the Proposals, MHL and Mr. Cheng will subsequently become the major shareholders of Mudajaya upon the issuance of Consideration Shares, and their resultant shareholdings in the Company are as follows:-

Name	After Proposed Variation				After Proposed Rights Issue with Warrants			
	<---Direct interest--->		<---Indirect interest--->		<---Direct interest--->		<---Indirect interest--->	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*2</sup>	No. of Shares	% <sup>*2</sup>
MHL	250,000,000	11.8	-	-	312,500,000	11.8	-	-
Master Cheers Enterprises	-	-	250,000,000	11.8 <sup>*3</sup>	-	-	312,500,000	11.8 <sup>*3</sup>
Mastery Holdings	-	-	250,000,000	11.8 <sup>*4</sup>	-	-	312,500,000	11.8 <sup>*4</sup>
Mr. Cheng	-	-	250,000,000	11.8 <sup>*5</sup>	-	-	312,500,000	11.8 <sup>*5</sup>

**Notes:-**

<sup>\*1</sup> Based on the issued share capital of 2,125,920,895 Shares after the issuance of Consideration Shares

<sup>\*2</sup> Based on the issued share capital of 2,657,401,118 Shares after the issuance of Rights Shares

<sup>\*3</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in MHL

<sup>\*4</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in Master Cheers Enterprises

<sup>\*5</sup> Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Mastery Holdings

### 2.3 Basis and justification of arriving at the issue price of the Consideration Shares

The issue price of RM0.22 per Consideration Share was agreed between Mudajaya and the Vendor on a willing-buyer willing-seller basis, after taking into consideration the prevailing market price of Mudajaya Shares for the past 12 months up to and including the LTD.

The issue prices of RM0.22 per Consideration Share represents a premium to the following VWAPs:-

	Share price RM	Premium RM	%
<b>Last transacted price as at the LTD</b>	0.1750	0.0450	25.7
<b>Up to and including the LTD</b>			
5-day VWAP	0.1746	0.0454	26.0
1-month VWAP	0.1744	0.0456	26.1
3-month VWAP	0.1818	0.0382	21.0
6-month VWAP	0.1899	0.0301	15.9
12-month VWAP	0.1965	0.0235	12.0

(Source: Bloomberg)

Based on the above, the Board opines that the issue price is justifiable as it represents a premium ranging from 12.0% to 26.1% to the last transacted price of Mudajaya Shares as at the LTD and the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs.

Furthermore, the partial settlement via the issuance of Consideration Shares will help preserve the Group's liquidity and financial flexibility for its operational needs. It recorded net cash from operating activities of RM30.9 million for the FYE 31 December 2023 (FYE 31 December 2022: RM(30.2) million). Despite the Group recording cash and bank balances of RM307.0 million as at 31 December 2023, RM154.5 million are pledged deposits, while the remaining RM152.5 million serves as cash reserves essential for funding the Group's day-to-day operations.

The table below sets out the comparison between the issue prices of the Consideration Shares and Rights Shares for shareholders' reference:-

Issue price per Consideration Share under the Proposed Variation	Issue price per Rights Share under the Proposed Rights Issue with Warrants
RM0.22  (represents 25.7% premium to the last transacted price as at the LTD of RM0.1750)	RM0.17  (represents 2.1% discount to the TERP as at the LTD of RM0.1737)

The Board is of the view that issuing the Consideration Shares at a premium is in the best interest of the Company. The higher price and the resultant lower number of Consideration Shares will minimise the dilution of existing shareholders' percentage shareholdings, as opposed to a lower issue price.

Additionally, the Board opines that issuing the Rights Shares at a discount is also in the best interest of the Company. The discounted price is intended to entice Entitled Shareholders to subscribe for the Rights Shares and to ensure that the intended RM90.35 million proceeds are raised to achieve the fundraising objective of the Proposed Rights Issue with Warrants.

#### 2.4 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotment and/ or other forms of distributions where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the date of allotment and issuance of Consideration Shares.

#### 2.5 Listing and quotation of the Consideration Shares

Bursa Securities had, vide its letter dated 29 April 2024, approved the listing and quotation of Consideration Shares to be issued pursuant to the Proposed Variation on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in **Section 9** of this Circular.

#### 2.6 Mode of settlement of the Amount Owing to MHL

Pursuant to the Variation Agreement, the Amount Owing to MHL shall be satisfied in the following manner:-

Payment terms	Timing	HKD'000	RM'000	%
Consideration Shares	within 10 Business Days from the EGM of Mudajaya convened to approve the issuance of Consideration Shares	91,667	55,000	42.3
Cash Consideration	within 10 Business Days from the listing of the Rights Shares	125,097	75,058	57.7
<b>Amount Owing to MHL</b>		<b>216,764</b>	<b>130,058</b>	<b>100.0</b>

For avoidance of doubt, the Board intends to fully repay the Amount Owing to MHL by August 2024.

## **2.7 Liabilities to be assumed**

Save for the obligation and liabilities in and arising from, pursuant to or in connection with the Variation Agreement, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by the Group pursuant to the Proposed Variation.

## **2.8 Additional financial commitment required**

Save for the Amount Owing to MHL, there are no additional financial commitments to be incurred by the Group towards the Vendor.

## **2.9 Source of funding**

The Amount Owing to MHL will be satisfied via cash and the issuance of Consideration Shares to the Vendor. The cash payment is intended to be financed through the proceeds to be raised from the Proposed Rights Issue with Warrants. In the event that Mudajaya is unable to raise the necessary funds from the Proposed Rights Issue with Warrants to satisfy the cash consideration of the Proposed Variation, it may resort to other funding alternatives such as internally generated funds and/ or bank borrowings to pay off the Vendor.

Under such circumstance, the Company intends to finance the cash consideration of the Proposed Variation through a combination of 90% via bank borrowings from licensed financial institutions and 10% via internally generated funds, the final proportion of which will depend on, amongst others, the Company's cash reserves and debt structure at that material point in time.

# **3. DETAILS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS**

## **3.1 Details of the Proposed Rights Issue with Warrants**

The Proposed Rights Issue with Warrants entails an issuance of up to 531,480,223 Rights Shares at the issue price of RM0.17 each, on the basis of 1 Rights Share for every 4 existing Shares held, together with up to 531,480,223 Warrants on the basis of 1 Warrant for each Rights Share subscribed for by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the Company has a total of 1,875,920,895 Shares in issue. Further, the Proposed Rights Issue with Warrants will be implemented after the issuance and allotment of 250,000,000 Consideration Shares to the Vendor, as such the Company would have an enlarged total number of 2,125,920,895 Shares in issue. Based on the enlarged share capital, the Proposed Rights Issue with Warrants would entail the issuance of up to 531,480,223 Rights Shares together with up to 531,480,223 Warrants.

The effects of the Proposals on Mudajaya's share capital are summarised as follows, with further details outlined in **Section 7.1** of this Circular:-

	No. of Shares (‘000)	RM'000
Issued share capital as at the LPD	1,875,921	667,683
Consideration Shares pursuant to Proposed Variation	250,000	55,000
	<b>2,125,921</b>	<b>722,683</b>
Rights Shares pursuant to Proposed Rights Issue with Warrants	531,480	80,147
	<b>2,657,401</b>	<b>802,830</b>
Shares pursuant to full exercise of the Warrants	531,480	116,926
Reversal of warrant reserve	-	10,204
<b>Enlarged issued share capital</b>	<b>3,188,881</b>	<b>929,960</b>

The Proposed Rights Issue with Warrants will be undertaken on a full subscription basis, after taking into consideration the intended RM90.35 million proceeds to be raised from the subscription of the Rights Shares for the purposes as set out in **Section 3.7** of this Circular.

In order to achieve the Full Subscription Level, the Proposed Rights Issue with Warrants will be structured as follows:-

- a. YSSB, being the existing substantial shareholder of Mudajaya, has vide its letter dated 29 November 2023 provided its irrevocable and unconditional undertaking to subscribe for its full entitlement to the Rights Shares based on its shareholding as at the Entitlement Date.  
  
MHL, who will emerge as a new substantial shareholder of Mudajaya after the issuance of Consideration Shares, has vide its letter dated 29 November 2023 provided its irrevocable and unconditional undertaking to subscribe for its full entitlement to the Rights Shares based on its shareholding as at the Entitlement Date; and
- b. an underwriting arrangement will be procured by Mudajaya for the remaining Rights Shares which are not covered under the Undertakings and non-subscribed Rights Shares by other Entitled Shareholders.

The Warrants are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/ or their renounee(s) who subscribe for the Rights Shares. Each Warrant will entitle its holder to subscribe for 1 new Share at the exercise price of RM0.22 each.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll and have a tenure of 3 years.

The entitlement for the Rights Shares together with the Warrants are renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlement to the Rights Shares will simultaneously relinquish any accompanying entitlement to the Warrants. The Rights Shares and the Warrants are not separately renounceable.

Fractional entitlements arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and/ or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interest of the Company.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/ or their renounee(s) under the excess applications. It is the intention of the Board to reduce the incidence of odd lots and to allocate the excess Rights Shares in a fair and equitable manner and on a basis to be determined by the Board later.

### 3.2 Basis and justification of determining the issue price of the Rights Shares

The issue price of RM0.17 per Rights Share has been fixed by the Board after taking into consideration, amongst others, the following:-

- (i) the funding requirements as set out in **Section 3.7** of this Circular;
- (ii) the prevailing market conditions and market price of Mudajaya Shares. The issue price of RM0.17 per Rights Share represents a discount of 2.1% to the TERP of RM0.1737, calculated based on the 5-day VWAP of Mudajaya Shares up to and including the LTD of RM0.1746.

In addition, the issue price also represents the following discount to the respective TERPs based on the respective VWAPs of Mudajaya Shares:-

Up to and including the LTD	VWAP RM	TERP RM	Discount to TERP	
			RM	%
5-day VWAP	0.1746	0.1737	0.0037	2.1
1-month VWAP	0.1744	0.1735	0.0035	2.0
3-month VWAP	0.1818	0.1794	0.0094	5.2
6-month VWAP	0.1899	0.1859	0.0159	8.6
12-month VWAP	0.1965	0.1912	0.0212	11.1

(Source: Bloomberg)

Based on the above, the Board opines that the issue price is justifiable as it represents a discount ranging from 2.0% to 11.1% to the TERPs calculated based on the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of Mudajaya Shares up to and including the LTD; and

- (iii) the rationale for the Proposals as sets out in **Section 4** of this Circular.

The abovementioned discount is intended to entice Entitled Shareholders to increase their equity participation in Mudajaya on a pro rata basis, offering them an opportunity to do so at a discount to the prevailing market price of Mudajaya Shares as at the LTD.

### 3.3 Basis and justification of determining the exercise price of the Warrants

The exercise price of the Warrants has been fixed by the Board at RM0.22 each, representing a premium of 26.7% to the TERP of RM0.1737, calculated based on the 5-day VWAP of Mudajaya Shares up to and including the LTD of RM0.1746.

The exercise price of the Warrants has been fixed by the Board after taking into consideration, amongst others, the following:-

- (i) the Warrants will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) who successfully subscribe for the Rights Shares;
- (ii) the historical price movement of Mudajaya Shares; and
- (iii) the Group's future prospects as set out in **Section 5.7** of this Circular.

The indicative salient terms of the Warrants are set out in **Appendix II** of this Circular.

The abovementioned premium is intended to encourage warrant holders to adopt a longer investment horizon in Mudajaya, considering the Group's long-term prospects. Additionally, it enables Mudajaya to raise a greater amount of proceeds upon exercise of Warrants in the future, which will be utilised as additional working capital to finance the Group's day-to-day operations.

### **3.4 Ranking of the Rights Shares and new Mudajaya Shares to be issued arising from the exercise of the Warrants**

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Mudajaya Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of Rights Shares.

The new Mudajaya Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Mudajaya Shares, save and except that the new Mudajaya Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Mudajaya Shares.

### **3.5 Listing and quotation of the Rights Shares, Warrants and new Mudajaya Shares to be issued arising from the exercise of the Warrants**

Bursa Securities had, vide its letter dated 29 April 2024, approved the admission of the Warrants to the official list of Bursa Securities as well as the listing and quotation of Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue with Warrants and new Mudajaya Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in **Section 9** of this Circular.

### **3.6 Undertaking and underwriting arrangements**

The Board has determined to undertake the Proposed Rights Issue with Warrants on a full subscription basis after taking into consideration the intended RM90.35 million proceeds to be raised from the subscription of the Rights Shares for the purposes as set out in **Section 3.7** of this Circular.

The Undertaking Shareholders had vide their respective letters dated 29 November 2023, provided their undertakings to subscribe in full for their respective entitlements to the Rights Shares based on their shareholdings as at the Entitlement Date.

The details of the Undertakings are set out below:-

Undertaking Shareholders	Shareholdings as at the LPD		Shareholdings after the Proposed Variation		Undertakings		Shareholdings after the Proposed Rights Issue with Warrants		Entitlements No. of Warrants
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*2</sup>	No. of Rights Shares	RM <sup>*3</sup>	No. of Shares	% <sup>*4</sup>	
YSSB	1,318,371,467	70.3	1,318,371,467	62.0	329,592,866	56,030,787	1,647,964,333	62.0	329,592,866
MHL	-	-	250,000,000	11.8	62,500,000	10,625,000	312,500,000	11.8	62,500,000
<b>Total</b>	<b>1,318,371,467</b>	<b>70.3</b>	<b>1,568,371,467</b>	<b>73.8</b>	<b>392,092,866</b>	<b>66,655,787</b>	<b>1,960,464,333</b>	<b>73.8</b>	<b>392,092,866</b>

**Notes:-**

<sup>\*1</sup> Based on the issued share capital of 1,875,920,895 Shares as at the LPD

<sup>\*2</sup> Based on the issued share capital of 2,125,920,895 Shares after the issuance of Consideration Shares

<sup>\*3</sup> Based on the issue price of RM0.17 per Rights Share

<sup>\*4</sup> Based on the issued share capital of 2,657,401,118 Shares after the issuance of Rights Shares

The Undertaking Shareholders have respectively confirmed that they have sufficient financial resources to take up the Undertakings and such confirmation has been verified by UOBKH, being the Adviser for the Proposed Rights Issue with Warrants.

The Undertaking Shareholders' subscription for Rights Shares pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("**Rules**") immediately after completion of the Proposed Rights Issue with Warrants.

The remaining 139,387,357 Rights Shares, which are not covered under the Undertakings will be fully underwritten. At this juncture, the underwriting arrangement has not been finalised. It will be in place prior to the implementation of the Proposed Rights Issue with Warrants, details of which will be set out in the abridged prospectus to be issued at a later stage. The underwriting of the 139,387,357 Rights Shares by the underwriter, representing approximately 5.2% of the enlarged issued share capital after the issuance of Rights Shares, will not give rise to any mandatory take-over offer obligation under the Rules immediately after completion of the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants is not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares are in the hands of public shareholders.



The pro forma public shareholding spread is illustrated as follows:-

Particulars	Shareholdings as at the LPD		Shareholdings after the Proposed Variation		Shareholdings after the Proposed Rights Issue with Warrants <sup>*1</sup>	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Issued share capital (A)	1,875,920,895	100.0	2,125,920,895	100.0	2,657,401,118	100.0
Directors of Mudajaya Group and their associates (B)	22,638,400	1.2	22,638,400	1.0	28,298,000	1.0
- Lee Eng Leong	1,705,100	0.1	1,705,100	0.1	2,131,375	0.1
- Ng Qing Hai	17,700,000	0.9	17,700,000	0.8	22,125,000	0.8
- Kam Soon Lee	110,000	neg.	110,000	neg.	137,500	neg.
- John Wong Tet Soon	40,000	neg.	40,000	neg.	50,000	neg.
- Lee Eng Keong	2,355,000	0.1	2,355,000	0.1	2,943,750	0.1
- Tang Mee Fong	728,300	0.1	728,300	neg.	910,375	neg.
Substantial shareholders of Mudajaya (C)	1,318,371,467	70.3	1,568,371,467	73.8	1,960,464,333	73.8
- YSSB	1,318,371,467	70.3	1,318,371,467	62.0	1,647,964,333	62.0
- MHL	-	-	250,000,000	11.8	312,500,000	11.8
Less: Non-public shareholdings (B) + (C) = (D)	1,341,009,867	71.5	1,591,009,867	74.8	1,988,762,333	74.8
<b>Public shareholding spread (A) - (D)</b>	<b>534,911,028</b>	<b>28.5</b>	<b>534,911,028</b>	<b>25.2</b>	<b>668,638,785</b>	<b>25.2</b>

**Note:-**

<sup>\*1</sup> Assuming that all Directors, substantial shareholders and their associates subscribe for their entitlements

As demonstrated in the table above, and given that the Proposed Rights Issue with Warrants is being undertaken on a full subscription basis, it is noted that:-

- (i) Mudajaya's public shareholding spread is not expected to fall below 25% of the enlarged issued share capital immediately after completion of the Proposed Rights Issue with Warrants, even after assuming that all Directors of Mudajaya Group, substantial shareholders of Mudajaya and their associates fully subscribe to their entitlements to the Rights Shares; and
- (ii) Subscription by the Undertaking Shareholders (i.e., YSSB and MHL) for their entitled Rights Shares pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Rules immediately after completion of the Proposed Rights Issue with Warrants.

Notwithstanding the above, the Board will always be mindful of the Listing Requirements and endeavour to ensure that the Company's public shareholding spread is at least 25% of its total shares issued at all times, immediately after completion of the Proposed Rights Issue with Warrants. Moreover, the Undertaking Shareholders shall at all times observe and comply with the Rules to ensure that they do not trigger any mandatory take-over offer obligation.

### 3.7 Utilisation of proceeds

Based on the issue price of RM0.17 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue with Warrants will be utilised in the following manner:-

Details of utilisation	Timeframe of utilisation from completion	RM'000	%
Settlement of Amount Owing to MHL <sup>*1</sup>	Within 10 Business Days	75,058	83.1
Working capital <sup>*2</sup>	Within 12 months	14,544	16.1
Estimated expenses <sup>*3</sup>	Upon completion	750	0.8
<b>Total</b>		<b>90,352</b>	<b>100.0</b>

#### Notes:-

<sup>\*1</sup> As set out in **Section 2** of this Circular, the Amount Owing to MHL of HKD216.76 million (equivalent to RM130.06 million) will be fully settled via cash and the issuance of Consideration Shares to the Vendor tentatively by August 2024, in the following manner:-

Payment terms	HKD'000	RM'000	%
Consideration Shares	91,667	55,000	42.3
Cash Consideration	125,097	75,058	57.7
<b>Amount Owing to MHL</b>	<b>216,764</b>	<b>130,058</b>	<b>100.0</b>

Accordingly, the Board has earmarked RM75.06 million of the proceeds to satisfy the Cash Consideration. Any variation in the actual Amount Owing to MHL arising from the fluctuation in the foreign exchange rate and/ or deferment of the completion date will be adjusted from the proceeds earmarked for working capital

<sup>2</sup> The proceeds earmarked for working capital are intended to fund the work to be carried out by the appointed subcontractors for the following projects:-

<b>Location</b>	<b>Type/ Description of project</b>	<b>Date of award</b>	<b>Commencement date/ Expected completion date</b>	<b>Contract value RM'000</b>	<b>Stage of completion as at the LPD %</b>	<b>Proposed allocation of proceeds RM'000</b>
Melaka, Malaysia*	The construction of one-storey warehouse together with 6 mezzanine floors (Block C) on Lot 4833 (Jalan TTC 31, Taman Teknologi Cheng) Mukim Cheng, Daerah Melaka Tengah, Melaka	10 April 2023	April 2023/ October 2024	64,100	27.0	3,000
Terengganu, Malaysia	The construction of stations, ancillary buildings and other associated works (Package 3) for the East Coast Rail Link Project in Terengganu	1 August 2023	August 2023/ August 2026	195,139	8.7	12,076

\* Despite the expected completion in October 2024, the Melaka project is experiencing slower progress primarily due to design changes and delays in site possession by the client. Following which, an application for an extension of time ("EOT") was submitted to the client in order to extend the project completion date. As at the LPD, Mudajaya is still awaiting the client's approval for the EOT

<sup>3</sup> The breakdown of the estimated expenses for the Proposals is set out below:-

	<b>RM'000</b>
Professional fees	335
Regulatory fees	150
Printing, despatch, advertising and meeting expenses	250
Miscellaneous expenses and contingencies	15
<b>Total</b>	<b>750</b>

Any variation in the actual expenses will be adjusted from the proceeds earmarked for working capital

For avoidance of doubt, the gross proceeds raised from the Proposed Rights Issue with Warrants will be allocated in the following order of priority (i) expenses in relation to the Proposals; (ii) settlement of Amount Owing to MHL; and (iii) working capital.

Pending the utilisation of proceeds from the Proposed Rights Issue with Warrants for the above purposes, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments. Any interest income earned from such deposits or instruments will be used as working capital.

The exact quantum of proceeds that may be raised from the exercise of the Warrants would depend on the actual number of Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Strictly for illustrative purposes, assuming the full exercise of up to 531,480,223 Warrants at the exercise price of RM0.22 each, the gross proceeds to be raised is up to RM116.93 million.

Such gross proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance the Group's day-to-day operations. The proceeds may be utilised to finance, amongst others, employee salaries, payment to trade creditors, partial repayment of bank borrowings as well as general expenses such as utilities and office expenses, the breakdown of which have not been determined at this juncture.

### 3.8 Other fund raising exercises in the past 12 months

The Company has not undertaken any other fund raising exercises in the 12 months prior to the date of this Circular.

### 3.9 Other fund raising exercises in the past

On 24 March 2021, the Company announced, amongst others, the renounceable rights issue of up to 668,885,366 rights shares, along with up to 668,885,366 free detachable warrants in Mudajaya ("**Warrants A**"), at an issue price of RM0.22 per rights share ("**Rights Issue with Warrants I**").

The Rights Issue with Warrants I was completed on 11 October 2021. A total of 648,862,166 new Mudajaya Shares, along with 648,862,166 Warrants A were issued, raising total gross proceeds of RM142.75 million. These proceeds were fully utilised for the purposes outlined in the abridged prospectus dated 9 September 2021 as summarised below:-

Details	Timeframe for utilisation from completion	Utilisation RM'000
Partial repayment of bank borrowings	Within 3 months	100,000
Working capital for existing and/ or future projects (i) LRT3 GS01 (ii) 30 MW Hydropower Plant	Within 24 months	41,850 -
		<hr/> 41,850
Expenses for the corporate exercises	Upon completion	900
<b>Total</b>		<hr/> <b>142,750</b> <hr/>

Up until the expiry date on 3 October 2023, a total of 578,196,563 Warrants A were exercised at the exercise price of RM0.22 each, raising total gross proceeds of RM127.20 million utilised in the following manner:-

Details	Utilisation RM'000
Partial settlement of the initial sum for the Acquisition	111,012
Repayment of borrowings and accrued interest	16,191
<b>Total</b>	<b>127,203</b>

#### 4. RATIONALE FOR THE PROPOSALS

##### 4.1 Rationale for the Proposed Variation

As set out in the Initial Circular of the Acquisition, the purchase consideration of HKD400.00 million (equivalent to RM240.00 million) was intended to be satisfied entirely in cash in the following manner:-

Payment terms	Timing	HKD'000	RM'000	%
Initial sum	settled on 09.11.2022	201,000	120,600	50.3
Balance consideration	to be paid on or before 08.11.2024 together with any unpaid accrued interest*	199,000	119,400	49.7
<b>Total</b>		<b>400,000</b>	<b>240,000</b>	<b>100.0</b>

**Note:-**

\* *The lump sum payment of the balance consideration with interest on or before the due date was mutually agreed upon by the parties on commercial terms. This financing arrangement provides Mudajaya the flexibility to adjust the repayment schedule according to its financial circumstances, and any early repayment would minimise its interest exposure over the two-year repayment period*

Pursuant to the Variation Agreement, the Board has decided to fully repay the balance consideration of HKD199.00 million (equivalent to RM119.40 million) by August 2024, along with all outstanding interest of HKD17.76 million (equivalent to RM10.66 million) accrued since November 2022, via a combination of cash and the issuance of Consideration Shares to the Vendor.

The early settlement on or before 8 November 2024 is expected to result in interest cost savings of up to HKD2.63 million (equivalent to RM1.58 million):-

Vendor financing	Amount outstanding HKD'000	Annual interest rate %	Interest cost savings of up to 3 months (Sep'24 - Nov'24) HKD'000
Balance consideration	199,000	5.0	2,633

Premised on the interest savings to be derived from the early settlement of the balance consideration, the Proposed Variation is expected to improve the Group's financial results for the FYE 31 December 2024, as well as to minimise the impact of foreign exchange rate fluctuations on the earnings. Since the first announcement of the Acquisition on 29 June 2022, the HKD had appreciated by 8.9% in relation to the MYR, from RM0.56/HKD to the current RM0.61/HKD.

As at the LPD, it is estimated that the Group has incurred unrealised foreign exchange losses of approximately RM10.84 million calculated as such:-

Amount Owing to MHL (HKD'000)		HKD/MYR exchange rate	=	Amount Owing to MHL (RM'000)
216,764	X	0.56 (as at 29.06.2022)	=	121,388
		0.61 (as at the LPD)	=	(132,226)
<b>Foreign exchange losses</b>				<b>(10,838)</b>

Upon the settlement of the Amount Owing to MHL, the Group would no longer incur finance costs and foreign exchange losses in relation to the vendor financing. Further, the partial settlement via the issuance of Consideration Shares is expected to ease the strain on the Group's cash flow so that a sufficient level of cash reserves is maintained to navigate operational headwinds. The acceptance by Vendor of the Consideration Shares (at premium) as the revised mode of settlement also signal confidence of the Vendor in the Company's prospects, which may instil trust and confidence among other investors and stakeholders.

Barring any unforeseen circumstances, the Proposed Variation is expected to contribute positively to the financial results of Mudajaya Group for the FYE 31 December 2024.

#### 4.2 Rationale for the Proposed Rights Issue with Warrants

The Board is of the view that the Proposed Rights Issue with Warrants is the most appropriate avenue to raise the necessary fundings as set out in **Section 3.7** of this Circular after taking into consideration the following:-

- (i) the Proposed Rights Issue with Warrants will strengthen the financial position and capital base of the Company, by reducing its gearing level and increasing its NA thereby providing greater financial flexibility, as illustrated in **Section 7.4** of this Circular;
- (ii) the Proposed Rights Issue with Warrants will help position the Group on a better financial footing to expand its business in the future, in tandem with its strategy to further enhance its profitability;
- (iii) the Proposed Rights Issue with Warrants will enable the issuance of new Mudajaya Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements;
- (iv) the Proposed Rights Issue with Warrants will provide all Entitled Shareholders with an opportunity to further participate in the prospects and future growth of the Group on a pro-rata basis; and
- (v) the Proposed Rights Issue with Warrants will enable the Company to raise the requisite funds without incurring additional interest expense, as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing.

The Warrants have been attached to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of Mudajaya Shares and/ or the Warrants, and increase their equity participation in the Company at a predetermined price over the tenure of the Warrants. The Company would also be able to raise additional proceeds as and when the Warrants are exercised.

## 5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

### 5.1 Overview and outlook of the Malaysian economy

Despite escalating uncertainties in the global landscape, Malaysia's economy remains resilient. The GDP is forecast to expand by approximately 4% in 2023 and between 4% and 5% in 2024. The Government acknowledged the World Bank's forecast that Malaysia's growth will be 4.3% in 2024, which is slightly higher than its initial estimate. This is in line with Malaysia's 2024 growth projection, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap (NETR), New Industrial Master Plan 2030 (NIMP 2030), and the Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan).

Furthermore, Malaysia's domestic demand in 2023 continues to be buoyed by expansion in consumption and investment spending. This is also supported by favourable labour market condition and easing inflationary pressures as well as vibrant tourism activities. The surge of private investment is attributed to the multiyear execution of infrastructure ventures and sustained capital investments in the services and manufacturing sectors. The robust activity in private sector expenditure is expected to offset the effects of moderate public spending in 2023.

In 2024, private sector expenditure remains as the main contributor in driving economic activities owing to stronger domestic demand. In addition, Government initiatives to support household spending through cash transfers to targeted groups and the growing social commerce trend are expected to boost private consumption. Meanwhile, private investment is poised to accelerate further driven by improved business environment in consonance with positive response towards Government's strategies and measures in attracting high-tech and high-value investments via the NETR and NIMP 2030.

On the supply side, services and manufacturing sectors continue to be the primary engines of growth in 2023. The services sector performance is driven by tourism subsectors, resulted from higher tourist arrivals and improved consumer spending. However, the manufacturing sector is expected to register a modest growth amid sluggish external demand. Likewise, agriculture sector is projected to expand moderately contributed by the oil palm, other agriculture and livestock subsectors, while the mining sector is anticipated to decline due to lower external demand for liquefied natural gas (LNG). On the other hand, the construction sector is expected to record better performance supported by the acceleration of ongoing infrastructure and utilities projects.

In 2024, the wholesale and retail trade subsector will remain as the key contributor to the services sector, underpinned by the expansion in retail segment through digital transactions. In addition, the domestic-oriented industries are backed by higher output in high growth high value (HGHV) industries which will drive the manufacturing sector, in tandem with the implementation of initiatives under the NETR, NIMP 2030 and MTR of the Twelfth Plan as well as Chemical Industry Roadmap 2030. Agriculture sector remains steady partly attributed by expected increase in oil palm production and crude palm oil (CPO) prices. The mining sector is forecast to recover mainly contributed by the new gas field projects such as Gansar, Jerun and Kasawari. Meanwhile, the construction sector continues to grow supported by growth in all subsectors, partly by the increasing demand in renewable and clean energy as well as decarbonisation, in line with the green economy agenda.

*(Source: Economic & Fiscal Outlook and Federal Government Revenue Estimates 2024, Ministry of Finance Malaysia)*

## 5.2 Overview and outlook of the PRC economy

Economic activity in the PRC has picked up in 2023, but the recovery remains fragile. Real GDP growth accelerated to 5.2% year-on-year in the first three quarters of 2023, driven by demand for services, resilient manufacturing investment, and public infrastructure stimulus. The initial phase of economic reopening triggered a surge in economic activity in the first quarter, but growth momentum decelerated rapidly in the second quarter before recovering modestly in the third quarter. The volatile growth performance, compounded by persistent deflationary pressures and still weaker consumer confidence, suggests continued fragility in the recovery.

Real GDP growth is projected to recover to 5.2% in 2023. While growth momentum is expected to stabilise in the near term, continued weakness in the real estate sector and persistently tepid external demand dim the short-term outlook. The PRC's growth is projected to slow to 4.5% and 4.3% in 2024 and 2025, respectively, reflecting short term headwinds but also growing structural constraints to growth, including high levels of debt, population ageing and persistent economic imbalances.

The outlook is subject to considerable downside risks. The property market downturn could last longer than expected, weighing on consumer sentiment and spending and adding pressure on upstream suppliers and creditors. This would further squeeze local government revenue and dampen public investment. Externally, the economy is vulnerable to softer global demand due to tighter-than-expected financial conditions and heightened geo-political tensions. Climate change and associated extreme weather events, the frequency of which has increased in recent decades, also pose a downside risk. In contrast, stronger-than-expected policy support and further progress on structural reforms could present upside risks.

*(Source: China Economic Update December 2023, The World Bank)*

## 5.3 Overview and outlook of the construction industry in Malaysia

The construction industry in Malaysia expanded from RM53.44 billion in 2022 to RM56.82 billion in 2023. Construction refers to the conversion of raw materials using labour into various forms of buildings and infrastructures. It typically covers new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site as well as construction of a temporary nature.

In Malaysia, the construction industry is largely domestic-oriented and it is an important component within the country's economy due to its strategic and extensive linkages with the rest of the economy. As such, the Malaysian Government's policies have been accommodative and supportive of the growth in the local construction industry which typically include proposed government projects as part of its development expenditure. Growth in the local construction industry was primarily supported by robust non-residential buildings and specialised construction activities. Improvements in private investment and stronger domestic economic activities had also spurred the demand for industrial buildings. Besides that, the performance of the local construction industry was also supported by the acceleration of infrastructure projects such as Rapid Transit System ("RTS") Link and East Coast Rail Link ("ECRL").

In 2024, the construction industry in Malaysia is expected to expand by 6.8% to RM60.69 billion, supported by broad-based growth across all subsectors. As outlined in Budget 2024 ("**2nd Belanjawan MADANI**"), the allocation for development expenditure stands at RM90.0 billion and it is expected to continue driving the growth in the local construction industry. The Malaysian Government's focus on home ownership remains evident in the 2nd Belanjawan MADANI with a total of RM2.47 billion allocated to implement housing projects for the rakyat in 2024.



These include a special guarantee fund of RM1 billion to encourage reputable developers to revive identified abandoned projects, RM546 million to continue the implementation of 36 Program Perumahan Rakyat, including a new project in Kluang, Johor, RM358 million to continue 14 Program Rumah Mesra Rakyat involving the construction of 3,500 housing units, RM460 million to aid approximately 65,000 impoverished rural residents for the construction of new homes or the renovation of their existing dilapidated houses, and RM100 million for the maintenance of low- and medium-cost public and private strata housing projects nationwide. Besides that, the Malaysian Government is also providing guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan and intends to propose that property transfer documents involving beneficiaries relinquishing their rights to eligible beneficiaries based on will or faraid or the Distribution Act 1958 will only be subject to a stamp duty of RM10, instead of the previous ad-valorem (based on the value of a transaction that legal documents represent) rate. The Malaysian Government also intends to impose a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in the country as a measure to control property prices. Other notable housing related announcements in the 2nd Belanjawan MADANI are the reduction in the residents' approval threshold for en-bloc sales from 100% to a level consistent with international practices to encourage urban renewal and promote the redevelopment of ageing buildings in the city, as well as the takeover of the development of Bandar Malaysia by the Malaysian Government.

Moving forward, the local construction industry is forecast to reach RM73.68 billion in 2028, registering a compound annual growth rate ("**CAGR**") of 5.3% for the forecast period of 2024 to 2028 (base year of 2023). Growth within the industry is expected to be supported by broad-based growth across all subsectors. The industry is also expected to be further boosted by the additional RM15 billion in development expenditure for the 12MP period (2021-2025) announced in the Mid-Term Review of the 12MP. Further improvement in the residential buildings subsector is expected in line with efforts from the Malaysian Government to increase more affordable housings as outlined under the MADANI Neighbourhood scheme and the Mid-Term Review of the 12MP, and new launching by the private sector. Besides that, the non-residential buildings subsector is expected to be boosted by the implementation of the New Industrial Master Plan ("**NIMP**") 2030 which provides a platform to attract more investments into the country. Meanwhile, strategic infrastructure and utilities projects including ongoing projects such as the Pan Borneo Sabah Highway, the Central Spine Road, and the acceleration of projects under the 12MP are expected to provide further impetus for the growth in the civil engineering subsector.

*(Source: Independent Market Research Report dated 8 February 2024 prepared by Protégé)*

#### **5.4 Overview and outlook of the property industry in Malaysia**

Property development generally refers to activities involving the buying of building(s) and/ or land with the intention to raise their value by making improvements to them, and subsequently, renting and/ or selling the improved properties at the selling prices that exceed the investment outlay. In Malaysia, the performance of the property development industry is associated with the levels of real estate construction (the construction of residential and non-residential buildings) activities in the country.

In 2023, real estate construction activities in Malaysia expanded by 3.1% as the industry enjoyed a higher demand for properties despite a rising interest rate environment and high uncertainty in external environment. Total value of real estate construction activities in the country stood at RM24.99 billion in 2023, which was an increase from RM24.24 billion registered in 2022. The growth was largely attributed to the stronger performance in the residential building subsector.

In terms of project ownership, the construction of both residential and non-residential buildings in Malaysia is primarily led by the private sector. In 2022, the private sector accounted for 84.1% of the total value of real estate construction projects, while the remaining portion was attributed to the public sector, encompassing government and public corporations. Within the public sector, the category of public corporations encompasses both statutory and non-statutory bodies. These entities are established under laws enacted by the Parliament Act or the State Legislative Assembly, granting them a level of operational and managerial independence to oversee government programs.

Real estate construction activities typically exhibit a positive correlation with growth in the property market. A higher demand for properties can lead to higher level of construction activities for real estate. In 2022, the Malaysian property market registered a total transaction volume of 389,107, reflecting a 29.5% growth in total transaction volume as compared to 300,497 in 2021. The value of property transactions in Malaysia surged in tandem with a higher number of property transactions, registering a 23.6% increase from RM144.87 billion in 2021 to RM179.07 billion in 2022. The property market in Malaysia was boosted by various stimulus provided by the Malaysian Government as well as an increase in economic activities and improved consumer sentiment following the country's transition into the 'Transition to Endemic' phase.

In 2022, residential sub-sector continued to dominate market activity in terms of volume, accounting for 62.5% of total transactions, followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value of transactions, residential sub-sector also dominated in 2022 by accounting for 52.6% of total transaction value, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) as well as development land and others (7.3%).

Moving forward, the local property development industry (in terms of total value of real estate construction activities) is expected to register a moderate growth in 2024 and keep expanding throughout the remaining forecast period until 2028 driven by factors including accommodative policies, ongoing economic expansion and the implementation of additional government-led housing and infrastructure projects, all contributing to the momentum for industry advancement. Nonetheless, a rising interest rate environment presents a potential challenge for property developers in Malaysia, as it could dampen the demand for properties. Total value of real estate construction activities in Malaysia is forecast to reach RM30.50 billion in 2028, registering a CAGR of 4.1% for the forecast period of 2024 to 2028 (base year of 2023). In 2023, the Malaysian property market registered a total transaction volume of 390,793 and total value of property transactions of RM190.03 billion, reflecting an increase of 0.4% and 6.1% respectively as compared to the figures in 2022. The local property market is projected to register a total transaction volume of 400,563 and total value of property transactions of RM197.63 billion in 2024.

*(Source: Independent Market Research Report dated 8 February 2024 prepared by Protégé)*

## **5.5 Overview and outlook of the RE industry in Malaysia**

Driven by the need to address climate change, enhance energy security, and build a sustainable energy infrastructure, countries worldwide are transitioning from traditional energy generation methods to embrace the deployment of RE into their energy portfolio. In line with this global trend, the Malaysian Government has also identified RE as a vital fifth energy source to supplement the four main existing ones – natural gas, oil, coal and hydroelectricity. RE refers to any form of primary energy from recurring and non-depleting natural resources, which includes biomass, hydroelectric ("**hydro**"), geothermal, solar, wind, ocean thermal, wave action and tidal action.

According to the National Energy Transition Roadmap ("**NETR**"), Malaysia's energy system is primarily dominated by non-renewable sources of energy namely, natural gas, oil and coal. Together they contributed around 96% of Malaysia's total primary energy supply ("**TPES**") in 2023. Under the NETR's responsible transition scenario, Malaysia is expected to shift from traditional, fossil fuel-based energy systems to a greener, low carbon energy framework. Recognising the significance of energy in sustaining economic growth and socioeconomic development, the NETR aims to ensure progressive scaling up of RE in the power mix by 2050. Under this transition, coal will be phased-out, while RE will increase from 4% of Malaysia's TPES in 2023 to 23% by 2050. Meanwhile, natural gas is expected to play a major role, constituting 56% of TPES by 2050. The transition will be driven by an increased in use of RE in the power generation mix, the phasing out of coal from the power generation mix, implementation of broad-based energy efficient initiatives and the shift to electrification and biofuels being expedited in the transport sector.

Malaysia is endowed with significant RE resources, boasting an estimated technical potential of nearly 290 GW nationwide. In particular, the technical potential for solar photovoltaic ("**PV**") alone is projected to reach 269 GW. Currently, only a small fraction of this RE potential has been tapped, with just over 9GW of installed capacity realised, thereby signalling the vast amount of potential yet untapped within the RE industry.

According to the NETR, the total RE installed capacity in Malaysia is projected to expand to approximately 12.4 GW by 2025, with hydro, solar PV and bioenergy expanding to approximately 6.4 GW, 5.5 GW and 0.5 GW respectively. By 2050, RE is projected to make up the majority share of installed capacity; solar PV (~56 GW), hydro (~10.7 GW) and bioenergy (~1 GW). Going forward, the main contributor to the growth of RE share of installed capacity will be solar PV installation.

Malaysia stands at the forefront of a transformative energy landscape, where the focus on RE has sparked a positive and promising outlook for the industry. In terms of demand, the RE industry in Malaysia will continue to be driven by population growth and increased urbanisation going forward. Malaysia's population is projected to increase from 33.4 million in 2023 to an estimated 40 million by 2050 while, the urbanisation rate is expected to increase from 75% in 2020 to reach 85% by 2040. Economic and population growth, along with rapid urbanisation, will drive expansion in energy demand – which is expected to rise by 2% annually until 2050. As electricity demand increases, there is a growing focus on RE as an opportunity for power generation. The RE industry is well-positioned to address Malaysia's increasing electricity demands, supporting the growing economy and population while ensuring energy security and diversifying the nation's energy mix. Furthermore, as the adoption of electric vehicles gains momentum in Malaysia, opportunity emerges for the RE industry as the increased penetration of electric vehicles will lead to a rise in electricity demand, as these vehicles require charging from the grid.

On the supply side, growth in the RE industry is mainly shaped by the Malaysian Government's commitment towards low-carbon development aimed at restructuring the economic landscape to a more sustainable one. Accordingly, the Malaysian Government has launched the NETR to accelerate energy transition and change the way energy is generated to improve climate resilience. In addition, the NETR establishes the pathway for national energy mix, greenhouse gas emission reduction and energy transition initiatives. In particular, one of the NETR aims includes growing RE's contribution of TPES from a mere 4% in 2023 to 23% of TPES by 2050, and this augurs well for expansion in the RE industry. Going forward, Malaysia's focus on shifting from a traditional fossil fuel-based economy to a high-value green economy is expected to significantly benefit the RE industry.

*(Source: Independent Market Research Report dated 8 February 2024 prepared by Protégé)*

## 5.6 Overview and outlook of the cement, clinker manufacturing and trading industry in the PRC

Cement refers to a very fine powdery binding agent (usually made up of substances such as limestone and clay) that sets and hardens to adhere to other materials predominantly used for building and civil engineering construction. The commonly used cement today for construction is a type of hydraulic cement known as Portland cement which is made from raw materials such as limestone, clay, sand and iron ore.

The PRC is the dominant producer and consumer of cement in the world. Demand for cement is mainly concentrated on infrastructure and housing construction projects. In 2022, the cement industry in the PRC registered a significant decline as a result of the country's zero-coronavirus policy, the declining real estate market as well as rising input costs for raw materials such as coal. Data from the National Bureau of Statistics reveals that cement output dropped by 9.8% year-on-year to 2.13 billion tons in 2022 from 2.36 billion tons in 2021. According to the China Cement Association ("**CCA**"), this marked one of the lowest production levels in the past decade, and the steepest decline since 1989.

On a closer look, Shandong Province is one of the prominent regions for cement market. In 2022, total output value of construction in Shandong Province stood at 1.76 trillion yuan (2021 = 1.36 trillion yuan) – making the province one of the country's top 10 regions by total output value of construction. Hence, Shandong Province is one of the key regional markets in the PRC for cement.

In terms of external trade, the PRC remained a net importer of cement by value in 2022. In 2022, the PRC exported USD209.5 million (2021: USD176.2 million) worth of cement, imported USD600.9 million (2021: USD1.62 billion) worth of cement and re-imported USD3,215 worth of cement (2021: USD33,445).

Cement clinker is a nodular material produced during the manufacturing of Portland cement. It is essentially an intermediate product in the production of cement. It is the result of the high-temperature processing of raw materials in a kiln, and upon grounding into a fine powder, serves as a key component in the formulation of Portland cement.

Given the lower price of imported cement clinker, Chinese cement manufacturers import cement clinker as a raw material for cement production to reduce costs. In 2022, the PRC imported 8.4 million tons of cement clinker, down by around 69.7% from 27.7 million tons of cement clinker recorded in 2021. In terms of import value of cement clinker by the PRC, approximately USD460.8 million was recorded in 2022, down by around 67.8% from USD1.43 billion in 2021. The PRC's major cement clinker import sources in 2022 (by order of importance) are Vietnam, Japan, South Korea, Indonesia and Pakistan. Vietnam is the largest source of cement clinker imports for the PRC, and in 2022, the PRC imported around 7.3 million tons of cement clinker valued at USD403 million from Vietnam, accounting for approximately 86.9% of the total import volume and 87.5% of total import value, respectively.

In 2022, the PRC exported 94,239.6 tons of cement clinker, down by 42.9% from 165,006 tons of cement clinker recorded in 2021. In terms of export value of cement clinker by the PRC, approximately USD14.6 million was recorded in 2022, down by 5.8% from USD15.5 million in 2021.

The cement industry in the PRC (and by extension cement clinker, which is an intermediate product in the production of cement) is currently grappling with a negative outlook, characterised by various challenges and uncertainties. Factors such as weakening demand, economic uncertainties, and evolving market dynamics contribute to this pessimism. Cement demand in the PRC is declining, and is expected to fall under 2 billion tons in the near term. Even as the PRC's economy begins to recover since 2023 with the easing of its COVID-19 lockdowns, demand for cement is expected to decline. Concurrently, economic uncertainties, both domestically and globally, have led to reduced construction activities and infrastructure projects, thereby impacting demand for cement. Meanwhile, shifts in environmental policies and increased focus on sustainability have introduced new regulatory challenges for the cement industry. Efforts by the PRC Government in recent years to continually reduce cement production capacity in the country to cut carbon emissions, reduce excess capacity as well as, discourage and eliminate outdated production capacity within the cement industry are reshaping the landscape for the cement industry in the PRC.

However, the cement industry in the PRC will continue to benefit from the Government's support for the real estate development and continued infrastructure spending going forward. The Chinese Government has been actively taking various measures in helping to address the property crisis in the country. These measures included allowing banks to extend maturing loans to developers, supporting property sales by reducing the size of down payments and cutting mortgage rates, boosting other funding channels such as bond issues, and ensuring the delivery of pre-sold homes to buyers. In addition, the PRC Government have announced plans to provide at least one trillion yuan (USD137 billion) of low-cost financing to the nation's urban village renovation and affordable housing programmes as part of its latest effort to revive its struggling property market. Such efforts are expected to support demands in the cement industry in the PRC, and accordingly, cement clinkers going forward.

*(Source: Independent Market Research Report dated 8 February 2024 prepared by Protégé)*

## 5.7 Future prospects of Mudajaya Group

### 5.7.1 Overview of the Group

Presently, Mudajaya Group is primarily involved in the provision of constructions works ("**Construction Division**"), development of properties ("**Property Division**"), sales of power energy ("**Power Division**"), as well as the manufacturing and trading of construction materials ("**Manufacturing & Trading Division**"). The segmental breakdown of Mudajaya Group in terms of revenue and PAT/ (LAT) for the FYEs 31 December 2022 and 2023 are as follows:-

	<-----Audited----->			
	FYE 31 December 2022		FYE 31 December 2023	
	RM'000	%	RM'000	%
<b>Revenue</b>	<b>305,192</b>	<b>100.0</b>	<b>460,701</b>	<b>100.0</b>
Construction Division	218,967	71.7	158,384	34.3
Property Division	18,352	6.0	15,143	3.3
Power Division	7,585	2.5	7,219	1.6
Manufacturing & Trading Division	60,288	19.8	279,955	60.8

	<-----Audited----->			
	FYE 31 December 2022	FYE 31 December 2023	FYE 31 December 2022	FYE 31 December 2023
	RM'000	RM'000	%	%
<b>PAT/ (LAT)</b>	<b>21,327</b>	<b>(31,253)</b>	<b>100.0</b>	<b>100.0</b>
Construction Division	1,526	(57,066)	7.2	182.5
Property Division	10,908	889	51.1	(2.8)
Power Division	22,018	19,568	103.2	(62.6)
Manufacturing & Trading Division	(3,031)	8,074	(14.2)	(25.8)
Others*	(10,094)	(2,718)	(47.3)	8.7

**Note:-**

\* Comprises investment holding, inter-group adjustments and eliminations with no business operations to generate revenue

As indicated in the table above, despite recording higher revenue of RM460.7 million for the FYE 31 December 2023 (FYE 31 December 2022: RM305.2 million), the Group recorded LAT of RM31.3 million as opposed to the RM21.3 million PAT registered in the preceding financial year. The losses were mainly attributed to the Construction Division, partially offset by the profits generated from the Power, Manufacturing & Trading Divisions. The financial commentaries for each segment are as follows:-

**Construction Division:** For the FYE 31 December 2023, the Construction Division reported a decline in revenue by RM60.6 million or 27.7% to RM158.4 million (FYE 31 December 2022: RM219.0 million), mainly due to the slow progress of the Group's construction projects. Consequently, the Construction Division recorded LAT of RM57.1 million in the current financial year (FYE 31 December 2022: PAT of RM1.5 million), on the back of lower revenue. This was mainly attributed to the LRT3 GS01 nearing its end, with expected completion in September 2024. The project recorded a decline in revenue contribution of RM69.1 million in the FYE 31 December 2023 as compared to the preceding financial year.

**Property Division:** For the FYE 31 December 2023, the Property Division reported a decline in revenue by RM3.2 million or 17.5% to RM15.1 million (FYE 31 December 2022: RM18.3 million), mainly due to competition from newly completed projects and nearby undersold properties, leading to lower sales. Consequently, the Property Division recorded a lower PAT of RM0.9 million in the current financial year (FYE 31 December 2022: RM10.9 million) on the back of lower revenue. In addition, this segment had in the preceding financial year recorded a one-off reversal gain of RM9.1 million related to a cost provision for the Batu Kawah New Township project, which was no longer required.

**Power Division:** For the FYE 31 December 2023, the Power Division reported a marginal decline in revenue by RM0.4 million or 5.3% to RM7.2 million (FYE 31 December 2022: RM7.6 million), mainly due to lower output in energy generation resulting from lower solar irradiance in 2023. Consequently, the Power Division recorded a decline in PAT by RM2.4 million or 10.9% to RM19.6 million in the current year (FYE 31 December 2022: RM22.0 million) on the back of lower revenue.

**Manufacturing & Trading Division:** For the FYE 31 December 2023, the Manufacturing & Trading Division reported an increase in revenue by 4.6 times to RM280.0 million (FYE 31 December 2022: RM60.3 million) following the consolidation of Real Jade into the Group commencing November 2022. Consequently, the Manufacturing & Trading Division recorded PAT of RM8.1 million in the current year (FYE 31 December 2022: LAT of RM3.0 million) on the back of higher revenue.

## 5.7.2 Prospects of Real Jade

As highlighted at the outset, the Company's investment in Real Jade represents a horizontal expansion of the Group's manufacturing & trading segment to expand its revenue stream as well as geographical reach outside of Malaysia and inroads into the PRC market. This would enable the Group to attain a wider market presence and marketability of its range of construction materials which can be offered to both local and international customers. Through Real Jade, Mudajaya Group would gain regional presence in the PRC's construction materials industry.

Notwithstanding the slow recovery of the cement industry in the PRC as outlined in **Section 5.6** of this Circular, the Board remains optimistic about the Company's investment in Real Jade premised on its management and financial performance over the last two years since its consolidation into the Group commencing November 2022:-

	<-----Audited----->			
	FYE 31 December 2022		FYE 31 December 2023	
	HKD'000	RM'000*	HKD'000	RM'000*
Revenue	500,054	281,780	401,319	236,216
Gross profit	127,189	71,671	103,980	61,203
PAT	50,426	28,415	29,822	17,553
Net cash generated from operating activities	43,791	24,676	24,777	14,583

**Note:-**

\* The HKD amount as per the above financial statements have been translated into RM amount based on the following middle rate quoted by BNM as at 5.00 p.m. on the respective end dates for each financial years under review, as follows:-

FYE 31 December 2022 HKD1.00 : RM0.5635  
 FYE 31 December 2023 HKD1.00 : RM0.5886

In the latest FYE 31 December 2023, the average cement selling price in the PRC dropped by 41.3% from its peak in the previous FYE 31 December 2022, a factor beyond Real Jade's control. Despite so, Real Jade has managed to mitigate the impact of the lower selling price on its financials by controlling sales volume, ensuring that the gross margin is not compromised. The gross margin for the FYE 31 December 2023 stood at 25.9%, compared to 25.4% in the previous financial year. Accordingly, despite the weak industry sentiment, Real Jade has continued to register a PAT and positive operating cash flow for the FYE 31 December 2023. Further financial commentaries on Real Jade are provided in **Section 2.1** of this Circular.

Following the completion of the Acquisition in November 2022, Real Jade began to contribute significantly to the consolidated Group, as demonstrated in the latest FYE 31 December 2023. Real Jade alone recorded revenue and PAT of RM236.2 million and RM17.6 million respectively, representing over 50% of the Group's total revenue and helped to alleviate the Group's losses. The table below shows Real Jade's contribution to the Mudajaya Group:-

	<-----Audited FYE 31 December 2023----->		
	Real Jade RM'000	Mudajaya Group RM'000	Contribution
Revenue	236,216	460,701	51.3%
PAT/ (LAT)	17,553	(31,253)	>100.0%

The Board views Real Jade as a long-term strategic investment for the Company. It expects the financial performance of Real Jade to improve in the long-run, once the cement industry in the PRC starts to pick up. The Chinese Government has been actively taking various measures in helping to address the property crisis in the country, expediting the rollout of major infrastructure projects. These include the Ji-Zao high-speed railway project (estimated cement consumptions: 3 million tons), the second Beijing-Shanghai high-speed railway project (estimated cement consumptions: 3 million tons), the Linyi-Tengzhou expressway project (estimated cement consumptions: 600 thousand tons), and the Zaozhuang airport project (estimated cement consumptions: 100 thousand tons). Based on the management's knowledge, these infrastructure projects have commenced works, and Real Jade intends to supply cement to the contractors involved by participating in the tendering process as and when the opportunities arise.

To enhance its competitive edge in the cement industry in the PRC, Real Jade has invested in the development of Sulphate Resistant Portland Cement (SRPC), which offers improved durability for more resilient concrete structures. Consequently, Real Jade has been able to command higher profit margins for SRPC. Additionally, the management is exploring the potential upgrade of its cement plant to improve productivity. Barring any unforeseen circumstances, the Board anticipates that Real Jade will continue to contribute significantly to the Manufacturing & Trading Division moving forward, given the size and scalability of the PRC market. Real Jade's cement trading business has established its presence since 1993 and is one of the 60 major players in the cement industry in the PRC.

### **5.7.3 Prospects of the existing business**

The Construction Division is also exploring opportunities to participate in selected projects in the PRC by providing project management services. At the local level, the 2024 budget has highlighted that the construction sector is allocated with higher development allocations and new projects, such as the Klang Valley LRT's five new stations, the nationwide flood mitigation programme, and Penang's first LRT project. It is hoped that Malaysian construction sector will improve in 2024, especially with the continuation of several key infrastructure projects such as the ECRL and utility related projects (i.e., sewerage treatment plants and power generation projects). With the recent success in securing an RM195.1 million contract related to the ECRL in August 2023, the management is hopeful to secure other infrastructure and private investment projects to replenish the Group's order book. As at the LPD, the Group's outstanding order book stood at RM339.8 million.

In addition, the recently announced NETR Phase 1 is expected to bode well with the future prospect of the Power Division, coupled with the lifting of the renewable energy export ban, which would enable the Group to explore cross border electricity sales programme. For the Property Division, the management shall remain focus on launching new projects in Batu Kawah New Township at Kuching, Sarawak.

Barring any unforeseen circumstances, the Board is cautiously optimistic on the future prospects of Mudajaya Group. The Proposals are expected to have a positive impact on the Group's financial performance moving forward as and when the anticipated benefits are realised.

*(Source: Management of the Company)*



## 6. RISKS OF THE PROPOSALS

### 6.1 Non-completion risk

Any unforeseen circumstances such as the non-fulfilment of certain conditions precedent in the Variation Agreement, material adverse changes to the Group's business operations or unanticipated legal disputes could lead to the non-completion of the Proposed Variation. There can be no assurance that the Group will be able to avoid all unforeseen circumstances or fulfil the obligations as set out in the Variation Agreement within the stipulated timeframe to complete the Proposed Variation.

Furthermore, there can be no assurance that the Company will be able to raise the necessary funds from the Proposed Rights Issue with Warrants to finance the cash consideration of the Proposed Variation. In the event that the Proposed Rights Issue with Warrants does not materialise or complete as intended and that the Company is unable to finance the cash consideration of the Proposed Variation through other funding alternatives (i.e. internally generated funds and/ or bank borrowings) to pay off the Vendor in a timely manner, there is a risk that it will not be able to secure the interest savings as planned. Consequently, the Company may continue to incur the 5% annual interest on the balance consideration until the due date of 8 November 2024.

Therefore, it is imperative that the Proposals are completed, and the Company will take all reasonable steps within their control to ensure the completion of the Proposals, including but not limited to closely monitoring the progress of the Proposals and ensuring the timely fulfilment of the conditions precedent of the Variation Agreement within the agreed period.

### 6.2 Dilution of existing shareholders' shareholdings

The issuance of new Consideration Shares pursuant to the Proposed Variation would result in an immediate dilution of shareholdings for existing shareholders.

## 7. EFFECTS OF THE PROPOSALS

### 7.1 Issued share capital

	No. of Shares ('000)	RM'000
Issued share capital as at the LPD	1,875,921	667,683
Consideration Shares to be issued pursuant to the Proposed Variation	250,000	55,000 <sup>1</sup>
	<b>2,125,921</b>	<b>722,683</b>
Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants	531,480	80,147 <sup>2</sup>
	<b>2,657,401</b>	<b>802,830</b>
Shares to be issued arising from the full exercise of the Warrants	531,480	116,926 <sup>3</sup>
Reversal of warrant reserve pursuant to the full exercise of the Warrants	-	10,204 <sup>4</sup>
<b>Enlarged issued share capital</b>	<b>3,188,881</b>	<b>929,960</b>

**Notes:-**

- \*1 Based on the issue price of RM0.22 per Consideration Share
- \*2 Based on the issue price of RM0.17 per Rights Share and adjusted for the apportionment of its relative fair value between the share capital and warrant reserve
- \*3 Based on the exercise price of RM0.22 per Warrant
- \*4 Based on the theoretical fair value of RM0.0192 per Warrant extracted from Bloomberg's trinomial option pricing model as at the LTD

For avoidance of doubt, Mudajaya does not retain any treasury shares as at the LPD.

## 7.2 Earnings and EPS

The Proposals are expected to contribute positively to the future earnings of the Group for the FYE 31 December 2024, premised on the interest savings and minimised exposure to foreign exchange rate fluctuations arising from the early settlement of the balance consideration.

However, there will be a dilution in the EPS of the Group for the FYE 31 December 2024 due to the increase in the number of Shares in issue after the issuance and allotment of the Consideration Shares and Rights Shares.

## 7.3 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities. Nevertheless, a total of up to 531,480,223 Warrants may be issued pursuant to the Proposed Rights Issue with Warrants.

This issuance will not result in non-compliance with Paragraph 6.50 of the Listing Requirements, which stipulates that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

No. of issued Shares after the issuance of Rights Shares (A)	2,657,401,118
No. of Warrants to be issued (B)	531,480,223
<b>(B) / (A)</b>	<b><u>20.00%</u></b>

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## 7.4 NA per Share and gearing

Based on the latest audited financial position of the Group as at 31 December 2023, the pro forma effects of the Proposals on the consolidated NA and gearing of Mudajaya Group are as follows:-

	Audited as at 31 December 2023 RM'000	I After I and the Proposed Variation <sup>*1</sup> RM'000	II After II and the Proposed Rights Issue with Warrants <sup>*2</sup> RM'000	III After III and assuming full exercise of the Warrants <sup>*5</sup> RM'000
Share capital	667,683	722,683	802,830	929,960
Warrant reserve	-	-	10,204 <sup>*3</sup>	-
Others	(329,150)	(329,150)	(329,900) <sup>*4</sup>	(329,900)
<b>Shareholders' equity/ NA</b>	<b>338,533</b>	<b>393,533</b>	<b>483,134</b>	<b>600,060</b>
Non-controlling interests	283,144	283,144	283,144	283,144
<b>Total equity</b>	<b>621,677</b>	<b>676,677</b>	<b>766,278</b>	<b>883,204</b>
No. of Shares in issue ('000)	1,875,921	2,125,921	2,657,401	3,188,881
<b>NA per Share (RM)</b>	<b>0.18</b>	<b>0.19</b>	<b>0.18</b>	<b>0.19</b>
Total borrowings (RM'000)	884,342	829,342	754,284	754,284
<b>Gearing ratio (times)</b>	<b>1.42</b>	<b>1.23</b>	<b>0.98</b>	<b>0.85</b>

### Notes:-

<sup>\*1</sup> After the issuance of 250,000,000 Consideration Shares at RM0.22 each as partial settlement of the Amount Owing to MHL, the Group's total borrowings will be reduced by HKD91.67 million (equivalent to RM55.00 million)

<sup>\*2</sup> After the issuance of up to 531,480,223 Rights Shares at RM0.17 each and adjusted for the apportionment of its relative fair value between the share capital and warrant reserve, the Group's total borrowings will be reduced by HKD125.10 million (equivalent to RM75.06 million) following the settlement of the remaining Amount Owing to MHL using the rights issue proceeds

<sup>\*3</sup> After the issuance of up to 531,480,223 free Warrants at the theoretical fair value of RM0.0192 each, extracted from Bloomberg's trinomial option pricing model as at the LTD

<sup>\*4</sup> After deducting estimated expenses of RM0.75 million in relation to the Proposals

<sup>\*5</sup> After the exercise of up to 531,480,223 free Warrants at the exercise price of RM0.22 each and the corresponding reversal of the warrant reserve to share capital

## Substantial shareholders' shareholdings

The pro forma effects of the Proposals on the substantial shareholders' shareholdings are as follows:-

Substantial Shareholders	Shareholdings as at the LPD				After the Proposed Variation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>1</sup>	No. of Shares	% <sup>1</sup>	No. of Shares	% <sup>2</sup>	No. of Shares	% <sup>2</sup>
YSSB	1,318,371,467	70.3	-	-	1,318,371,467	62.0	-	-
MHL	-	-	-	-	250,000,000	11.8	-	-
Ample Full Profits Limited	-	-	1,318,371,467	70.3 <sup>5</sup>	-	-	1,318,371,467	62.0 <sup>5</sup>
Jovial Day Holdings Limited	-	-	1,318,371,467	70.3 <sup>6</sup>	-	-	1,318,371,467	62.0 <sup>6</sup>
Cheerful Talent Holdings Limited	-	-	1,318,371,467	70.3 <sup>7</sup>	-	-	1,318,371,467	62.0 <sup>7</sup>
Kuo Jen-Hao	-	-	1,318,371,467	70.3 <sup>8</sup>	-	-	1,318,371,467	62.0 <sup>8</sup>
Master Cheers Enterprises	-	-	-	-	-	-	250,000,000	11.8 <sup>9</sup>
Mastery Holdings	-	-	-	-	-	-	250,000,000	11.8 <sup>10</sup>
Cheng Lung Don	-	-	-	-	-	-	250,000,000	11.8 <sup>11</sup>

Substantial Shareholders	II <-After I and the Proposed Rights Issue with Warrants->				III <---After II and assuming full exercise of the Warrants--->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	% <sup>*3</sup>	No. of Shares	% <sup>*3</sup>	No. of Shares	% <sup>*4</sup>	No. of Shares	% <sup>*4</sup>
YSSB	1,647,964,333	62.0	-	-	1,977,557,199	62.0	-	-
MHL	312,500,000	11.8	-	-	375,000,000	11.8	-	-
Ample Full Profits Limited	-	-	1,647,964,333	62.0 <sup>*5</sup>	-	-	1,977,557,199	62.0 <sup>*5</sup>
Jovial Day Holdings Limited	-	-	1,647,964,333	62.0 <sup>*6</sup>	-	-	1,977,557,199	62.0 <sup>*6</sup>
Cheerful Talent Holdings Limited	-	-	1,647,964,333	62.0 <sup>*7</sup>	-	-	1,977,557,199	62.0 <sup>*7</sup>
Kuo Jen-Hao	-	-	1,647,964,333	62.0 <sup>*8</sup>	-	-	1,977,557,199	62.0 <sup>*8</sup>
Master Cheers Enterprises	-	-	312,500,000	11.8 <sup>*9</sup>	-	-	375,000,000	11.8 <sup>*9</sup>
Mastery Holdings	-	-	312,500,000	11.8 <sup>*10</sup>	-	-	375,000,000	11.8 <sup>*10</sup>
Cheng Lung Don	-	-	312,500,000	11.8 <sup>*11</sup>	-	-	375,000,000	11.8 <sup>*11</sup>

**Notes:-**

<sup>\*1</sup> Based on the issued share capital of 1,875,920,895 Shares as at the LPD

<sup>\*2</sup> Based on the issued share capital of 2,125,920,895 Shares after the issuance of Consideration Shares

<sup>\*3</sup> Based on the issued share capital of 2,657,401,118 Shares after the issuance of Rights Shares

<sup>\*4</sup> Based on the issued share capital of 3,188,881,341 Shares after the exercise of the Warrants

<sup>\*5</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in YSSB

<sup>\*6</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in Ample Full Profits Limited

<sup>\*7</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in Jovial Day Holdings Limited

<sup>\*8</sup> Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Cheerful Talent Holdings Limited

<sup>\*9</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in MHL

<sup>\*10</sup> Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in Master Cheers Enterprises

<sup>\*11</sup> Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Mastery Holdings

## 8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Mudajaya Shares as traded on Bursa Securities for the past 12 months from May 2023 to April 2024 are set out below:-

	<b>High RM</b>	<b>Low RM</b>
<b>2023</b>		
May	0.200	0.185
June	0.195	0.185
July	0.200	0.180
August	0.210	0.175
September	0.190	0.180
October	0.185	0.165
November	0.185	0.165
December	0.170	0.155
<b>2024</b>		
January	0.175	0.155
February	0.160	0.140
March	0.185	0.125
April	0.155	0.130
Last transacted market price on the LTD		0.175
Last transacted market price on the LPD		0.135

*(Source: Bloomberg)*

## 9. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained:-

- (i) Bursa Securities, for the following:-
  - (a) listing and quotation of 250,000,000 Consideration Shares to be issued pursuant to the Proposed Variation;
  - (b) admission of the Warrants to the official list of Bursa Securities;
  - (c) listing and quotation of up to 531,480,223 Rights Shares and up to 531,480,223 Warrants pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and
  - (d) listing and quotation of up to 531,480,223 new Mudajaya Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

The approval of which has been obtained vide Bursa Securities' letter dated 29 April 2024 subject to the following conditions:-

<b>Conditions</b>	<b>Status of compliance</b>
(a) Confirmation by UOBKH on the compliance of at least 25% of the public shareholding spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements upon the listing and quotation of the Consideration Shares;	To be complied
(b) UOBKH and Mudajaya must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(c) Mudajaya to furnish Bursa Securities with the certified true copy of the resolutions passed by the shareholders at the EGM approving the Proposals;	To be complied
(d) UOBKH and Mudajaya are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements;	To be complied
(e) Mudajaya must observe and ensure full compliance with Paragraph 6.50 of the Listing Requirements at all times;	To be complied
(f) UOBKH to inform Bursa Securities upon the completion of the Proposals;	To be complied
(g) UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed; and	To be complied
(h) Mudajaya to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(ii) shareholders of the Company for the Proposals at the forthcoming EGM; and	
(iii) any other relevant authorities and/ or parties, if required.	

In respect of Item (ii) above, pursuant to Section 85 of the Act read together with Clause 49(1) of the Constitution of Mudajaya, the existing shareholders have a pre-emptive right to be offered any new Shares that rank equally to existing Shares as to voting or distribution rights that are issued by Mudajaya. However, Clause 49(1) of the Constitution of Mudajaya permits the Company, in general meeting, to give directions to the contrary. As the Consideration Shares will not be offered to all existing shareholders, the shareholders will be required to vote in favour of the resolutions in respect of the Proposals to be tabled at the EGM. By voting in favour of the resolutions, the shareholders of Mudajaya will be waiving their pre-emptive right.

The Proposed Rights Issue with Warrants is conditional upon Proposed Variation, but not vice versa. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

**10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders, chief executive of the Company and/ or persons connected with them have any interest, whether direct and/ or indirect, in the Proposals, save for their respective entitlements under the Proposed Rights Issue with Warrants, to which all Entitled Shareholders are similarly entitled.

**11. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, having considered all aspects of the Proposals, including but not limited to the terms of the Variation Agreement, the rationale and effects of the Proposals as well as the utilisation of the proceeds raised from the Proposed Rights Issue with Warrants, is of the opinion that the Proposals are in the best interest of the Company and accordingly recommend you to vote **IN FAVOUR** of the resolutions in respect of the Proposals to be tabled at the EGM.

**12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed in the third quarter of 2024.

The tentative timetable in relation to the Proposals is set out below:-

<b>Month</b>	<b>Events</b>
Mid June 2024	<ul style="list-style-type: none"><li>• EGM for the Proposals</li><li>• Listing and quotation of the Consideration Shares</li></ul>
End June 2024	<ul style="list-style-type: none"><li>• Announcement of the Entitlement Date of the Proposed Rights Issue with Warrants</li></ul>
Early July 2024	<ul style="list-style-type: none"><li>• Entitlement Date</li><li>• Issuance of Abridged Prospectus, Rights Subscription Form and Notice Provisional Allotment for the Proposed Rights Issue with Warrants</li></ul>
End July 2024	<ul style="list-style-type: none"><li>• Closing date of the application and acceptance for the Rights Shares with Warrants</li></ul>
Early August 2024	<ul style="list-style-type: none"><li>• Listing and quotation of the Rights Shares and Warrants on the Main Market of Bursa Securities</li><li>• Full settlement of Amount Owing to MHL</li><li>• Completion of the Proposals</li></ul>

**13. PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, which is the subject matter of this Circular, the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the LPD.



#### **14. EGM**

The EGM, the notice of which is enclosed in this Circular, will be conducted as a virtual meeting through live streaming, with remote participation and online voting facilities, via the Online Meeting Platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd in Malaysia on Thursday, 13 June 2024 at 4:00 p.m., or immediately upon the conclusion of 21<sup>st</sup> AGM of the Company which will be held at the same venue and on the same date at 2:30 p.m., whichever is later or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

Shareholders are advised to refer to the Notice of EGM together with the Proxy Form and Administrative Guide for the EGM, which can be downloaded from Mudajaya's website at [www.mudajaya.com](http://www.mudajaya.com) under the "*Investor Relations*" section and Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under "*Company Announcements*".

If you are unable to participate and vote at the EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, not less than 48 hours before the time appointed for holding the EGM. The lodging of the Proxy Form shall not preclude you from participating and voting at the EGM should you subsequently wish to do so.

#### **15. FURTHER INFORMATION**

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**MUDAJAYA GROUP BERHAD**

**JAMES WONG TET FOH**  
Non-Independent Executive Chairman

**SALIENT TERMS OF VARIATION AGREEMENT**

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1. The Variation Agreement amends and varies the terms of the Share Sale and Purchase Agreement dated 30 June 2022 entered into between Mudajaya, Xelmont, MHL and Real Jade (the "**Principal Agreement**") and the mode of settlement of the Amount Owing to MHL for the Acquisition.
2. The Variation Agreement varies the term of the Principal Agreement as follows:-
  - a. The issuance of Consideration Shares upon the terms as hereinbefore provided in **Section 2** of this Circular;
  - b. The payment of the cash proceeds from the Proposed Rights Issue with Warrants upon the terms as hereinbefore provided in **Section 3** of this Circular;
  - c. In the event of any shortfall in the aggregate HKD equivalent of (A) the said total value of the Consideration Shares; and (B) the amount of the said cash proceeds of the Proposed Rights Issue with Warrants in settlement of the Amount Owing to MHL, the difference will be settled from internally generated funds of Mudajaya;
  - d. Xelmont will pay interest to MHL on any part of the balance consideration remaining outstanding at the rate of 5% per annum compounded yearly and calculated from the Completion to the date of actual full settlement of the balance consideration, based on a year of 365 days for the actual time elapsed; and
  - e. The amendment to Mudajaya's address to "PH1, Menara Mudajaya, No. 12A, Jalan PJU 7/3 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia".
3. The Variation Agreement is conditional upon the relevant approvals of the Proposals to be obtained from the shareholders of Mudajaya, Bursa Malaysia and all other relevant regulatory authorities in respect of the Proposals.
4. The completion of the Variation Agreement shall take place upon the full settlement of the Amount Owing to MHL.

## INDICATIVE SALIENT TERMS OF THE WARRANTS

Terms	Details
Issue size	: Up to 531,480,223 Warrants to be issued in conjunction with the Proposed Rights Issue with Warrants to the Entitled Shareholders on the basis of one (1) Warrant for every one (1) Rights Share.
Form and denomination	: The Warrants shall be issued in registered form and constituted by the Deed Poll. The Warrants which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	: For purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 units of Warrants, unless otherwise being revised by any other relevant authorities.
Tenure	: Three (3) years from the date of issuance of the Warrants.
Exercise Period	: The Warrants may be exercised at any time within a period of three (3) years commencing from and including the date of issue of the Warrants respectively to the close of business at 5.00 P.M. on the business day immediately preceding the date on which is the third (3 <sup>rd</sup> ) anniversary from the date of issue of the Warrants.  Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise Price	: The exercise price of the Warrants shall be subscribed at RM0.22 each within 3 years from the date of completion of the Proposed Rights Issue with Warrants.  The exercise price and/ or the number of Warrants in issue during the exercise period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Exercise Rights	: Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the exercise period at the exercise price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Rights of the holders	: The holders of the Warrants shall not be entitled to any voting rights or to participate in any distribution and/ or offer of further securities in the Company until and unless such holders of the Warrants exercise their Warrants for new Shares.
Ranking of the new Shares to be issued	: The new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issue and payment of the exercise price, rank pari passu in all respects with the then existing Shares, except that they shall not be entitled to any distributable income, voting rights, allotment and/ or other distributions, the entitlement date of which precedes the date of allotment of the new Shares.
Listing	: An application will be made to Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities, the listing and quotation of the Warrants as well as the new Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.
Rights of the Warrant holders in the event of winding up, liquidation, compromise and/ or arrangement	: Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then:-  (a) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holder of the Warrants (or some person designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the holders of the Warrants; and

## INDICATIVE SALIENT TERMS OF THE WARRANTS

Terms	Details
	<p>(b) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date or soon after it despatches such notice to its shareholders, give notice thereof to all holders of the Warrants. Every holder of the Warrants shall thereupon be entitled, subject to the conditions set out in the Deed Poll, to exercise his Warrants at any time no later than twenty-one (21) days prior to the proposed general meeting of the Company by submitting the duly completed subscription form (by irrevocable surrender of his Warrants to the Company) which authorises the debiting of his Warrants together with payment of the relevant exercise price, whereupon the Company shall as soon as possible, allot the relevant Shares to the holder of the Warrants credited as fully paid subject to the prevailing laws.</p>
	<p>Subject to the above, if the Company is wound-up or an order has been granted for such compromise or arrangement, all exercise rights which are not exercised prior to the passing of the resolution for winding-up or the granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), shall lapse and the Warrants will cease to be valid for any purpose.</p>
Transferability	: The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.
Deed Poll	: The Warrants shall be constituted by a Deed Poll to be executed by the Company.
Governing Law	: The Warrants and the Deed Poll shall be governed by the laws of Malaysia.

**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. CONSENT**

UOBKH, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Protégé has given and have not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the extract of the Independent Market Researcher Report and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTEREST**

UOBKH has given its written confirmation that there are no situations of conflict of interest that exist or is likely to exist in relation to its role as the Adviser for the Proposals.

Protégé has given its written confirmation that there are no situations of conflict of interest that exist or is likely to exist in relation to its role as the provider of the Independent Market Researcher Report.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Save as disclosed below, as at the LPD, Mudajaya Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against Mudajaya Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect Mudajaya Group's financial position or business:-

**i. Shah Alam High Court, Writ No. BA-22NCvC-53-02/2018  
MCB v Michael Chua Khian Keng & 3 Ors**

On 5 February 2018, MCB commenced legal action against Michael Chua Khian Keng, Tan Kah Luan, Joseph Chua Thian Song and Yeo Siok Boi.

Michael Chua Khian Keng was an ex-employee of MCB. The claim against him was for receiving and misappropriating unauthorised payments which were not disclosed to MCB at the material time.

Full trial has completed on 6 July 2023, and both parties have filed and exchanged post-trial submissions and submissions in reply. This matter is pending decision on 7 June 2024.

The solicitors of MCB are of the view that it is probable that MCB may succeed in the claim, and that the counterclaim of the defendants should fail.

**FURTHER INFORMATION**

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**ii. Kuala Lumpur High Court, Writ No. WA-22NCvC-359-05/2019  
MCB v Crest Worldwide Resources Sdn Bhd ("Crest")**

By a Letter of Award dated 19 July 2007 ("**LOA**"), Crest engaged MCB to construct a project on Lot 134, Section 44, Off Jalan Ampang, Persiaran Sultan Ismail, Kuala Lumpur known as Crest Jalan Sultan Ismail ("**Project**"). Due to Crest's inability to pay the sums due and owing to MCB for works carried out under the Project, the parties entered into various agreements for delivery of various units in the Project to MCB.

Subsequently on 28 May 2019, MCB filed the Writ and Statement of Claim against Crest. MCB's claim is for the specific performance of the various agreements for Crest to deliver vacant possession of the units in the Project. The parties are currently in a judge-led mediation that commenced on 1 April 2024 and 3 April 2024. The mediation will continue on 29 May 2024 and if it does not succeed, the trial is scheduled to be held from 14 October 2024 to 17 October 2024.

The MCB's solicitors are of the view that there is a reasonable chance of success for MCB to enter into a settlement with Crest.

**iii. Kuala Lumpur High Court, Writ No. WA-22C-76-10/2021  
Crest v MCB**

Crest re-filed the liquidated ascertained damages ("**LAD**") claim in October 2021 after it was struck off with liberty to file in August 2021. An application to consolidate and transfer the case to case in Item (ii) above was made by Crest. However, the consolidation application was dismissed on 27 October 2023 and Mudajaya has filed its defence on 8 December 2023.

Crest has filed its reply to MCB's statement of defence on 9 January 2024. The pre-trial case management was held on 20 February 2024 and the trial date is anticipated to be in August 2024.

MCB's solicitors are of the view that there is a reasonable chance of success to defend Crest's claims.

**iv. In a matter of an arbitration between MCB and Giga Engineering & Construction Sdn Bhd ("Giga")**

MCB has awarded Giga the substructure and superstructure works project. Disputes between the parties are in regard to outstanding payments, as well as in relation to the Final Account from MCB to Giga.

On 29 November 2022, MCB commenced an arbitration against Giga with a total claim amount of RM26,942,862.15.

Due to the ongoing civil and criminal court cases involving Michael Chua Khian Keng, an ex-employee of MCB, the parties have agreed to keep the arbitration proceeding in abeyance.

## FURTHER INFORMATION

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### 5. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, the Board is not aware of any material commitments incurred or known to be incurred by Mudajaya Group which, upon becoming enforceable, may have a material impact on the financial results/ position of Mudajaya Group:-

<b>Capital commitments contracted for but not provided for</b>	<b>RM'000</b>
Capital contribution to a joint venture	244,556
Acquisition of intangible assets	81,869
Acquisition of property, plant and equipment	510
	<b>326,935</b>

### 6. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of Mudajaya Group.

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Mudajaya at PH1, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- (i) the Constitution of Mudajaya;
- (ii) Audited consolidated financial statements of Mudajaya Group for the past 2 financial years up to the FYE 31 December 2023;
- (iii) Audited consolidated financial statements of Real Jade for the past 2 financial years up to FYE 31 December 2023;
- (iv) The letters of consent and declaration of conflict of interest referred to in **Sections 2 and 3** above;
- (v) The Independent Market Researcher's report prepared by Protégé;
- (vi) The Variation Agreement;
- (vii) The draft Deed Poll;
- (viii) The undertaking letters comprising of the Undertakings from the Undertaking Shareholders dated 29 November 2023; and
- (ix) Cause papers referred to in **Section 4** above.



## MUDAJAYA GROUP BERHAD

Registration No. 200301003119 (605539-H)  
(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of Mudajaya Group Berhad ("**Mudajaya**" or the "**Company**") will be held virtually via the Online Meeting Platform herein provided on the following date, time and venue or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

Day and Date : Thursday, 13 June 2024

Time : 4:00 p.m. or immediately upon conclusion of the 21<sup>st</sup> Annual General Meeting of the Company held at the same venue and on the same day at 2:30 p.m., whichever is later or at any adjournment thereof

Broadcast Venue : 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Online Meeting Platform : <https://meeting.boardroomlimited.my>

#### ORDINARY RESOLUTION 1

**PROPOSED VARIATION TO VARY THE MODE OF THE SETTLEMENT OF THE AMOUNT OWING BY MUDAJAYA TO MINYI HOLDINGS LIMITED OF HKD216.76 MILLION (EQUIVALENT TO RM130.06 MILLION) FROM WHOLLY IN CASH, TO A COMBINATION OF CASH AND THE ISSUANCE OF NEW ORDINARY SHARES IN MUDAJAYA ("MUDAJAYA SHARE(S)" OR "SHARE(S)") ("CONSIDERATION SHARE(S)") ("PROPOSED VARIATION")**

**"THAT** conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, and the conditions precedent in the conditional variation agreement dated 29 November 2023 entered into between Mudajaya (purchaser) and Minyi Holdings Limited (vendor), for the Proposed Variation being fulfilled or waived, approval be and is hereby given to Mudajaya, to vary the mode of the settlement of the amount owing by Mudajaya to Minyi Holdings Limited of HKD216.76 million (equivalent to RM130.06 million) from wholly in cash, to a combination of cash and the issuance of Consideration Shares.

**THAT** such Consideration Shares, upon allotment and issuance, rank equally in all respects with each other and the existing Mudajaya Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotment and/ or other forms of distributions where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the date of allotment and issuance of the Consideration Shares.

**THAT** pursuant to Clause 49(1) of the Constitution of Mudajaya, the existing shareholders have a pre-emptive right to be offered any new shares which rank equally to existing shares that are issued by Mudajaya, subject to a direction to the contrary at a general meeting and accordingly, the Company is hereby directed to proceed with the Proposed Variation by issuing the Consideration Shares without offering the Consideration Shares to all existing shareholders.



**AND THAT** the board of Directors of Mudajaya ("**Board**") be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Variation with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Variation."

## **ORDINARY RESOLUTION 2**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 531,480,223 NEW MUDAJAYA SHARES ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 4 EXISTING SHARES HELD, TOGETHER WITH UP TO 531,480,223 FREE DETACHABLE WARRANTS IN MUDAJAYA ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

**"THAT** subject to the passing of Ordinary Resolution 1 and approvals of all relevant authorities and/ or parties (if required) being obtained, where required, approval be and is hereby given to the Board for the following:-

- i. to provisionally allot and issue by way of a renounceable rights issue of up to 531,480,223 Rights Shares together with up to 531,480,223 Warrants to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board, on the basis of 1 Rights Share for every 4 existing Shares held based on the terms and conditions set out in the circular to shareholders dated 17 May 2024 ("**Circular**") and deed poll ("**Deed Poll**");
- ii. to issue such Rights Shares together with Warrants as may be required to give effect to the Proposed Rights Issue with Warrants, including any persons entitled on renunciation of the provisional allotments;
- iii. wherein each of the Warrant will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the exercise period, for 1 new Mudajaya Share at an exercise price of RM0.22 per Warrant;
- iv. to allot and issue such number of new Mudajaya Shares arising from the exercise of the Warrants, from time to time during the tenure of the Warrants, in accordance with the provisions of the Deed Poll;
- v. to allot and issue such further Warrants and new Mudajaya Shares arising from the exercise of such further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and
- vi. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the Rights Shares and Warrants.

**THAT** any Rights Shares together with Warrants which are not taken up shall be made available for excess applications to the entitled shareholders and/ or their renounee(s) who have applied for the excess Rights Shares with Warrants, and are intended to be allocated on a fair and equitable basis;

**THAT** any fractional entitlements of the Rights Shares together with Warrants arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deems fit and expedient, and is in the best interests of the Company;

**THAT** the proceeds of the Proposed Rights Issue with Warrants be utilised as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/ or purposes of utilisation of such proceeds in such manner as the Board, may at its absolute discretion, deem fit, necessary, expedient and/ or in the best interest of the Company, subject to the approval of the relevant authorities, where required;

**THAT** the Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing Mudajaya Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to or on the date of allotment and issuance of the Rights Shares;

**THAT** the new Mudajaya Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Mudajaya Shares, save and except that the new Mudajaya Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to or on the date of allotment and issuance of the new Mudajaya Shares;

**THAT** the Board be and is hereby authorised to sign and execute all documents, enter into any arrangements, agreements and/ or undertaking with any party or parties, do all things as may be required to give effect to the Proposed Rights Issue with Warrants with full powers to assent to any conditions, variations, modifications and/ or amendments including to vary the manner and/ or the purpose of the utilisation of proceeds arising from the Proposed Rights Issue with Warrants, if necessary, in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants in the best interest of the Company;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights Shares, Warrants and new Mudajaya Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

By Order of the Board

**TAN CHIN BOO** (MIA 46824) (SSM PC No. 202408000126)  
Company Secretary

Petaling Jaya  
17 May 2024

**Notes:**

1. The EGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities ("**RPV**"). Please follow the procedures as set out in the Administrative Guide for the EGM in order to register, participate and vote remotely via RPV.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. No members/ proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
3. A member of the Company who is entitled to attend, participate and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend, participate and vote instead of the member at the meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
4. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
6. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall be invalid. An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

8. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally, by fax at (603) 7890 4670, by electronic mail to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com), by sending it through the post, or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
9. For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at **5 June 2024** and only members whose names appear in the Record of Depositors shall be entitled to attend, participate and vote at this EGM via RPV.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the resolutions set out in the Notice of EGM shall be put to vote by way of poll.

**Personal Data Privacy:-**

*By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate and vote at the EGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*



**MUDAJAYA GROUP BERHAD**  
 Registration No. 200301003119 (605539-H)  
 (Incorporated in Malaysia)

**PROXY FORM**

<b>No. of Shares held</b>	
<b>CDS Account No.</b>	

I/ We \_\_\_\_\_ \*NRIC No./ Passport No./ Company No. \_\_\_\_\_  
 (NAME OF SHAREHOLDER AS PER NRIC)

Tel No. \_\_\_\_\_ of \_\_\_\_\_  
 (FULL ADDRESS)

\_\_\_\_\_ being a member of MUDAJAYA GROUP BERHAD,

hereby appoint \_\_\_\_\_ \*NRIC No./ Passport No. \_\_\_\_\_  
 (NAME OF PROXY AS PER NRIC)

Email: \_\_\_\_\_ of \_\_\_\_\_  
 (FULL ADDRESS)

and/ or \_\_\_\_\_ \*NRIC No./ Passport No. \_\_\_\_\_  
 (FULL NAME AS PER NRIC)

Email: \_\_\_\_\_ of \_\_\_\_\_  
 (FULL ADDRESS)

or failing \*him/ her, the Chairman of the Meeting as \*my/ our proxy to attend and vote on \*my/ our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held virtually from the Broadcast Venue at 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and via the Online Meeting Platform at <https://meeting.boardroomlimited.my> on Thursday, 13 June 2024 at 4:00 p.m. or immediately upon conclusion of the 21<sup>st</sup> Annual General Meeting of the Company which will be held at the same venue and on the same day at 2:30 p.m., whichever is later or at any adjournment thereof.

Please indicate with an " X " in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/ proxies will vote or abstain from voting at his/ their discretion.

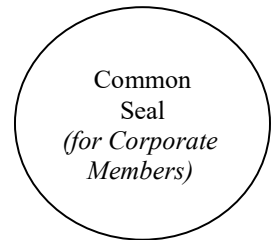
<b>ORDINARY RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
<b>ORDINARY RESOLUTION 1 - PROPOSED VARIATION</b>		
<b>ORDINARY RESOLUTION 2 - PROPOSED RIGHTS ISSUE WITH WARRANTS</b>		

\* Strike out whichever is not applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
 Signature of Member

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:		
	<b>No. of Shares</b>	<b>Percentage</b>
1 <sup>st</sup> Proxy		%
2 <sup>nd</sup> Proxy		%
Total:		100 %



## Notes:-

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2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. No members/ proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
3. A member of the Company who is entitled to attend, participate and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend, participate and vote instead of the member at the meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
4. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
6. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall be invalid. An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally, by fax at (603) 7890 4670, by electronic mail to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com), by sending it through the post, or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
9. For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at **5 June 2024** and only members whose names appear in the Record of Depositors shall be entitled to attend, participate and vote at this EGM via RPV.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in the Notice of EGM shall be put to vote by way of poll.

## **Personal Data Privacy:-**

*By submitting an instrument appointing a proxy(ies) and/ or representative(s), the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of EGM dated 17 May 2024.*

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

**MUDAJAYA GROUP BERHAD**  
Registration No. 200301003119 (605539-H)  
**c/o Boardroom Share Registrars Sdn Bhd**  
Registration No. 199601006647 (378993-D)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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