

# CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)  
(Incorporated in Malaysia)

## Interim Financial Report

### Summary of Key Financial Information for the financial period ended 31 December 2023

	Note	3 months ended		Changes (%)	12 months ended		Changes (%)
		31.12.2023 RM'000	31.12.2022 RM'000		31.12.2023 RM'000	31.12.2022 RM'000	
Revenue	A8	332,652	308,402	8%	1,200,744	1,010,570	19%
Cost of sales		(236,341)	(268,188)		(910,222)	(822,083)	
<b>Gross profit</b>		96,311	40,214	139%	290,522	188,487	54%
Other income		26,600	107,165		75,102	229,914	
Administrative expenses		(41,892)	(40,244)		(138,841)	(88,898)	
Selling and marketing expenses		(13,793)	(9,034)		(35,167)	(18,258)	
Other expenses		(53,935)	(26,214)		(114,816)	(61,843)	
<b>Operating profit</b>		13,291	71,887	(82%)	76,800	249,402	(69%)
Finance costs		(8,920)	(8,837)		(35,107)	(22,033)	
Share of results of associates		19,043	14,270		62,094	139,113	
Share of results of joint ventures		7,526	13,669		25,436	31,515	
<b>Profit before taxation</b>		30,940	90,989	(66%)	129,223	397,997	(68%)
Income tax expense	B5	(7,276)	(62,487)		(46,678)	(108,071)	
<b>Profit for the period</b>		23,664	28,502	(17%)	82,545	289,926	(72%)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):							
Share of other comprehensive income of associates		1,197	(15,700)		4,139	19,873	
Exchange differences on translation		62,354	(11,175)		15,535	(11,175)	
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):							
Net gain/(loss) on equity instrument designated as fair value through other comprehensive income		3,100	(3,101)		6,718	(8,786)	
<b>Other comprehensive income for the period</b>		66,651	(29,976)		26,392	(88)	
<b>Total comprehensive income for the period</b>		90,315	(1,474)	(6227%)	108,937	289,838	(62%)
Profit attributable to:							
Owners of the Company		36,246	21,184	71%	115,130	287,134	(60%)
Non-controlling interests		(12,582)	7,318		(32,585)	2,792	
		23,664	28,502		82,545	289,926	
Total comprehensive income attributable to:							
Owners of the Company		89,145	(6,154)		136,826	289,744	
Non-controlling interests		1,170	4,680		(27,889)	94	
		90,315	(1,474)		108,937	289,838	
		sen	sen		sen	sen	
<b>Earnings per share attributable to owners of the Company:</b>							
Basic	B13	3.37	1.97		10.72	26.73	
Diluted		3.37	1.97		10.72	26.73	

The condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

**Cahya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of financial position as at 31 December 2023**

	Note	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,458,286	1,439,436
Land held for property development		288,900	194,969
Investment properties		6,180	5,216
Intangible assets		12,527	6,901
Goodwill		68,485	68,485
Investments in associates		716,686	658,663
Investments in joint ventures		343,304	357,135
Deferred tax assets		15,456	6,258
Other receivables		464	1,511
Investment securities		113,728	100,923
		<u>3,024,016</u>	<u>2,839,497</u>
<b>Current assets</b>			
Property development costs		22,119	107,464
Inventories		436,753	413,999
Trade and other receivables		290,848	243,025
Other current assets		22,749	31,419
Investment securities		150,922	143,463
Derivative financial asset		96,649	96,649
Tax recoverable		21,493	14,932
Cash and bank balances		607,631	965,357
		<u>1,649,164</u>	<u>2,016,308</u>
<b>TOTAL ASSETS</b>		<b><u>4,673,180</u></b>	<b><u>4,855,805</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		867,902	867,902
Treasury shares		(352)	(352)
Other reserves		(1,152)	(29,506)
Retained earnings		2,430,796	2,388,652
		<u>3,297,194</u>	<u>3,226,696</u>
<b>Non-controlling interests</b>		<u>246,936</u>	<u>250,537</u>
<b>Total equity</b>		<b><u>3,544,130</u></b>	<b><u>3,477,233</u></b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		77,276	80,797
Loans and borrowings	B7	206,982	255,787
Lease liabilities		30,977	36,573
Trade and other payables		4,790	1,028
		<u>320,025</u>	<u>374,185</u>
<b>Current liabilities</b>			
Income tax payable		24,342	53,380
Loans and borrowings	B7	113,023	282,005
Lease liabilities		28,352	13,569
Trade and other payables		643,187	652,040
Other current liabilities		121	3,393
		<u>809,025</u>	<u>1,004,387</u>
<b>Total liabilities</b>		<b><u>1,129,050</u></b>	<b><u>1,378,572</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>4,673,180</u></b>	<b><u>4,855,805</u></b>
<b>Net assets per share attributable to ordinary owners of the Company (RM)</b>		<b><u>3.07</u></b>	<b><u>3.00</u></b>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

**Cahya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity for the period ended 31 December 2023**

	< ----- Attributable to Owners of the Company ----- >						
	< ----- Non-distributable ----- >				Distributable		
	<b>Total equity</b>	<b>Total</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Non-controlling interests</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2023</b>	3,477,233	3,226,696	867,902	(352)	(29,506)	2,388,652	250,537
Profit net of tax	82,545	115,130	-	-	-	115,130	(32,585)
Other comprehensive income, net of tax	26,392	21,696	-	-	21,696	-	4,696
Total comprehensive income	108,937	136,826	-	-	21,696	115,130	(27,889)
<b>Transactions with owners:-</b>							
Additional investment in a subsidiary	(11,117)	(39,245)	-	-	1,721	(40,966)	28,128
Grant of equity-settled share options to employees	5,142	5,142	-	-	5,142	-	-
Dividends on ordinary shares	(32,225)	(32,225)	-	-	-	(32,225)	-
Dividends paid to non-controlling interests	(3,840)	-	-	-	-	-	(3,840)
Total transactions with owners	(42,040)	(66,328)	-	-	6,863	(73,191)	24,288
Share of associates' reserves	-	-	-	-	(205)	205	-
<b>At 31 December 2023</b>	3,544,130	3,297,194	867,902	(352)	(1,152)	2,430,796	246,936

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity for the period ended 31 December 2022**

	< ----- Attributable to Owners of the Company ----- >						
	< ----- Non-distributable ----- >			Distributable			
	<b>Total equity</b>	<b>Total</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Non-controlling interests</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2022</b>	3,232,390	3,012,596	867,902	(352)	22,106	2,122,940	219,794
Profit net of tax	289,926	287,134	-	-	-	287,134	2,792
Other comprehensive income, net of tax	(88)	2,610	-	-	2,610	-	(2,698)
Total comprehensive income	289,838	289,744	-	-	2,610	287,134	94
<b>Transactions with owners:-</b>							
Acquisition of subsidiaries	37,025	-	-	-	-	-	37,025
Disposal of treasury shares	-	-	-	-	-	-	-
Grant of equity-settled share options to employees	4,025	4,025	-	-	4,025	-	-
Dividends paid to owners of the Company	(21,484)	(21,484)	-	-	-	(21,484)	-
Dividends paid to non-controlling interests	(6,376)	-	-	-	-	-	(6,376)
Total transactions with owners	13,190	(17,459)	-	-	4,025	(21,484)	30,649
Arising from partial disposal of investment in an associate	-	-	-	-	-	-	-
Disposal of associates	(57,938)	(57,938)	-	-	(57,938)	-	-
Deemed acquisition of a subsidiary	-	-	-	-	-	-	-
Share of associates' reserves	(247)	(247)	-	-	(309)	62	-
<b>At 31 December 2022</b>	<b>3,477,233</b>	<b>3,226,696</b>	<b>867,902</b>	<b>(352)</b>	<b>(29,506)</b>	<b>2,388,652</b>	<b>250,537</b>

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of cash flows for the period ended 31 December 2023**

	12 months ended 31.12.2023 RM'000	12 months ended 31.12.2022 RM'000
<b>Profit before taxation from continuing operations</b>	129,223	397,997
Adjustments for non-cash items:		
Non-cash items	53,798	(258,888)
<b>Operating cash flows before changes in working capital</b>	183,021	139,109
Changes in working capital		
(Increase) in current assets	(33,291)	121,802
(Increase) in non-current assets	(93,931)	(49,336)
(Decrease) in current liabilities	(12,868)	(94,334)
(Decrease)/increase in non-current liabilities	(275)	1,175
<b>Cash flows used in operations</b>	42,656	118,416
Interest received	17,468	10,916
Interest paid	(30,826)	(50,033)
Income tax paid, net of refund	(94,996)	(56,269)
<b>Net cash flows used in operating activities</b>	(65,698)	23,030
<b>Investing activities</b>		
Acquisition of investment properties	-	(533)
Acquisition of property, plant and equipment	(43,152)	(67,728)
Acquisition of intangible assets	(7,199)	(5,027)
Acquisition of land held for property development	-	(226)
Additional investment in joint ventures	-	(910)
Additional investments in investment securities	(12,975)	(57,157)
Acquisition of subsidiaries non controlling interest	(15,660)	-
Dividends received from joint ventures	37,446	-
Dividends received from associates	8,209	68,260
Dividends received from investments	-	5,865
Capital redemption from investment securities	10,230	-
Net cash inflow arising from acquisition of a subsidiaries	-	29,191
Acquisition of additional interest in associates	-	(2,000)
Placement of deposits with licensed banks	-	(3,080)
Proceeds from disposal of associates	-	466,811
Proceeds from disposal of investment securities	-	316,302
Distribution of profit from joint ventures	1,821	18,358
Proceeds from disposal of property, plant and equipment	1,403	2,671
Loan repayment from associates	-	45,411
<b>Net cash from investing activities</b>	(19,877)	816,208
<b>Financing activities</b>		
Deposit pledged to a licensed bank	(1,977)	(26)
Drawdown of borrowings	114,218	267,462
Repayments of borrowings	(332,005)	(641,780)
Repayment of lease liabilities	(25,747)	(14,240)
Proceeds from lease receivables	1,766	1,624
Dividends paid to shareholders of the Company	(32,225)	(21,484)
Dividends paid to non-controlling interests	(3,840)	(6,377)
<b>Net cash used in financing activities</b>	(279,810)	(414,821)
<b>Net increase in cash and cash equivalents</b>	(365,385)	424,417
<b>Effect of foreign exchange changes in cash and cash equivalents</b>	5,682	(1,743)
<b>Cash and cash equivalents as at 1 January</b>	965,357	540,747
<b>Cash and cash equivalents as at 31 December</b>	605,654	963,421
Cash and cash equivalents as at 31 December comprised the following:		
Cash and short term deposits	607,631	965,357
Less: Deposits pledged to licensed banks	(1,977)	(1,936)
Less: Deposits with maturity of more than three months	-	-
	605,654	963,421

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**Part A – Explanatory notes pursuant to MFRS 134**

**A1. Basis of preparation**

These condensed consolidated interim financial statements, for the year ended 31 December 2023 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

**A2. Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2023, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2023.

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates

The adoption of these standards is not expected to have any material effect on the financial performance or position of the Group.

**A3. Seasonal or cyclical factors**

The business operations of the Group are generally non-cyclical or seasonal.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**A4. Unusual items due to their nature, size and incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the year ended 31 December 2023.

**A5. Changes in estimates**

There were no changes in estimates that have had a material effect on the current quarter's results.

**A6. Debt and equity securities**

During the current quarter ended 31 December 2023, there was no repurchase and resell of treasury shares. As at 31 December 2023, the Company held 200,000 treasury shares in its books.

**A7. Dividends paid**

There was no dividend declared and paid during the quarter ended 31 December 2023.

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**CAHYA MATA SARAWAK BERHAD**

(Company No. 21076-T)

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****A8. Segmental information**

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Cement	187,778	163,872	681,691	601,886
Road maintenance	44,520	41,484	119,045	134,616
Property development	17,346	23,031	61,519	105,012
Phosphates	-	-	-	-
Oiltools	69,808	66,746	281,262	89,057
Strategic investments	16,300	17,821	71,152	90,874
Support Service	51,649	26,032	85,647	63,077
Total revenue including inter-segment sales	387,401	338,986	1,300,316	1,084,522
Elimination of inter-segment sales	(54,749)	(30,584)	(99,572)	(73,952)
Total revenue from continuing operations	332,652	308,402	1,200,744	1,010,570

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<b>Segment Results</b>				
Operating profit/(loss):				
Cement	55,539	(3,465)	146,037	80,053
Road maintenance	8,534	6,242	13,645	17,107
Property development	(8,874)	6,444	(2,219)	33,166
Phosphates	(57,600)	(27,754)	(156,697)	(61,312)
Oiltools	3,505	10,380	29,305	73,355
Strategic investments	(1,809)	78,358	17,778	117,276
Support Services	(1,124)	1,090	(27)	2,437
	(1,829)	71,295	47,822	262,082
Corporate expenses	6,201	(8,245)	(6,129)	(34,713)
Share of results of associates	19,043	14,270	62,094	139,113
Share of results of joint ventures	7,525	13,669	25,436	31,515
Profit before tax	30,940	90,989	129,223	397,997
Income tax expenses	(7,276)	(62,487)	(46,678)	(108,071)
Profit for the period	23,664	28,502	82,545	289,926



**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****A9. Changes in composition of the Group**

There have been no changes in the composition of the Group for the quarter ended 31 December 2023.

**A10. Fair value of instruments****(a) Determination of fair value**

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, which are not carried at fair value in the financial statements. It does not include those short term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values:

	31 December 2023		31 December 2022	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>Financial liabilities:</b>				
Interest-bearing loans and borrowings				
- Term loans	289,369	289,369	305,126	305,126
	<u>289,369</u>	<u>289,369</u>	<u>305,126</u>	<u>305,126</u>

**(b) Fair value hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities,

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**A10. Fair value of instruments (contd.)**

**(b) Fair value hierarchy (contd.)**

As at the reporting date, the Group held the following financial assets and liabilities that were measured at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 December 2023</b>				
<b>Financial assets</b>				
Investment securities				
- Equity instrument	75,970	-	-	75,970
- Income debt securities	-	150,922	-	150,922
- Redeemable preference shares	-	-	37,758	37,758
Derivative financial assets	-	-	96,649	96,649
	<u>75,970</u>	<u>150,922</u>	<u>134,407</u>	<u>361,299</u>

**31 December 2022**

**Financial assets**

Investment securities

- Equity instrument	69,251	-	-	69,251
- Income debt securities	-	143,463	-	143,463
- Redeemable preference shares	-	-	31,672	31,672
Derivative financial assets	-	-	96,649	96,649
	<u>69,251</u>	<u>143,463</u>	<u>128,321</u>	<u>341,035</u>

There have been no transfers between any levels during the current interim period and the comparative period.

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****A11. Capital & other commitments**

The amount of commitments not provided for in the financial statements as at 31 December 2023 and 31 December 2022 was as follows:

## Capital commitments

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Approved and contracted for:		
- Property, plant and equipment	8,881	46,284
- Intangible assets	22,287	304
- Investments in redeemable preference shares in joint ventures	1,820	13,702
	<u>32,988</u>	<u>60,290</u>
Approved but not contracted for:		
- Property, plant and equipment	302,863	200,778
- Intangible assets	5	13,045
	<u>302,868</u>	<u>213,823</u>
	<u>335,856</u>	<u>274,113</u>

**A12. Changes in contingent liabilities and contingent assets**

There were no material changes in the contingent liabilities or contingent assets since the last annual reporting date, except as disclosed in the following:

Syarikat SESCO Berhad (SESCO) has, through their advocates, served their Respondent's Memorial dated 3 January 2024, counterclaiming RM342 million. This claim includes interest, cost or such other sum as the Arbitral Tribunal may determine. Accordingly, the associated contingent liabilities increase by RM76 million from RM266 million as reported in the last audited financial statements, to RM342 million.

The update of this litigation is as disclosed in B11 (b).

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**CAHYA MATA SARAWAK BERHAD**

(Company No. 21076-T)

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****A13. Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the period ended 31 December 2023 and 31 December 2022 as well as the balances with the related parties as at 31 December 2023 and 31 December 2022:

		Interest/fee/ rental income from/sales to related parties RM '000	Purchases from/payment for services to related parties RM '000	Amounts owed by related parties RM '000	Amounts owed to related parties RM '000
<b>Associates:</b>					
- Kenanga Investment Bank Bhd	2023	1,488	-	-	-
	2022	2,005	-	-	-
- SACOFA Sdn Bhd	2023	5,625	202	2,886	-
	2022	5,694	152	2,373	-
- OM Materials (Sarawak) Sdn Bhd	2023	-	-	-	-
	2022	8,935	-	-	-
- OM Materials (Samalaju) Sdn Bhd	2023	-	-	-	-
	2022	1,752	-	-	-
<b>Joint Ventures:</b>					
- SEDC Resources Group	2023	4,701	20,878	500	5,676
	2022	10,858	31,834	3,505	13,262
- PPES Works Group	2023	124,451	-	42,868	-
	2022	119,300	-	53,250	-
<b>Key management personnel of the Group:</b>					
- Directors' interests	2023	-	5,997	-	1,563
	2022	-	12,203	-	3,189

All outstanding balances with these related parties are unsecured and are to be settled in cash within the financial period.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**Part B – Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of performance**

**Year 2023 (“YE2023”) vs Year 2022 (“YE2022”)**

The Group reported a revenue of RM1,200.74 million for the year ended 31 December 2023 ("YE2023"), an increase of 19% in comparison to the preceding year ("YE2022") revenue of RM1,010.57 million. Group revenue increased due to higher contributions from the Cement and Oiltools Division.

The Group's profit before tax ("PBT") from operations was lower at RM129.22 million in comparison to YE2022's PBT of RM398.00 million. The lower PBT was driven by the one-off gains of RM197.78 million recorded in YE2022 from the recognition of negative goodwill of RM71.07 million, gain from disposal of investment in associated companies of RM89.08 million and reversal of impairment of RM37.63 million on investment and loan to an associated company. In addition, profit contributions from associates decreased by 55% to RM62.09 million from YE2022's contribution of RM139.11 million. Decline in profits from associates was due to disposal of investment in associated companies in YE2022.

The performances of the Group's respective Divisions are analysed as follows:

- (a) **Cement Division** - reported a higher revenue of RM681.69 million and PBT of RM146.04 million in YE2023, 13% higher over YE2022's revenue of RM601.89 million and 82% higher than PBT of RM80.05 million. The higher profitability of the division in YE2023 was mainly attributable to the increase in sales of cement and improvement in gross profit margin due to lower input costs.
- (b) **Road Maintenance Division** - reported a PBT of RM13.65 million, a decrease of RM3.46 million in comparison to the preceding year's PBT of RM17.11 million. Lower PBT was due to lower sales and reduced gross profit margin recorded in YE2023.
- (c) **Property Development Division** - reported a loss before tax of RM2.22 million in YE2023 in comparison to a PBT of RM33.17 million in YE2022 mainly due to slower sales of properties and no land sales in YE2023.
- (d) **Phosphate Division** - Loss before tax of RM156.70 million was recorded for YE2023, higher than YE2022 loss of RM61.31 million. YE2022 was in the construction phase with most of cost incurred in YE2022 being capitalised. For YE2023, the commissioning and finance related costs incurred have been recognised in the statement of comprehensive income.
- (e) **Oiltools Division** - contributed PBT of RM29.31 million in YE2023 to the group results. In YE2022, there was a recognition of negative goodwill on consolidation amounting to RM71.07 million upon completion of the acquisition on 6 September 2022.

## NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023

## B1. Review of performance (contd.)

**Year 2023 (“YE2023”) vs Year 2022 (“YE2022”) (contd.)**

- (f) **Strategic Investments Division** - reported a PBT of RM17.78 million in YE2023 as compared to PBT of RM117.28 million in YE2022. In YE2022, there were one-off gains from sale of investment in associated companies of RM89.08 million and a reversal of impairment of RM37.69 million on investment and loan to an associate.
- (g) **Corporate expenses** - lower corporate expenses by RM28.58 million mainly due to an increase in the net interest income and improvement in the fair valuation of the investment securities in YE2023.
- (h) **Share of results of associates** - Profit contributions from associates was lower in YE2023 as compared to YE2022. The Group no longer recognises profits from an associate which was disposed off in December 2022.

**Quarter 4, 2023 (“4Q2023”) vs Quarter 4, 2022 (“4Q2022”)**

	4th Qtr 2023 RM'000	4th Qtr 2022 RM'000	Changes %
<b>Continuing operations:</b>			
Revenue	332,652	308,402	8%
Gross profit	96,311	40,214	139%
Share of results of associates	19,043	14,270	33%
Share of results of joint ventures	7,526	13,669	(45%)
Profit before tax	30,940	90,989	(66%)
PATNCI	36,246	21,184	71%

Revenue for 4Q2023 increased by 8% compared to 4Q2022 mainly due to contribution from Cement Division of RM23.91 million.

The decline in PBT was mainly attributable by one-off gains in 4Q2022 from the disposal of investment in associated companies of RM89.08 million partially offset by improvement from operations.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**B2. Material changes in profit before tax for the quarter (Quarter 4, 2023 vs Quarter 3, 2023)**

	4th Qtr 2023 RM'000	3rd Qtr 2023 RM'000	Changes %
<b>Continuing operations</b>			
Revenue	332,652	301,902	10%
Gross profit	96,311	72,042	34%
Share of results of associates	19,043	13,950	37%
Share of results of joint ventures	7,526	6,628	14%
Profit before tax	30,940	23,693	31%
PATNCI	36,246	9,981	263%

The Group's revenue increased by 10% in 3Q2023 to RM332.65 million from RM301.90 million in 3Q2023. This was mainly driven by higher revenue from Cement and Road Maintenance Division.

The Group's PBT improved by 31% to RM30.94 million in 4Q2023 from RM23.69 million in 3Q2023. This was mainly attributable by higher finance costs recognised by Phosphates Division in 3Q2023.

**B3. Prospects for the year ending 31 December 2024**

The Group's performance for the year ended 31<sup>st</sup> December 2023 has been in line with our expectations with the exception of Phosphates where commercialisation of the plant has been deferred.

The key challenges and headwinds for 2024 are: RM :USD exchange rate which are at historical highs and the outcome of the ongoing arbitration for Cahya Mata Phosphates. Aside from these challenges and barring any other unforeseen circumstances, the Group is cautiously optimistic of the prospects for 2024.

We will continue to remain resilient and focus on realising our full growth potential, leveraging on our healthy balance sheet and diverse portfolio of businesses.

As we progressively improve our strategy, aligning our business to growth and value opportunities, we will continue to pursue cost optimisation activities within the Group to drive operational efficiency and optimise profit margin.

**B4. Profit forecast or profit guarantee**

Not applicable as there was no profit forecast nor profit guarantee issued.

**CAHYA MATA SARAWAK BERHAD**

(Company No. 21076-T)

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****B5. Income tax expense**

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	7,276	62,487	46,678	108,071
Total income tax expense	7,276	62,487	46,678	108,071

The effective tax rate for the quarter and year ended 31 December 2023 and 31 December 2022 was higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be offset against taxable profits made by other subsidiaries.

**B6. Corporate proposals**

- (a) There were no other corporate proposals that have been announced but not completed as at the date of this announcement
- (b) Status of Utilisation of Proceeds

Pursuant to the corporate proposal which was duly completed on 6 December 2022 following the full settlement of the disposal consideration by the OM Materials (S) Pte. Ltd, the gross proceeds raised from this disposal was USD120,000,000.

The utilisation of the proceeds as at 31 December 2023 is set out below:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance/ (Deviation) (RM'000)	Intended Timeframe for Utilisation from date of listing of the Corporate Proposal
Future acquisition/ investments	119,707	26,436	93,271	Within 36 months
Capital expenditure	96,085	50,531	45,554	Within 24 months
Working capital	239,415	162,333	77,082	Within 24 months
Estimated Expenses	23,622	19,768	3,854	Upon completion of Corporate Proposal



**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**B7. Loans and borrowings**

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
<b>Current</b>		
<b>Secured:</b>		
Revolving credits	22,950	39,065
Term loan	81,000	47,007
Onshore foreign currency loan	-	84,948
<b>Unsecured</b>		
Banker's acceptances	-	56,894
Revolving credits	10,000	55,000
	<hr/> 113,950	<hr/> 282,914
Structuring and management fee	(927)	(909)
	<hr/> 113,023	<hr/> 282,005
<b>Non-current</b>		
<b>Secured</b>		
Term loan	208,369	258,119
Structuring and management fee	(1,387)	(2,332)
	<hr/> 206,982	<hr/> 255,787
<b>Total</b>	<hr/> 320,005	<hr/> 537,792

Loans and borrowings that are not denominated in Ringgit Malaysia amounted to RM259,669,322 (31 December 2022: RM287,423,677).

**B8. Off balance sheet financial instruments**

As at the date of this report, there are no financial instruments with off balance sheet risks entered into by the Group.

**B9. Derivatives**

There were no derivatives entered into by the Group as at the end of the quarter under review.

**B10. Gains/losses arising from fair value changes of financial liabilities**

There were no gains/losses arising from fair value changes of financial liabilities.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023**

**B11. Changes in material litigation**

There were no changes in material litigation since the last annual statement of financial position date of 31 December 2022, except as disclosed in the following:

- (a) Via Notice of Arbitration dated 25.05.2023, one of the shareholder of Cahya Mata Phosphates Industries Sdn Bhd ("CMPI"), Malaysian Phosphate Venture Sdn Bhd ("MPV") sought to commence arbitration proceeding against both CMPI and Samalaju Industries Sdn Bhd ("SISB") and subsequently on 13.10.2023, MPV had through its solicitor, Messrs Harold, Lam Partnership Advocates and Solicitors, served its Statement of Claim and its Bundle of Documents on Messrs Murali Sangaran, the solicitor acting for and on behalf of CMPI and SISB.

This is an arbitration arising from a shareholder agreement dispute between the shareholders of CMPI, namely MPV and SISB. In this arbitration, MPV is alleging minority oppression and claiming for an order that SISB purchase MPV's 86,856,800 shares at the price of RM86,856,800 and other damages (to be assessed) against SISB and CMPI.

The current status of the case is that given the relief sought which are available for minority oppression under the Companies Act 2016, SISB and CMPI have filed an application to challenge the jurisdiction of the arbitral tribunal to administer and arbitrate this dispute. The parties are waiting for the tribunal to render further directions pertaining to hearing of the jurisdictional challenge.

- (b) On 04 January 2024, Syarikat SESCO Berhad (SESCO) has, through their advocates, served their Respondent's Memorial dated 03 January 2024. In their memorial, SESCO is counterclaiming RM 342,247,386.53 (as well as interest, cost or such other sum as the Arbitral Tribunal may determine).

The evidentiary hearing has been fixed on 26 August 2024 to 30 August 2024 before the Arbitral Tribunal.

**B12. Dividend payable**

The Board of Directors has proposed to declare a first and final tax exempt (single-tier) dividend at the coming Annual General Meeting of 2.0 sen per ordinary share (2022: 3.0 sen). The dividend entitlement and payment date for the final dividend will be announced at a later date.

**CAHYA MATA SARAWAK BERHAD**

(Company No. 21076-T)

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****B13. Earnings per share**

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to the owners of the Company by the weighted average number of ordinary shares outstanding, which takes into account the weighted average effect of changes in treasury shares transactions during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for Employees' Share Option Scheme (ESOS)) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic earnings per share:

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit net of tax attributable to owners of the Company (RM'000)	36,246	21,184	115,130	287,134
Weighted average number of ordinary shares in issue ('000)	1,074,176	1,074,176	1,074,176	1,074,176
Effect of dilution from:				
Employees' Share Option Scheme (ESOS) ('000)	-	-	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	1,074,176	1,074,176	1,074,176	1,074,176
Earnings per share (sen):				
- Basic	3.37	1.97	10.72	26.73
- Diluted	3.37	1.97	10.72	26.73

**B14. Auditor's report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2022 was not subject to any qualification.

**CAHYA MATA SARAWAK BERHAD****(Company No. 21076-T)****NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023****B15. Additional disclosure on profit for the period**

	Quarter ended 31.12.2023 RM'000	Financial year ended 31.12.2023 RM'000
Profit for the period is arrived at after charging/(crediting):		
Amortisation of intangible assets	97	339
Depreciation of property, plant and equipment	32,412	90,459
Depreciation of investment properties	98	239
Inventories written-down	52,188	52,188
Impairment of intangible assets	1,473	1,473
Gain on disposal of property, plant and equipment	(48)	(322)
Gain on foreign exchange - realised	(7,153)	(6,048)
Loss/(Gain) on foreign exchange - unrealised	576	(11,917)
Interest expense	8,920	35,107
Interest income	(2,076)	(10,535)
Net fair value changes in investment securities	(6,445)	(10,804)