

## **From Humble Beginnings to Golden Success: Celebrating 50 Years of Cahya Mata Sarawak Berhad**

**As we mark our 50-year milestone, we celebrate a journey of significant transformation and steadfast growth. Established in 1974, our evolution from a local cement manufacturer to a key driver of regional economic development reflects our commitment to visionary leadership and strategic expansion. This journey, punctuated by milestones such as our pioneering entry into the stock market and strategic acquisitions, has seen us grow in lockstep with the dynamic changes of our environment.**

**Today, as we look back on half a century of industry leadership and forward to the opportunities that lie ahead, we are guided by our enduring values and a deep commitment to all our stakeholders. We are poised to continue our path of innovation, sustainability, and excellence, embracing the complexities of tomorrow with resilience and adaptability.**

**On this landmark anniversary, we extend our gratitude to our dedicated team, our loyal stakeholders, and the communities that support us. Together, we are excited to build the future - another 50 years of success, collaboration, and prosperity.**

# TO ACHIEVE A BETTER FUTURE



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## ABOUT THIS REPORT

**We are pleased to present the Annual Report of Cahya Mata Sarawak Berhad (referred to as “Cahya Mata”) and its Group of Subsidiaries (referred to as “the Group”) for the Financial Year 2023 (FY2023). Our Annual Report is a platform that captures information about our businesses and strategies, as well as our consistent value creation process for our stakeholders over the short, medium, and long-term.**

We have emphasised transparency and objectivity in presenting our value creation journey, and we aim to meet the specific information needs of discerning stakeholders to further establish ourselves as the preferred company on Bursa Malaysia Securities Berhad (Bursa Malaysia).

In producing this year’s Annual Report, we prioritised a business reporting methodology that is focused on delivering a clear strategic vision of the Group. Our stakeholders can expect readability and clarity when reviewing the Annual Report, which provides relevant communication and information tailored to their needs.



### REPORTING BOUNDARY AND SCOPE

The 2023 Annual Report from Cahya Mata provides stakeholders with an accurate and transparent account of the organisation’s performance and the strategies employed to create value over time. It covers the period of 1 January 2023 to 31 December 2023 and represents a progressive development from our previous publications, offering a comprehensive overview of the company’s primary activities, which include Traditional Core Businesses, Strategic Investments and Support Services. Apart from our Traditional Core Business Divisions of Cement, Road Maintenance, Property Development, Oiltools, and Environmental Technology, this Report also provides a performance overview of the Associates and Joint-Ventures under the Strategic Investments portfolio.

## ABOUT THIS REPORT

### APPROVAL BY THE BOARD

The Board of Directors (referred to as “the Board”) has taken a well-considered approach in the preparation and presentation of the Group’s Annual Report, aligning it with nationally recognised reporting frameworks. Acknowledging our obligation to maintain the report’s integrity through sound governance practices and internal reporting procedures, the Board has approved the publication of the Group’s 2023 Annual Report.

### Reporting Suite for 2023

For the 2023 reporting cycle, we have developed a comprehensive reporting suite that outlines the Group’s value creation process in a comprehensible framework. The suite includes both content and graphics, providing stakeholders with a clear understanding of the organisation’s performance as per the following reporting suite:

Cahya Mata conducted a three-step materiality assessment in 2020, which remains relevant in 2023. The Group has continued to explore the most efficient methods by connecting the materiality matrix and material matters mapped against our sustainability themes to six capitals. These six capitals include:

#### Financial Capital

The financial resources required to support the business as a going concern. This includes our day-to-day expenses and our capital requirements, as well as the necessary funds to facilitate expansion.

#### Social and Relationship Capital

We play a critical role in the local economy, engaging with diverse stakeholder groups to ensure that we remain a trusted public listed entity and a homegrown company that enables sustainable value creation for Sarawakians.

#### Human Capital

We are a high-performance organisation that leverages on competent employees in specialist fields. We work to attract, develop and retain top-calibre human capital who are instrumental in executing our strategy.

#### Manufactured Capital

We leverage on a range of physical sites, machinery and facilities throughout Sarawak which enable us to develop, construct, procure and deliver our products and services. Additionally, our growing physical footprint beyond Sarawak serves as a platform for delivering our services.

#### Intellectual Capital

Our brand, which has endured for decades, encapsulates the intellectual capital that enables us to better serve our customers. In addition to intellectual property, this includes organisational capital such as the technologies and systems we have developed and the operational know-how.

#### Natural Capital

The resources we use for our businesses, such as water and electricity, are monitored and managed to integrate sustainability enablers across the Group.

### Do send us your feedback:

We welcome your input. To ensure our reports reflect the concerns and interests of our stakeholders, please send any feedback or inquiries to: [investor.relations@cahyamata.com](mailto:investor.relations@cahyamata.com), or for more information, visit our website at [www.cahyamata.com](http://www.cahyamata.com).



# WHO WE ARE

**VISION**  
To Achieve A Better Future

**STAKEHOLDERS**  
Our Shareholders, Staff, Customers & Community

**MISSION**

-  Producing Quality, On Spec & On Time
-  Respect & Integrity
-  Improving, Innovating & Investing in People
-  Delivering Sustainable Growth
-  Environmentally Conscious, Safe & Conducive Workplace

For 50 years, Cahya Mata has been a key driving force for Sarawak’s economic development. We played a leading role in Sarawak’s rapid growth as the Territory’s first cement manufacturer, growing into a Bursa Malaysia Main Market listed company. From our humble beginnings where our businesses were focused primarily in Sarawak, the Group has today grown into a multinational corporation with our ideals and our commitment towards becoming a professional Environmental, Social, and Governance (ESG)-compliant business stronger than ever. In this journey, we are powered by our people who are determined to deliver excellence at all levels. Today, our portfolio spans over 35 companies involved in cement manufacturing, phosphates manufacturing, oiltools, environmental technology, road maintenance, property development, financial services, telco infrastructure, and other related services.

**Sustainability is Key to Our Business**

We are committed to fostering a robust culture of sustainability across our businesses. Our goal is to establish an energetic and results-oriented workplace, set an exemplary standard for environmental practices, and be a role model in contributing to our communities. As we progress, our sustainability agenda is poised to gain stronger traction across the Group, with our leaders spearheading initiatives in line with our Sustainability Framework and Roadmap.

**Running Our Operations Responsibly**

Our performance is assessed by both financial and non-financial indicators that are aligned with our strategic objectives. By upholding responsible and transparent operations, we ensure that sound governance practices and rigorous risk control measures are ingrained across the Group at divisional and subsidiary levels.

**Strategically Growing Our Diverse Businesses**

We are focused on our plans for our core and strategic businesses. We are dedicated to enhancing our traditional core businesses’ operations and improving their efficiencies by extracting greater value. In addition, we aim to further develop and nurture our strategic businesses by expanding their market reach beyond Malaysia.

## Business Overview

Cahya Mata’s solid progress has ensured that it emerges as a multinational corporation after 50 years of building communities and helping form the landscape of Sarawak and Malaysia. Today, our operations encompass more than 35 companies and a global workforce of over 2,000 employees.

## Places of Operation

- Kuwait
- Nigeria
- Oman
- Russia
- Malaysia
- India
- Indonesia
- Saudi Arabia
- Singapore
- United Arab Emirates

- Cement
- Property Development
- Phosphates
- Road Maintenance
- Oiltools
- Environmental Technology
- Telecommunications Infrastructure\*
- Financial Services\*

\*Associates

## CORPORATE INFORMATION

### CAHYA MATA SARAWAK BERHAD

197401003655 (21076-T)

#### DIRECTORS

YABhg. General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)

YBhg. Dato Sri Mahmud Abu Bekir Taib

YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib

YBhg. Dato' Maznah binti Abdul Jalil

Dr. Khor Jaw Huei

Mr. Jeyabalan A/L S.K. Parasingam

Madam Umang Nangku Jabu

Ms. Gee Siew Yoong

#### COMPANY SECRETARY

Samantha Tai Yit Chan  
[MAICSA 7009143]  
[SSM Practicing Certificate No.  
202008001023]

#### REGISTERED OFFICE

Level 6, Wisma Mahmud  
Jalan Sungai Sarawak  
93100 Kuching  
Sarawak

t +60 82 238 888  
f +60 82 333 828  
w www.cahyamata.com

#### EXTERNAL AUDITORS

Ernst & Young PLT

#### SHARE REGISTRAR

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

t +60 3 7890 4700  
f +60 3 7890 4670  
e bsr.helpdesk@boardroomlimited.com

#### PRINCIPAL BANKERS

Hong Leong Bank Berhad  
CIMB Bank Berhad  
Malayan Banking Berhad  
Kenanga Investment Bank Berhad

#### STOCK EXCHANGE LISTING

Main Market  
Bursa Malaysia Securities Berhad  
Sector: Industrial Products & Services  
Sector  
Sub-sector : Building Materials  
Stock Name : CMSB  
Stock Code : 2852



# CORPORATE STRUCTURE

## Cahya Mata Sarawak Berhad

### CORE BUSINESSES

#### CEMENT DIVISION

↳ Cahya Mata Cement Properties Sdn. Bhd.	100%
↳ Cahya Mata Cement Sdn. Bhd.	100%
↳ CMS Concrete Products Sdn. Bhd.	100%

#### PROPERTY DEVELOPMENT DIVISION

↳ Taibah Properties Sdn. Bhd.	100%
↳ Cahya Mata Development Sdn. Bhd.	100%
↳ CMS Property Management Sdn. Bhd.	51%
↳ CMS Land Sdn. Bhd.	51%
↳ Isthmus Raintree Management Sdn. Bhd.	100%
↳ Cahya Mata Hotels Sdn. Bhd.	100%
↳ Rivervale Condominium Management Sdn. Bhd.	100%
↳ Samalaju Industries Sdn. Bhd.	100%
↳ Samalaju Properties Sdn. Bhd.	51%
↳ Samalaju Hotel Management Sdn. Bhd.	100%

#### OILTOOLS DIVISION

↳ Cahya Mata Oiltools Sdn. Bhd.	75%	
↳ Cahya Mata Oiltools (Bermuda) Ltd	100%	
↳ Scomi Oiltools (S) Pte. Ltd.	100%	↳ Scomi Oiltools (RUS) LLC 100%
↳ Scomi Oiltools Oman LLC	51%	↳ PT Scomi Oiltools 95%
↳ Cahya Mata Oiltools (Cayman) Limited	100%	↳ KMC Oiltools India Private Limited 100%
↳ Cahya Mata Oiltools (Africa) Limited	100%	
↳ Oiltools International Sdn. Bhd.	100%	
↳ Scomi Oiltools Gulf WLL - Kuwait	25%	
↳ Cahya Mata Oiltools Services Sdn. Bhd. <i>(formerly known as Scomi KMC Sdn. Bhd.)</i>	48%	
	4%	↳ Wasco Oil Service Company Nigeria Limited 60%

#### PHOSPHATES DIVISION

↳ Samalaju Industries Sdn. Bhd.	100%
↳ Cahya Mata Phosphates Industries Sdn. Bhd.	79.07%

#### ROAD MAINTENANCE DIVISION

↳ Cahya Mata Roads Sdn. Bhd.	100%
↳ CMS Roads Sdn. Bhd.	100%
↳ CMS Pavement Tech Sdn. Bhd.	100%
↳ PPES Works (Sarawak) Sdn. Bhd.	49%

#### ENVIRONMENTAL TECHNOLOGY DIVISION

↳ Cahya Mata Alam Sdn. Bhd.	70%
↳ Thermasite Technology Sdn. Bhd.	100%
↳ Thermasite IP Pty Ltd	100%

# CORPORATE STRUCTURE

### STRATEGIC INVESTMENTS

#### TELECOMMUNICATIONS INFRASTRUCTURE

↳ SACOFA Sdn. Bhd.	50%
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#### DIVERSIFIED

↳ Cahya Mata Capital Sdn. Bhd.	100%
↳ Kenanga Investment Bank Berhad	18.94%
↳ KKB Engineering Berhad	17.90%
↳ Cahya Mata Education Sdn. Bhd.	100%
↳ HELP IBRACO CMS Sdn. Bhd.	15.79%
↳ Cahya Mata Sabah Sdn. Bhd.	100%
↳ CMS Infra Trading Sdn. Bhd.	51%
↳ Cahya Mata Trading International Pte Ltd	100%
↳ Cahya Mata Wires Sdn. Bhd.	69.10%
↳ SEDC Resources Sdn. Bhd.	49%
↳ SEDC Premix Sdn. Bhd.	40%
↳ SEDC Premix (Miri) Sdn. Bhd.	20%

### SUPPORT SERVICES

#### DIVERSIFIED

↳ Cahya Mata Professionals Sdn. Bhd.	100%
↳ Cahya Mata Phosphates Industries Sdn. Bhd.	1.12%
↳ Cahya Mata Intelligent Technologies Sdn. Bhd.	100%
↳ Cahya Mata IP Sdn. Bhd.	100%

## OUR 2023 PERFORMANCE HIGHLIGHTS AND ACHIEVEMENTS

As Sarawak's leading infrastructure facilitator and a prime mover in the Sarawak growth story, Cahya Mata continued to make steadfast progress on several fronts in FY2023.

The following are a few of our performance indicators and achievements for the year in review.

### THE GROUP

Revenue  
**RM1.20**  
billion

Revenue  
**RM681.69**  
million



PBT  
**RM146.04**  
million

**RM60.15**  
million



**(RM2.22)**  
million

Profit Before Tax (PBT)  
**RM128.24**  
million

**RM119.06**  
million



**RM16.43**  
million

**RM281.27**  
million



**RM28.32**  
million

## GROUP FINANCIAL HIGHLIGHTS & SUMMARY

	2023	2022	2021	2020	2019
Revenue (RM '000)	<b>1,200,897</b>	1,010,570	814,550	762,788	1,117,863
Profit before taxation (RM'000)	<b>128,241</b>	397,997	234,607	225,442	247,896
Profit after tax (RM'000)	<b>81,639</b>	289,926	204,748	189,908	188,117
EBITDA (RM'000)	<b>241,352</b>	494,861	334,332	336,665	351,128
Profit attributable to owners of the Company (RM'000)	<b>114,443</b>	287,134	204,218	194,807	159,455
Weighted average no. of shares ('000)	<b>1,074,176</b>	1,074,176	1,071,522	1,071,053	1,072,595
Basic earnings per share (sen)	<b>10.65</b>	26.73	19.06	18.18	14.87
Gross dividends per share (sen)	<b>2.00*</b>	3.00	2.00	2.00	3.00
Current assets (RM'000)	<b>1,631,410</b>	2,016,308	1,729,867	1,426,608	1,809,159
Current liabilities (RM'000)	<b>807,441</b>	1,004,387	1,208,382	556,797	606,978
Total assets (RM'000)	<b>4,675,609</b>	4,855,805	4,797,741	4,460,366	4,554,939
Total borrowings (RM'000)	<b>382,212</b>	591,175	929,506	893,036	808,953
Total liabilities (RM'000)	<b>1,127,894</b>	1,378,572	1,565,351	1,440,842	1,402,993
Total equity (RM'000)	<b>3,547,715</b>	3,477,233	3,232,390	3,019,524	3,151,946
Return on average shareholders' equity (%)	<b>3.51</b>	9.20	7.04	7.18	6.15
Return on total assets (after tax) (%)	<b>2.45</b>	5.91	4.21	4.37	3.50
Current ratio (times)	<b>2.02</b>	2.01	1.43	2.56	2.98
Gearings (times)	<b>0.11</b>	0.17	0.29	0.30	0.26
Net tangible assets per share (RM)	<b>3.00</b>	2.93	2.75	2.56	2.37
Net assets per share (RM)	<b>3.07</b>	3.00	2.80	2.62	2.46

\*Subject to shareholders' approval at Cahya Mata's forthcoming 49<sup>th</sup> Annual General Meeting (AGM)

## GROUP CHAIRMAN'S MESSAGE

**Dear Valued Shareholders,**  
It is with a profound sense of honour and humility that I present to you our Annual Report FY2023 for Cahya Mata Sarawak Berhad.

**YABhg. General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)**  
Group Chairman



### A LEGACY OF GROWTH AND INNOVATION- 1974 TO 2024

With an unwavering commitment to Sarawak's progress since 1974, Cahya Mata reflects on its memorable journey leading up to our golden jubilee or half-century milestone on 8 October 2024. Throughout this 50-year presence, the Group has remained steadfast in its dedication to enhancing the business ecosystem, fostering community well-being, and nurturing local talent.

We are pleased to have served as the bedrock of the region's development and progress throughout this period. This has meant being able to not only face the challenges of the marketplace but also to be agile and flexible in adapting to them. Sarawak's rapid development over the last 50 years has spurred us to strike a strategic balance between conservative expansion while mitigating uncertainties to meet the growing demands of the economy.

We cannot express enough our utmost gratitude to all the past Chairmen of Cahya Mata, whose collective leadership over the last 5 decades has laid the foundation for our success and growth. Each Chairman has played a significant role in moulding our organisation's trajectory, in imparting wisdom and in steering us through diverse challenges with unflinching dedication.

I would like to take this opportunity to acknowledge each of our past chairmen and their respective periods of service: Datuk Mohd Yahya bin Lampong (1974 - 1976), Datuk Pengiran Hj Mohd Hussein bin Datuk Pengiran Hj Mohd Tahir Nasruddin (1976 - 1984), Tan Sri Datuk Seri Mohd Effendi bin Norwawi (1984 - 1987 and 1994 - 1995), the late Tan Sri Datuk Amar Bujang Mohd Nor (1987 - 1994), Tan Sri Datuk Wira Onn Mahmud (1995 - 2002), Dato Sri Sulaiman Abdul Rahman b Abdul Taib (2002 - 2006), YAM Tan Sri Dato' Seri Syed Anwar Jamalullail (2006 - 2018), and Tan Sri Abdul Rashid bin Abdul Manaf (2018 - 2021).

Our journey from a single-industry enterprise to a multifaceted multinational conglomerate is a testament to their visionary insights, strategic acumen, and unfaltering commitment to excellence, all of which have been instrumental in driving our Group's progress over the years. We acknowledge and appreciate their invaluable contributions, which have helped us emerge stronger, leaving us a treasured legacy that will forever continue to be our beacon as we navigate the future.

The year 2021 saw major transformations in motion at Cahya Mata. These include the introduction of a comprehensive governance framework, enhancements in operational efficiencies, and a strategic focus on global business opportunities. With these improvements underway, we are well poised to project Cahya Mata as a progressive multinational corporation.

We, the Board of Cahya Mata, aim to provide stability and support for the Group to ensure that our company flourishes as a mighty and resilient corporate institution in the long term. With a focus on continuous growth and prioritising sustainable success, Cahya Mata is ensured to go from strength to strength in its next 50 years.

### SUSTAINING OPERATIONAL EXCELLENCE

The past year has been a challenging one, marked by external headwinds that have tested our resilience and adaptability. However, under the capable leadership of our Group Managing Director, YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib, and the steadfast commitment of our management team and staff, we have faced these challenges with grace and fortitude, achieving sustainable profits and registering growth.

A comprehensive financial and operational report is covered under the 'Strategic Review by the Group Managing Director' section of this Annual Report.

## GROUP CHAIRMAN'S MESSAGE

### SUSTAINING OPERATIONAL EXCELLENCE

The Board also recognises that good governance translates into good business. This encompasses being committed to uphold and implement strong standards of corporate governance, a robust risk management and internal control measures. These integral components of our businesses ensure sustainable, long-term growth, thereby bolstering investor confidence, protecting our corporate reputation, and sustaining continued shareholder value creation.

The Group's progressive and positive steps to improve governance and transparency are matters that are highly critical for a multinational corporation. The demands of various stakeholders have grown dramatically and we fully understand the need to meet their expectations. An important aspect of governance is to ensure strong internal checks and balances. These actions reflect our resolve to uphold robust governance best practices, integrity, and transparency, which, in turn, enhances the Group's accountability and risk management practices.

### FOSTERING COMMUNITY TIES

Our commitment to the communities we serve remains resolute. Through our comprehensive Corporate Social Responsibility (CSR) programme, we have made contributions to the welfare of communities. These communities include educational, religious, healthcare, sports and environmental conservation bodies. Furthermore, we are continually on the lookout for ways to strengthen our ties with diverse communities through our long-standing CSR programme.

Our partnership with the Malaysia Athletics Federation (MAF), in which we have pledged RM5 million to support the development of athletics in Malaysia, stands as a beacon of our commitment to the holistic well-being of our community; reflecting our dedication to social and cultural development.



*Signing of the Sponsorship Agreement between Cahya Mata and MAF.*

## GROUP CHAIRMAN'S MESSAGE

### LOOKING TO THE FUTURE

As we look ahead, the landscape of global business continues to evolve, presenting multitude of opportunities. With a strong foundation and a clear vision, Cahya Mata is well-positioned to continue its journey of growth and innovation. Our commitment to excellence, sustainability, and community development will hold us in good stead as we embark on the next chapter of our story; building a better future for all.

Backed by strong financial performance, good business ethics, and compliance with regulatory policies, Cahya Mata is well on its way to fulfilling our Vision - "To Achieve A Better Future." The values that we carried over the past 50 years has shaped our agility to evolve into who we are today and we will continue to adapt to the next 50 years.

### ACKNOWLEDGEMENTS

Our achievements are made possible primarily due to the extraordinary team at Cahya Mata, with their diverse perspectives, experiences, and expertise in helping the Group sustain strong performance. I would also like to thank our shareholders for their continued confidence in the Board, management and staff of our company. Your reassuring trust have been a great support for us. To our business partners and suppliers, we sincerely appreciate your continuous support in our daily operations.

The Board would also like to thank the management team, led by the Group Managing Director, YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib, for their efforts in navigating the Group through another challenging year. To my fellow members of the Board, thank you for your wisdom and counsel in helping the Group achieve its goals and aspirations. On behalf of the Group, we are also pleased to welcome Ms. Gee Siew Yoong as our Independent Non-Executive Director. We look forward to her participation and knowledge sharing at the board level.

We extend our thanks to the Prime Minister of Malaysia, the Premier of Sarawak, as well as the Governments of Malaysia and Sarawak for their steadfast leadership in guiding the nation.

Thank you.

**YABhg. General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)**  
Group Chairman

## STRATEGIC REVIEW BY THE GROUP MANAGING DIRECTOR



**Dear Valued Shareholders,**  
It gives me great pleasure to present to you the Annual Report and the Audited Financial Statements of Cahya Mata Sarawak Berhad for the financial year ended 31 December 2023.

**YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib**  
Group Managing Director

## STRATEGIC REVIEW BY THE GROUP MANAGING DIRECTOR

### OVERVIEW

In 2023, Cahya Mata Sarawak Berhad continued to demonstrate strong financial discipline and strategic foresight, pivotal in our journey towards sustainable growth and operational excellence. This year, we've made significant strides in strengthening our financials, enhancing shareholder value, and bolstering our market positioning.

#### Revenue Growth

The Group reported a revenue of RM1.2 billion for FY2023, marking a significant increase of 19% compared to the preceding year's revenue of RM1.01 billion. This notable growth was primarily attributed to higher contributions from the Cement and Oiltools Divisions.

#### Profit Before Tax (PBT)

Despite a strong revenue performance, the Group's profit before tax witnessed a decline, standing at RM128.24 million in FY2023 compared to FY2022's PBT of RM398.00 million. This decrease was largely influenced by significant one-off gains recorded in FY2022, including the recognition of negative goodwill, gains from disposal of investments in associated companies, and the reversal of impairments. Additionally, profit contributions from associates decreased by 56% to RM61.03 million from FY2022's contribution of RM139.11 million. However, taking these one-offs into account, our normalised PBT, excluding the aforementioned one-offs, actually increased by an impressive 36% from the previous financial year.

#### Net Tangible Assets (NTA), Net Assets Per Share, and Total Assets

Our NTA per share increased to RM3.00 in 2023, up from RM2.93 in 2022, while our net assets per share also improved to RM3.07 from RM3.00. Concurrently, our total assets grew to RM4.67 billion demonstrating our ability to effectively manage and expand our asset base. These enhancements reflect our focused efforts on not only maintaining but increasing the intrinsic value of our assets, ensuring that we continue to be an attractive and robust investment choice for our shareholders.

#### Gearing Ratio

We have successfully reduced our gearing ratio to 0.11 times in 2023; a marked improvement from 0.17 times in the previous year. This significant reduction in gearing is underscored by the decrease in total borrowings to RM382.21 million

in 2023 from RM591.17 million in 2022, showing a substantial reduction of RM208.96 million. Similarly, our total liabilities decreased to RM1.12 billion in 2023 from RM1.37 billion in 2022, a reduction of RM250.67 million. This reflects our conservative approach to debt management and commitment to maintaining financial stability, which positions us well for future growth and expansion.

### BUSINESS PERFORMANCE REVIEW

The Group's Cement Division indicated robust performance with a significant increase in both revenue and PBT. Revenue reached RM681.69 million, marking a 13% growth compared to FY2022. Moreover, the Division's PBT improved to RM146.04 million, representing an impressive 82% increase compared to the previous year.

The Oiltools Division reported revenue of RM281.27 million in FY2023 and contributed PBT of RM28.32 million to the Group results. The share of results of associates contributed lower profits in FY2023 compared to FY2022, as the Group no longer recognises profits from an associate disposed of in December 2022.

The Road Maintenance Division reported a turnover of RM119.06 million for FY2023, a decreased by 12% compared to FY2022's revenue of RM134.62 million due to lower revenue from instructed works. The Division reported a PBT of RM16.43 million, reflecting a decline of RM2.94 million compared to the previous year's PBT of RM19.37 million.

The Property Development Division reported a revenue of RM60.15 million in FY2023, which was lower by 43% in comparison to FY2022's revenue of RM105.01 million. It also encountered a loss before tax ("LBT") of RM2.22 million in FY2023, a downturn from the previous year's PBT of RM33.17 million. The decrease in profitability was mainly attributed to a slowdown in property sales amidst continued poor market conditions.

During the year under review, the Phosphates Division registered zero revenue in lieu of unavailability of power supply as a result of a legal dispute with a power supplier. It reported a higher LBT of RM156.70 million for FY2023 to that of FY2022, where a loss of RM61.31 million was recorded.

## STRATEGIC REVIEW BY THE GROUP MANAGING DIRECTOR

### STRATEGIC PROGRESS

Cahaya Mata has forged a remarkable legacy spanning nearly five decades, emerging as the foremost infrastructure facilitator and a pivotal force driving Sarawak's development. Having an unequivocal commitment to continuous investment and expansion, has given us the impetus to evolve into a multinational corporation, fostering competitive and profitable growth while ensuring sustainable cash flow. This strategic trajectory firmly positions our Group as an investable entity, recognised for its merit and resilience.

Our strategic focus extends beyond mere expansion; we are dedicated to prudently allocating capital to optimise value creation and mitigate risks across our diversified portfolio. Presently, Cahya Mata oversees a dynamic array of over 35 companies, encompassing a wide spectrum of sectors. From cement and road maintenance to property development, oiltools, environmental technology, and phosphates manufacturing, our diverse ventures reflect our dedicated commitment to driving innovation and progress. Moreover, our strategic investments in financial services and telecom infrastructure underscore our forward-looking approach to seizing emerging opportunities and maximising shareholder value.

As part of our Corporate Strategy initiatives, our Group has embarked on 5 core business areas to ensure strategic and sustainable progress in the long run:



#### CIRCULAR ECONOMY

The Group has taken great strides in adopting the circular economy model, grounded in the principles of waste reduction, product longevity and ecological regeneration. This is supported by Cahya Mata Alam, serving as both a research and development centre as well as a manufacturing set-up that produces composite materials primarily from natural organic fibre and recycled materials. We are pleased with the progress in that the product and materials produced have gained globally recognised certifications. As the world progresses towards a more sustainable future, Cahya Mata Alam possesses the technology to deliver eco-compliant recycled products, providing an environmentally friendly option for consumers and industries.



#### ENERGY SECTOR

We made our entry into the oil and gas industry in September 2022 through the acquisition of Cahya Mata Oiltools Sdn. Bhd. This venture has accelerated the Group's growth trajectory, allowing us to leverage opportunities in the global oiltools service businesses across 8 countries. The Division has made good progress in winning new tenders and, at the same time, has produced commendable results. In the long run, we anticipate that market demand will strengthen, driven by the industry's long-term growth prospects, and will continue to enhance the Group's profitability.



#### INNOVATION AND COMMERCIALISATION OF NEW EMERGING TECHNOLOGIES

Our commitment to innovation and the commercialisation of emerging technologies is evident in our ongoing Digital Transformation initiative, aimed at enhancing productivity and fostering a culture of continuous improvement. The phased implementation of Enterprise Resource Planning (ERP) systems across the Group underscores our dedication to operational excellence, ensuring seamless integration and heightened efficiency. By consolidating operations onto a unified platform, we aim to elevate productivity, cost-effectiveness, accessibility, and digital security across the Group in the long term.



#### REBRANDING EXERCISE

Cahaya Mata underwent a rebranding exercise in October 2022, reflecting its focus on becoming a multinational corporation and its commitment to innovative practices and sustainable development. Continuing the momentum into 2023, we unveiled refreshed brand identities across our Divisions, reaffirming our dedication to excellence and unity within the Cahya Mata family. These revitalised brand identities not only enhance the distinctiveness of each Division but also reinforce their alignment with our overarching vision for sustained success and growth.



#### REALISING OUR CORE VALUE

Today, Cahya Mata and the Group are professionally managed with dedicated resources to play a significant role in fostering economic growth. We also have a responsibility to ensure we offer the market the right products and services to meet evolving needs. To achieve this, we will embrace new ideas and will continue to explore global possibilities to secure sustainable business growth in the next phase of our development.

The recent signing ceremony between Cahya Mata Cement Sdn. Bhd. and Sinoma Industry Engineering (M) Sdn. Bhd. serves as a testament to our commitment to Sarawak's development, reaffirming our integral role in the construction supply chain. The establishment of the new Clinker Line 2 not only bolsters our production capacity but also mitigates the risk of supply disruptions. Furthermore, it creates avenues to nearby export markets and facilitates the production of diverse types of cement. This initiative not only benefits Cahya Mata but also contributes to enhancing the overall performance of the construction industry in Sarawak.

We are also guided by our business blueprints and strategies to help us realise our Core Value: 'To Achieve A Better Future'. These strategies dictate that we maintain solid and sustainable profits, uphold prudent financial policies to ensure a strong balance sheet, and be led by an experienced and professional management team. As a multinational corporation, it is imperative that we enforce stringent corporate governance measures that will foster ties and build respect within the communities we serve, as well as gain strong support from our stakeholders.

## STRATEGIC REVIEW BY THE GROUP MANAGING DIRECTOR

### EMPLOYEES

The Group has always invested in nurturing an engaged, motivated, and united workforce. We have diligently cultivated staff with a keen business focus, built a reputation for professionalism, placed progressive top management to steer the company forward, and have continued tapping into synergies between our respective core competencies. Simultaneously, we identify ways to optimise operational efficiency, lower costs, and drive growth. Additionally, we remain committed to keeping our focus on business opportunities that will spur profit growth.

In April and May 2023, our Group embarked on the 'Cahaya Mata 2023 Be the Champion' training programme for all its employees based in Malaysia. The key objectives of this programme were:

1. To inculcate a strong mindset in handling challenges;
2. To have a clear roadmap to achieve the Group's vision; and
3. To instil a supportive team spirit and achieve our goals as one.

## STRATEGIC REVIEW BY THE GROUP MANAGING DIRECTOR

**“Together, with our collective dedication and hard work, we will ensure that Cahya Mata not only perseveres and thrives. By staying agile, innovative, and steadfast in our commitment to excellence, we will navigate through uncertainties and capitalise on opportunities, further consolidating our position as a leader in the industry.”**

We are cognisant of the fact that it is important to stand out from other enterprises while staying relevant to our diverse stakeholders. As such, our efforts are focused on becoming an organisation that distinguishes itself through several criteria, including building a unified workforce where engaged employees outperform to ensure we are respected by multiple stakeholders. Towards this end, we have also worked on creating a conducive workplace environment that enhances moral values, loyalty, common purpose, empathy, team spirit, and fairness.

We endeavour to attract, retain, and nurture the best talents within a creative environment, collaborating to find new and innovative ways to deliver value to stakeholders. Leading these efforts is our experienced and professional workforce. We are indeed very fortunate to have a dynamic management team and dedicated employees who not only understand how to leverage our diverse strategies and initiatives but have shown great resilience in withstanding the volatility over the years to deliver steady performances.

## ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE (ESG)

On the ESG front, Cahya Mata and the Group continues to gain ground as we implement tangible corporate responsibility practices and consolidate our stance as a progressive and ethical company. By focusing on ESG, we aim to reduce our perceived non-financial risk profile by positioning ourselves as a company that upholds a sustainability-based and safer business model.

In keeping with our environmental commitments and regulatory requirements, we are monitoring and reducing our emissions and energy consumption by measuring and conducting a comprehensive greenhouse gas (GHG) emission

calculation throughout the Group. We are instituting circular economy practices where waste generated undergoes innovative recycling methods. Meanwhile, on the social front, we ensure our labour practices are stringently aligned to local and international standards and guidelines. In a bid to drive meaningful progress within our organisation, we inculcate a strong culture of respect for diversity and inclusion, human rights, fair working hours, as well as encourage career development, alongside our commitment to helping the communities around us. Under the governance aspect, Cahya Mata continues to pledge to ethical business dealings and risk minimisation, to support inclusion and diversity, and to strengthen our anti-bribery and anti-corruption policy.

On 25 October 2023, Cahya Mata also announced a strategic partnership with the Malaysia Athletics Federation (“MAF”), pledging RM5 million to MAF, over a three-year period, effective from 2023 through to 2025. The collaboration focuses on the development of athletics programmes and grassroots initiatives to promote the sport in Malaysia. We are proud to provide our athletes with international exposure and access to world-class coaches that will harness their potential for excellence. Throughout Cahya Mata’s 50-year journey, the core principle has always been deeply rooted in enriching the well-being of the community, encouraging corporate philanthropy, while adhering to safety and environmental standards. This partnership adds another significant milestone to Cahya Mata’s legacy as it extends its support to local athletes in partnership with MAF.

## STRATEGIC REVIEW BY THE GROUP MANAGING DIRECTOR

## OUTLOOK

The priority and importance of good governance at Cahya Mata cannot be overstated. As such, we remain committed to continually enhancing our corporate governance framework, which has gained a lot more traction since 2021. Having strengthened our management accountability and risk management capabilities, we have taken swift actions, including financial reviews, to identify areas requiring improvement. The Group has implemented measures to strengthen areas pertaining to legal matters, contract management, risk, and compliance, bringing on board new competent talent to strengthen accountability and integrity across all levels.

As we venture forth, we envisage Cahya Mata and the Group continuing on sustainable growth, positioning itself for long-term sustainable revenue and profitability growth. Being a professional and stable organisation, we will endeavour to exceed expectations and fulfil our responsibilities, maintaining our legacy of financial success and sustainable growth in the long term.

## ACKNOWLEDGEMENTS

As we commemorate nearly 50 years of Cahya Mata’s journey, our transformation into a multinational corporation stands as a testament to our single-minded commitment to excellence. Our accomplishments are indebted to the steadfast support of countless individuals, entities, and various stakeholders.

On this note, I would like to extend my appreciation to all who have supported and enabled the Group’s progress, including our Group Chairman, YABhg. General Dato’ Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired), and the Board of Directors for their counsel, guidance, and insights which have guided Cahya Mata forward.

My heartfelt appreciation also goes to our valued stakeholders for showing their persistent trust and belief in Cahya Mata, by extending their firm support and cooperation. Most importantly, I extend my heartfelt acknowledgment to the Group’s over 2,000 employees, along with the dedicated management teams across all of our companies. Your relentless dedication, diligence, and resilience, are deeply appreciated.

Together, with our collective dedication and hard work, we will ensure that Cahya Mata not only perseveres and thrives. By staying agile, innovative, and steadfast in our commitment to excellence, we will navigate through uncertainties and capitalise on opportunities, further consolidating our position as a leader in the industry. Your consistent and constant support and contributions are instrumental as we forge ahead on this journey of growth and success.

Thank you for your commitment and continued support.

**YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib**  
Group Managing Director

## OPERATIONAL REVIEW

### CEMENT

The Cement Division encompasses Cahya Mata Cement Properties Sdn. Bhd., Cahya Mata Cement Sdn. Bhd. and CMS Concrete Products Sdn. Bhd. As Sarawak's leading cement and clinker manufacturer, the Division is dedicated to delivering high-quality cement for ready-mix and precast concrete products, catering to the State's construction demands.

#### PERFORMANCE HIGHLIGHTS

In FY2023, the Cement Division's revenue increased by 13% to RM681.69 million, up from FY2022's RM601.89 million. Profit before tax (PBT) surged by 82% to RM146.04 million from the previous year's RM80.05 million. This performance boost was driven by rising cement demand, the resumption of construction projects post-pandemic, initiation of new projects and improved cost efficiency through prudent procurement and cost-cutting measures.

#### OPERATIONAL HIGHLIGHTS

##### **Cement Operations**

The Cement Division operations produce three cement grades: KLASIK (PC 42.5), ECO (PLC 32.5) and ECO PLUS (PLC 42.5), catering to diverse customer needs.

The Cement Division operates production and distribution facilities in every major town within Sarawak. Through these strategically located plants and terminals, the Division ensures a reliable supply across Sarawak's economic hubs.

##### **Concrete Operations**

Managed by CMS Concrete Products Sdn. Bhd., our concrete segment has three main plants and four site batching plants dedicated to significant projects.

#### MOVING FORWARD

The Cement Division remains committed in its pursuit of excellence, continuously enhancing its systems and processes. With a focus on building resilience and fortifying core competencies, the Cement Division strives to enhance business growth, customer service, and construction solutions through innovative product offerings to its market base in Sarawak. Additionally, the Cement Division's proposed new clinker line 2 facility represents a significant leap forward in our production capabilities. The new line will allow total self-reliance of clinker supply, improve operational cost, improve energy consumption, enhance efficiencies, and reduce CO<sub>2</sub> emissions. These developments underscore our commitment to continuous improvement and environmental sustainability practices.



Signing of the Technical Consultancy Agreements between Cahya Mata Cement Sdn. Bhd. and Sinoma Industry Engineering (M) Sdn. Bhd.

## OPERATIONAL REVIEW

### PROPERTY DEVELOPMENT

The Property Division, encompassing Taibah Properties Sdn. Bhd., Cahya Mata Development Sdn. Bhd., and Samalaju Industries Sdn. Bhd., has restructured its business approach in 2023 to adapt to an ever changing property landscape, which has seen a sharp increase in construction costs during the year. The Property Division continues to focus on unlocking the value of its major land banks in Sarawak, including Samalaju Industrial Park and Bandar Samariang. It has also identified strategic avenues to accelerate growth to cater for the full spectrum of product types from residential, commercial, industrial, retail and mixed use.

#### PERFORMANCE HIGHLIGHTS

The Property Division faced significant challenges in FY2023. It reported a revenue of RM60.15 million in FY2023, which is lower by 43% than FY2022's revenue of RM105.01 million. The Division also reported a loss before tax of RM2.22 million, compared to FY2022's PBT of RM33.17 million, which also included a one-off item in the form of a land sale.

The downturn in 2023 was primarily due to lower property sales as well as the incurrence of increased fixed overheads and interest expenses.

#### OPERATIONAL HIGHLIGHTS

Despite these financial setbacks, the Property Division maintained its role as the primary accommodation provider in Samalaju Industrial Park, achieving an 88% occupancy rate and generating revenue of RM12.57 million. This success is expected to persist as new industrial players enter the park.

Additionally, the Property Division expanded its operations and land bank within the park by 33.61 acres, preparing for future growth in the worker accommodation sector.

In Bandar Samariang, our commitment to provide affordable, quality living spaces remains unwavering, with plans to continue the development of landed housing into 2024.

#### MOVING FORWARD

As one of Sarawak's leading property developers, the Property Division is poised to broaden its offerings with a comprehensive portfolio of products and services. Focused on operational excellence, we aim to enhance the execution and timely delivery of our projects while boosting cost efficiency across all operations. Despite the economic headwinds, our strategic initiatives are designed to navigate the current landscape, ensuring that the Property Division remains at the forefront of sustainable property development.

### PHOSPHATES

Cahya Mata Phosphates Industries Sdn. Bhd. (also referred to as Cahya Mata Phosphates) is the first integrated phosphate complex in Malaysia. The plant produces Yellow Phosphorus, Technical Grade Acid and Food Grade Acid and is located in Samalaju Industrial Park.

#### PERFORMANCE HIGHLIGHTS

For FY2023, the Phosphates Division reported a loss before tax of RM156.70 million, as compared to the loss of RM61.31 million in FY2022. This higher loss in FY2023 can be attributed to recognising the commissioning and finance related costs incurred during the construction phase in FY2022.

#### OPERATIONAL HIGHLIGHTS

Cahya Mata Phosphates continue to prepare for commercialisation despite the ongoing legal dispute with a power supplier.

#### MOVING FORWARD

Once the issues have been resolved, the plant is set to commence commercial operations.

## OPERATIONAL REVIEW

### ROAD MAINTENANCE

The Road Maintenance Division, encompassing Cahya Mata Roads Sdn. Bhd., derives stable recurring income from long-term road maintenance concessions in Sarawak.

#### PERFORMANCE HIGHLIGHTS

In FY2023, the Road Maintenance Division reported a revenue of RM119.06 million and a PBT of RM16.43 million, marking a decrease from FY2022's revenue of RM134.62 million and PBT of RM19.37 million. The decline was primarily attributed to a delay in the commencement of major state road improvement projects, with the finalisation of new contract rates for long-term maintenance contracts only occurring later in the year. Despite these challenges, the Road Maintenance Division mitigated impacts by enhancing cost structures in routine maintenance, facilitated through strategic capacity building and exploration of new maintenance areas.

The Road Maintenance Division secured contracts totaling RM36.13 million for state road improvement and related construction activities, a significant increase from RM12.45 million in 2022.

### OILTOOLS

Cahya Mata Sarawak Berhad expanded its portfolio with the acquisition of the Oiltools Group in September 2022, subsequently establishing its new Oiltools Division. As a global leader in integrated drilling fluids and drilling waste management for the oil and gas sector, the Oiltools Division brings two decades of expertise and experience to the table.

#### PERFORMANCE HIGHLIGHTS

The financial performance in FY2023 represents the first full year of operation post-acquisition. For FY2023, the Oiltools Division posted a PBT of RM28.32 million. This follows the recognition of a significant one-off negative goodwill of RM71.07 million upon acquisition in FY2022.

#### OPERATIONAL HIGHLIGHTS

The road maintenance activities are primarily executed through the Road Maintenance Division's operating subsidiary, namely CMS Roads Sdn. Bhd. (also referred to as CMS Roads), and involves various works carried out under the supervision of the Public Works Department of Sarawak or *Jabatan Kerja Raya Sarawak* (JKR Sarawak), with the objective of enhancing the quality of Sarawak's road infrastructure.

The Road Maintenance Division reached a milestone of more than five million man-hours without any Lost Time Injury, highlighting its dedication to Health, Safety, and Environment (HSE) standards. Maintaining rigorous attention to procedures and policies is crucial for ensuring the safety and compliance of our workforce.

#### OPERATIONAL HIGHLIGHTS

Maintaining operations across nine countries - Malaysia, Indonesia, India, Saudi Arabia, the United Arab Emirates (UAE), Russia, Oman, Nigeria and Kuwait (through associated company) - each certified under ISO 9001 and ISO 14001 standards, with a registered address in the Cayman Islands, the Oiltools Division has continued its pursuit for new contracts while securing several tenders across these regions.

During the year under review, the Road Maintenance Division also secured its first routine maintenance contract in Peninsular Malaysia for the *Sungai Besi - Ulu Klang Elevated Expressway* ("SUKE") with Projek Lintasan Kota Holdings Sdn. Bhd. ("Prolintas"). This marked a significant step in geographic and operational expansion for the Road Maintenance Division.

#### MOVING FORWARD

The Road Maintenance Division is set to elevate the standards for road maintenance works through modernisation, innovation, and human capital development. These pillars will propel the Road Maintenance Division towards achieving new levels of operational excellence and efficiency in the long-run.

#### MOVING FORWARD

The Group remains committed to reinforcing the financial, technical and operational aspects of the Oiltools Division. With our focus on emphasising product innovation, technological development, and strategic tender participation, we aim to solidify our position as a key player in the global oil and gas industry.

## OPERATIONAL REVIEW

### ENVIRONMENTAL TECHNOLOGY

Cahya Mata Alam Sdn. Bhd. continues its commitment towards sustainability and the circular economy, focusing on the research and development of composite materials and resins for various sectors.

#### PERFORMANCE HIGHLIGHTS

In FY2023, our products achieved ISO 9001:2015 certification, alongside TUV Mark, My Hijau and SIRIM Eco-Label certifications, underlining our commitment to sustainable and environmentally friendly solutions.

#### OPERATIONAL HIGHLIGHTS

With these certifications, Cahya Mata Alam Sdn. Bhd. continues to engage with industry stakeholders, encouraging the shift towards our eco-composite materials. Our goal is to foster sustainable industry practices both in Sarawak and on a global scale aligning with Cahya Mata's vision of achieving ESG compliance across the Group.

#### MOVING FORWARD

In recognising opportunities presented in the green composite materials sector, Cahya Mata is optimistic about the future of this Environmental Technology Division, which is working on commercialisation of its products. They will continue to leverage on the Group's expertise, experienced management, and integrated business strategy to capitalise on emerging market demands.

### TELECOMMUNICATIONS INFRASTRUCTURE

The Company's strategic partnership with SACOFA Sdn. Bhd. (also referred to as SACOFA), recognises its critical role as the leading telecommunications infrastructure provider in Sarawak.

#### PERFORMANCE HIGHLIGHTS

Following the resumption of business operations post-pandemic, SACOFA capitalised on the increased demand in mobile traffic and activities supporting Sarawak's Post COVID-19 Development Strategy 2030, resulting in a revenue of RM303mil in FY2023, surpassing the RM292mil reported in FY2022. This growth reflects the company's resilience and agility in adapting to market shifts, solidifying its pivotal role as a key facilitator in advancing the State's digital transformation journey within the telecommunications infrastructure sector.

#### OPERATIONAL HIGHLIGHTS

With a portfolio comprising approximately 1,700 towers and an extensive 12,000-kilometre fibre network across Sarawak, SACOFA provides end-to-end telecommunications infrastructure services from tower leasing, build-to-suit transmission, to operations and maintenance.

In the year under review, SACOFA remained steadfast in its commitment to rectifying and addressing foundational aspects aimed at enhancing business governance processes, cultivating transparency and accountability and improving its day-to-day operations. This approach not only aligns with its mission but also ensures the continuous delivery of value to stakeholders, further contributing to the sustainable growth of Sarawak.

#### MOVING FORWARD

Progressing ahead, SACOFA remains dedicated to completing its ongoing transformation journey and aligning with modernisation initiatives to address the rising demand for bandwidth, tower and enterprise services regionally. With this proactive stance, SACOFA is positioned at the centre of the rapidly changing Sarawak digital landscape, guaranteeing its continued relevance and competitive advantage in the fast-paced business environment.

## OPERATIONAL REVIEW



### KENANGA INVESTMENT BANK BERHAD

Cahya Mata is the single largest shareholder of Kenanga Investment Bank Berhad and its Group of Companies (also referred to as Kenanga) via an 18.94% equity stake in Kenanga.

Established in 1973, Kenanga Investment Bank Berhad has been a prominent player in Malaysia's financial landscape for over 50 years. Listed on the Main Market of Bursa Securities, it is the country's leading independent investment bank, offering extensive experience in various financial services such as equity broking, investment banking, treasury, Islamic banking, listed derivatives, asset and wealth management, structured lending and robo-advisory.

#### PERFORMANCE HIGHLIGHTS

Kenanga delivered another strong year with revenue of RM821.1 million and a PBT of RM88.1 million for the Financial Year Ended 31 December 2023, compared to the revenue of RM723.1 million and PBT of RM74.2 million from the year before (unaudited as announced on 29 February 2024).

#### OPERATIONAL HIGHLIGHTS

Amid a challenging global economic environment in 2023, Kenanga delivered commendable results by adhering to thoughtful and prudent practices. The Asset and Wealth Management segment continued its upward trajectory, while the Listed Derivatives business celebrated a significant milestone by achieving its highest profits in over a decade contributing a healthy share of results to Cahya Mata.

#### MOVING FORWARD

Cahya Mata will continue to monitor its investment in Kenanga.

## SUSTAINABILITY STATEMENT

**Cahya Mata Sarawak Berhad (“Cahya Mata”) and its Group of Subsidiaries (“the Group”) is committed to conducting business in a manner that is economically, environmentally and socially responsible.**

**This Sustainability Statement outlines our approach to creating sustainable business practices which is guided by our vision ‘To Achieve A Better Future’, covering the economic, environmental and social dimensions of our operations.**

### SUSTAINABILITY APPROACH

#### SCOPE & BOUNDARY

This Statement is prepared according to Bursa Enhanced Requirements, taking into consideration stakeholders' feedback such as rating agencies, institutional investors and minority shareholders.

The scope of this Statement covers only the businesses and operations over which Cahya Mata Sarawak Berhad exercises complete control through its Board and Management. This report focuses not only on Material Matters that are relevant to Cahya Mata but also includes the 11 Material Matters that were updated in 2022 as a result of the Enhanced Sustainability Reporting Framework requirements by Bursa Malaysia. The activities of Cahya Mata's associate companies are not covered in this Sustainability Statement.

There were no significant changes in Cahya Mata's leadership, ownership or supply chain during the reporting period. Relevant Heads of Departments reviewed the content of this Sustainability Statement before approval by the Board of Directors (“Board”).

#### REPORTING PERIOD

1 January to 31 December 2023 (Financial Year or FY2023), unless specified otherwise.

#### REPORTING CYCLE

Annual

#### REPORTING GUIDELINES

This Sustainability Statement has been produced in compliance with the Main Market Listing Requirements (MMLR) and is based on the Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition)

At Cahya Mata, we recognise the impact that our activities can have on the economical, environmental and societal aspects of business. Towards this end, we will continue to strive to uphold our operational and business activities in a responsible manner. We have adopted a holistic approach towards sustainability through the development of Cahya Mata's Sustainability Framework and Roadmap that encompasses environmental stewardship, social responsibility, economic resilience, and good governance in guiding our corporate culture.

#### SUSTAINABILITY GOVERNANCE STRUCTURE

Following structural changes to the Group, including but not limited to reviews and enhancements of governance, risk management and control processes, the Group has increased focus on sustainability with greater commitments given to how the business impacts the economy, environment, and society. Our commitment to sustainability is one of the fundamental pillars of our business strategy as we understand that it is essential to creating a lasting value.

In this regard, Cahya Mata's risk management framework identified and prioritised sustainability matters that are material to enable the identification, evaluation and management of this risk and opportunities in line with the overall Group's business and corporate objectives.

The Board of Directors endorses the Group's sustainability purpose, values and strategies. It has also entrusted the Group Managing Director as the highest authority accountable for the implementation of sustainability matters for the Group. In 2023, the Group Chief Strategic Communications Officer headed the department on sustainability matters to ensure oversight of the implementation of sustainability initiatives across the Group.

## SUSTAINABILITY STATEMENT

### Assurance Statement

In this year’s Sustainability Statement, it is noted that no formal assurance process has been conducted. We aim to incorporate assurance mechanisms into future reports, aligning with our commitment to transparency and accountability.

## SUSTAINABILITY HIGHLIGHTS

- The Cement Division, through Cahya Mata Cement Sdn. Bhd. (Bintulu Plant), obtained the Singapore Green Label certification for their Portland Limestone Cement CEM II/B-LL 32.5N product.
- Cahya Mata Alam’s Thermasite™ product is certified with the SIRIM Eco Label.
- Investments into the Group’s Corporate Social Responsibility (CSR) endeavours:
  - A total of RM3.03 million invested in our communities for the year 2023.
  - RM1.23 million donated to orphanages in Sarawak.
  - RM5 million pledged to Malaysia Athletics Federation for a duration of 3 years.
- RM120,000 sponsorship provided to Sarawak Badminton Association.
- 10,972 hours volunteered by our employees.
- Data for Health, Safety and Environment (HSE):
  - 1,002 employees received health & safety standards training.
  - 2.19 Lost Time Incident Rate (LTIR)

### STAKEHOLDER ENGAGEMENT STATEMENT

The Board has in place an Investor Relations (“IR”) strategy to ensure an effective communication channel between the Cahya Mata, its shareholders and the general public.

The Chief Strategic Communications Officer, Group Chief Financial Officer and Senior Management of the Group actively engage with the Investment Community and the Board is briefed on these interactions and feedback from the Investment Community. The IR unit has an extensive programme that involves the holding of regular meetings, conference calls and site visits, all intended to keep the Investment Community abreast of the Group’s strategic development and financial performance. In addition, the IR Unit participates in investment road shows and conferences upon invitation to engage with shareholders and potential investors both locally and overseas.

The timely release of financial results on a quarterly basis provides the Investment Community with an up-to-date view of the Group’s performance and operations.

The release of the quarterly financial results to Bursa Securities is accompanied by a press release and shortly thereafter the Chief Strategic Communications Officer, Group Chief Financial Officer, and Senior Management hosts face to face or virtual briefings with and attend to calls from the Institutional Investment Community to address any questions or concerns they may have following the release of the quarterly financial results. To facilitate the stakeholders’ understanding of the Company with respect to the business of the company and its policies on governance, the Group has placed various documents pertaining to the organisation, Board and Management, corporate governance, policies, charters, terms of references as well as other corporate information on its website.

Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the Annual General Meeting (AGM) for such an opportunity. The contact information is available on the Group’s website at [www.cahyamata.com](http://www.cahyamata.com).

### OUR MATERIAL MATTERS

Cahya Mata and the Group is dedicated to transparently addressing key material matters that underpin our sustainability strategy, aligning with pillars encompassing Economic, Environmental, and Social (EES) considerations. These material matters provide a comprehensive framework guiding our efforts to create long-term value for stakeholders while ensuring responsible business practices on our part.

We periodically update our materiality assessment to ensure it remains current, relevant and reflective of our businesses aligned to our strategy and operations. In 2023, we conducted an internal assessment of the 14 material matters identified in 2021 according to the Enhanced Sustainability Reporting Framework requirements of Bursa Malaysia. We observed that the 14 matters still remained material and relevant to our businesses.

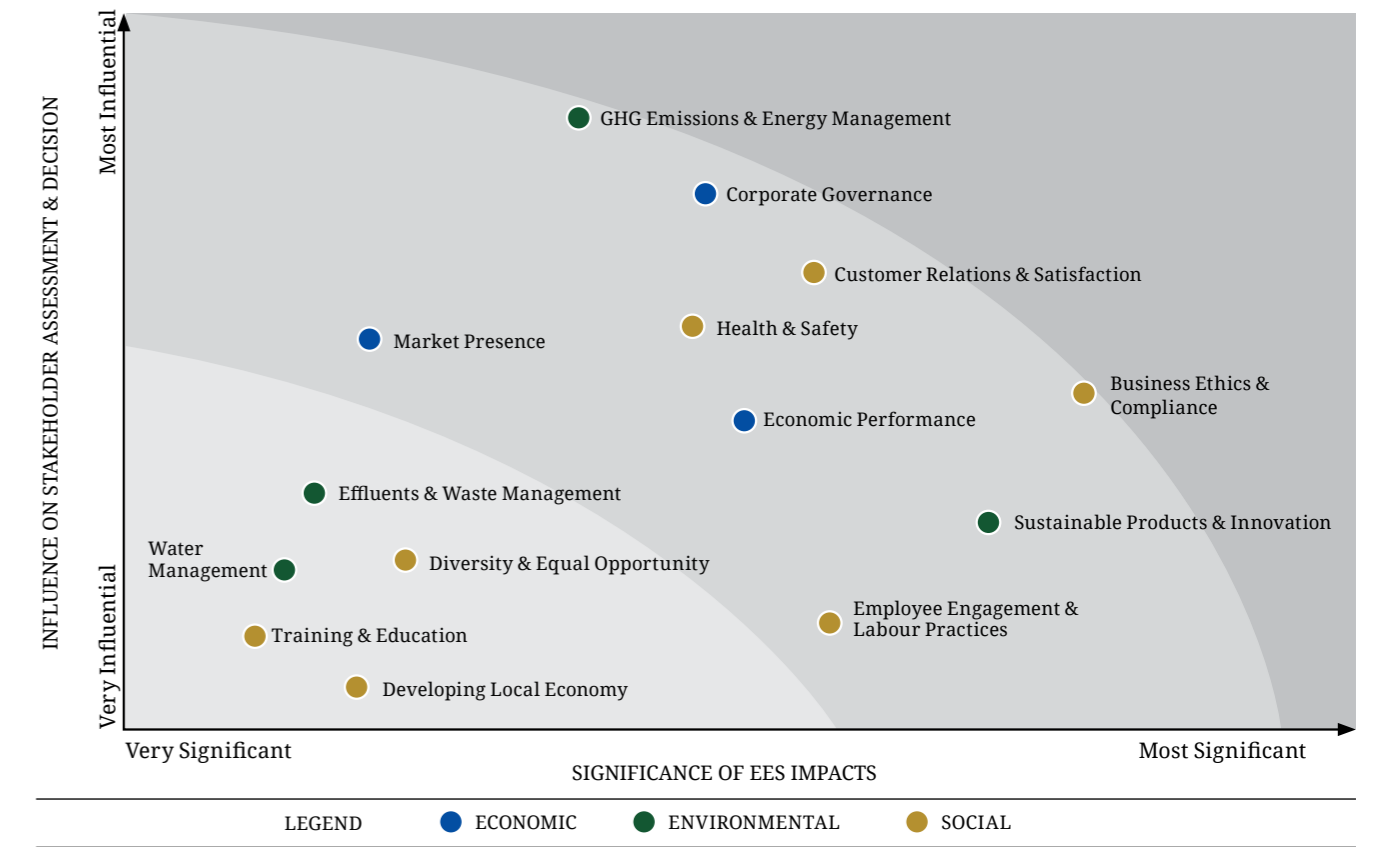
These matters were identified based on the relevancy to our overall businesses and operations, over which the Group exercises complete control. The materiality assessment process is outlined below:

- Updating and reviewing materiality matters in the context of new regulations and any stakeholders specific request (i.e.: RAM’s *Sustainability Rating and Governance Assessment* observations.)
- The process of materiality assessment was guided using the “*Bursa Toolkit for Materiality Assessment - 3<sup>rd</sup> Edition.*”
- Identification of material Environmental, Social, and Governance (ESG) matters and to ascertain whether the 14 matters identified in 2021/2022 still remained material and relevant to the Group.

## SUSTAINABILITY STATEMENT

These matters, illustrated in the following figure, encompass a wide spectrum of the EES dimensions, including economic performance, corporate governance, market presence, effluents and waste management, water management, sustainable products and innovation, Greenhouse Gas (GHG) emissions, and energy management, health and safety, diversity and equal opportunities, training and education, customer relations and satisfaction, developing local economy/community engagement, employees’ engagement and labour practices, and business ethics and compliance.

CAHYA MATA 2023 MATERIALITY MATRIX



#### Axes Definitions

1. 'Influence on Stakeholder Assessment & Decision' is defined as the importance of a sustainability matter to a stakeholder
2. 'Significance of EES Impacts' on the business is defined as the importance of a sustainability matter to Cahya Mata

## SUSTAINABILITY STATEMENT

### CAHYA MATA'S 14 MATERIAL MATTERS

<b>ECONOMIC</b>	<ol style="list-style-type: none"> <li>1. Economic Performances</li> <li>2. Corporate Governance</li> <li>3. Market Presence</li> </ol>
<b>ENVIRONMENTAL</b>	<ol style="list-style-type: none"> <li>4. Effluents &amp; Waste Management</li> <li>5. Water Management</li> <li>6. Sustainable Products &amp; Innovation</li> <li>7. GHG Emissions &amp; Energy Management</li> </ol>
<b>SOCIAL</b>	<ol style="list-style-type: none"> <li>8. Health &amp; Safety</li> <li>9. Diversity &amp; Equal Opportunity</li> <li>10. Training and Education</li> <li>11. Customer Relations &amp; Satisfaction</li> <li>12. Developing Local Economy/Community Engagement</li> <li>13. Employees Engagement &amp; Labour Practices</li> <li>14. Business Ethics &amp; Compliance</li> </ol>

Of these 14 material matters, 7 are deemed most significant and influential to Cahya Mata:

Most Significant and Influential Matters	Significant and Influential Matters
GHG Emissions & Energy Management Corporate Governance Customer Relations & Satisfaction Health & Safety Business Ethics & Compliance Economic Performances Sustainable Products & Innovation	Diversity and Equal Opportunity Training and Education Developing Local Economy/ Community Engagement Employees' Engagement and Labour Practices Effluents and Waste Management Market Presence Water Management

## SUSTAINABILITY STATEMENT

Recognising the evolving landscape of sustainability reporting, Cahya Mata has embraced the enhanced sustainability reporting framework introduced by Bursa Malaysia in September 2022. In line with this framework, we have mapped the 11 common prescribed material matters to our current material matters which are either (a) currently addressing similar topics or (b) required to be highlighted in our reporting structure.

These material matters include supply chain management, energy management, water, waste management, emissions, community/society, diversity, health and safety, labour practices and standards, data privacy and security, and anti-corruption.

Through the alignment of these material matters, Cahya Mata aims to enhance the comprehensiveness and relevance of our sustainability reporting. By addressing these issues, we seek to mitigate risks, seize opportunities, and drive positive impact across our operations and value chain. At Cahya Mata, we understand that sustainable business practices are integral to long-term success. By prioritising these material matters and embedding sustainability into our core business strategies, we strive to build a resilient and responsible organisation that delivers value to all our stakeholders while safeguarding the planet and its resources.

Pillars	Cahya Mata's Material Matters	11 Enhanced Bursa Material Matters
<b>ECONOMIC</b>	<ul style="list-style-type: none"> <li>Economic Performances</li> <li>Market Presence</li> <li>Business Ethics &amp; Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Corruption</li> <li>Supply Chain Management</li> </ul>
<b>ENVIRONMENTAL</b>	<ul style="list-style-type: none"> <li>GHG Emissions &amp; Energy Management</li> <li>Sustainable Products &amp; Innovation</li> <li>Effluent &amp; Waste Management</li> <li>Water Management</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Water</li> <li>Waste Management</li> <li>Emissions</li> </ul>
<b>SOCIAL</b>	<ul style="list-style-type: none"> <li>Customer Relations &amp; Satisfaction</li> <li>Health and Safety</li> <li>Employee Engagement &amp; Labour Practices</li> <li>Developing Local Economy</li> <li>Diversity &amp; Equal Opportunity</li> <li>Training &amp; Education</li> <li>Business Ethics &amp; Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Community &amp; Society</li> <li>Diversity</li> <li>Health &amp; Safety</li> <li>Labour Practices &amp; Standards</li> <li>Data Privacy and Security</li> </ul>

## SUSTAINABILITY STATEMENT

<b>Vision</b>	To Achieve A Better Future				
<b>Mission</b>	Producing Quality, On Spec and On Time.	Respect and Integrity.	Improving, Innovating and Investing in People.	Delivering Sustainable Growth.	Environmentally Conscious, Safe and Conducive Workplace.
<b>Philosophy</b>	Committed to Delivering Sustainable Growth				
<b>Themes</b>	Integrity at Heart	Nurturing Growth in People	Innovation at Core		
<b>Value Propositions</b>	To build a transparent, responsible and an accountable reputation.	To empower and develop the well-being of employees and local communities.	To be a leader in carbon reduction initiatives through innovation and circular economy.		
<b>Material Matters</b>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Business Ethics &amp; Compliance</li> <li>Diversity &amp; Equal Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Training &amp; Education</li> <li>Customer Relations &amp; Satisfaction</li> <li>Developing Local Economy/ Community Engagement</li> <li>Employee Engagement &amp; Labour Practices</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Market Presence</li> <li>Effluents &amp; Waste Management</li> <li>Water Management</li> <li>Sustainable Products &amp; Innovation</li> <li>GHG Emissions and Energy Management</li> </ul>		

### MOVING FORWARD INTO 2024

Moving forward, Cahya Mata and the Group will be directing its sustainability efforts based on a Sustainability Framework and Roadmap for the medium term which includes budgets and targets and goals. We will be guided by our forthcoming Sustainability Policy and other related policies which have already been developed and are planned for roll out in 2024 pending final approval from the Board. The Sustainability Framework and Roadmap will be aligned with Cahya Mata’s corporate vision and strategy outlining the suggested timeframe. This will also include updating and prioritising our material matters based on latest developments of sustainability matters especially on climate related material with proposed strategic sustainability initiatives and programmes identified and carried out.

The Group’s overall objective in its sustainability reporting is to present a holistic and clear-cut view of our strategic thinking and take into consideration responses to our sustainability issues that are most significant to our stakeholders, and at the same time have the most influence on our long-term value creation efforts.

Moving forward, we will continue to implement measures that will enable us to continue creating value on the EES fronts while meeting the requirements and obligations, as a growing responsible corporation.

## SUSTAINABILITY STATEMENT

### ECONOMIC

#### CORPORATE GOVERNANCE AND REGULATORY COMPLIANCE

##### PRIORITISING GOOD CORPORATE GOVERNANCE PRACTICES

Corporate governance stands as a fundamental material matter for Cahya Mata, underscoring its significance to the Group and its stakeholders. This commitment is reflected in the RAM Sustainability Rating exercise in which Cahya Mata was given a Silver 1 (S1) Governance Rating in 2023, highlighting that the Group is on track with its overall Governance progress. As a publicly listed company, Cahya Mata adheres to the Malaysian Code on Corporate Governance 2021 (MCCG 2021), which provides guidance in areas such as board independence, board effectiveness, board gender diversity and sustainability governance among others.

That said, Cahya Mata is establishing its Sustainability Framework and Roadmap to integrate Environmental, Social, and Governance (ESG) initiatives and programmes within the Group’s operations and management. Additionally, the Board has taken proactive steps and measures to strengthen the Group’s overall governance performances. Among measures taken include:

<p><b>1</b></p> <p>Strengthening Risk Oversight at the Board level on enterprise material risk, providing update on key projects in a timely manner so that the Board continues to evaluate its exposure and management risks through a Risk Management Framework that includes key elements such as Enterprise Risk Management (ERM), Project Risk Management (PRM), Operational Risk Management (ORM) and Corruption Risk Management (CRM).</p>	<p><b>2</b></p> <p>Forming an Independent Group Risk Division to assist the Board by providing an independent oversight on risk management processes.</p>	<p><b>3</b></p> <p>Strengthening Senior Management’s Accountability and Integrity in which, on 24<sup>th</sup> November 2021, the Group embarked on a Human Capital Transformation Programme to realign the management structure, strengthening accountability and integrity at all levels.</p>	<p><b>4</b></p> <p>Initiation of Operational Improvements for Project Risk Management through the ORM framework by respective divisions.</p>	<p><b>5</b></p> <p>Improving the reporting process with the inclusion of an Enterprise Resource Planning (ERP) to streamline information and data collection thus improving governance, efficiency, and productivity.</p>
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Regarding Board Diversity, Cahya Mata has made significant strides in improving gender diversity at the Board level. Currently, three out of eight directors are female, meeting the 30% recommendation by MCCG 2021. Additionally, the Board is represented by members from diverse ethnic groups and exhibits sufficient age diversity, ranging from 47 to 75 years old.

##### ANTI-BRIBERY AND ANTI-CORRUPTION

Cahya Mata remains steadfast in its commitment to upholding the highest standards of ethical, moral, and legal business conduct. In line with this commitment, the Group has strengthened its anti-bribery and anti-corruption policies to comply with the amendments to the Malaysian Anti-Corruption Commission Bill 2018. In total, there are four (4) policies, namely the Anti-Bribery and Anti-Corruption Policy; Gift & Hospitality Policy; Donation, Sponsorship, and Community Investment Policy; and the Third-Party Corruption Risk Due Diligence Policy. These policies were drawn up by Cahya Mata’s external consultant with input from various departments.

In this year’s report, the anti-corruption indicator is considered as an essential part of the Enhanced Bursa common material matter which the Group will need to disclose. Key anti-corruption indicators include the percentage of operations assessed for corruption-related risks, and confirmed incidents of corruption and action taken.

Based on the three years required data, the information for these indicators are as follow:

Indicator / Year	2021	2022	2023
Percentage of operations assessed for corruption-related risks (%)	100	100	100

## SUSTAINABILITY STATEMENT

Cahaya Mata has declared a zero-tolerance approach towards all forms of bribery and corruption, with this commitment reflected on the availability of policies made available on the Group’s website. Additional measures and actions taken to bolster anti-corruption governance includes:

- (a) The Group Managing Director (GMD) and the Board taking responsibility for the Anti-Bribery and Anti-Corruption Policy as well as the Group’s anti-corruption programme,
- (b) Integrating anti-corruption clauses in the procurement and tender contracts, in line with Cahya Mata’s Code of Conduct, which prescribes that all third parties shall comply with all relevant laws and consistent with the Group’s values and Code of Ethics, and
- (c) Proactively conducting an Anti-Bribery and Anti-Corruption training for the Senior Management.

### WHISTLEBLOWING POLICY

Cahaya Mata has implemented a Group Whistleblowing Policy and established a Whistleblowing Channel where stakeholders can raise in confidence possible corporate misconduct. Members of the public or employees of the company can lodge a complaint or report instances of misconduct or suspected misconduct through various reporting channels outlined within the Whistleblowing Policy. These channels include reporting to the Designated Authority (DA), such as the Group Chairman, Deputy Chairman and the Group Managing Director as well as through other avenues such as online submissions, scheduled appointments, and written correspondence.

Further, the confidentiality of any persons filing a complaint in good faith shall be protected under the Whistleblower Protection Act 2010 and the Group will not tolerate any form of victimisation of individuals who speak out and act in good faith.

- Any conduct that connotes a disciplinary or criminal offence;
- Contravention to Company’s policies, procedures, rules, and regulations;
- Non-compliance to terms of engagement for contracts or agreements;
- Fraud, misappropriation, abuse of authority or corrupt practices;
- Regulatory infringements;
- Any other forms of misconduct or breach of trust.

All complaints and reports will be treated with utmost privacy and confidentiality, although actions can be taken against whistleblowers if the complaints are found to be unsubstantiated or malicious in nature.

### RESPONSIBLE SUBCONTRACTING AND PROCUREMENT

Responsible subcontracting and procurement practices are important to Cahya Mata’s operations, as they play a role in enhancing the Group’s cost competitiveness and expanding the pool of contractors and suppliers. Under the common materials matter indicated in the Enhanced Bursa Sustainability Guide, Supply Chain Management is considered an important dimension to a company as supporting local contractors, suppliers, and vendors can indirectly attract additional investment to the local economy. In this case, local sourcing can be an added strategic advantage to the Group as it can help to ensure stable supply of goods, maintaining local economy, and improving community relations.

In adherence to our sustainability commitment, we prioritise local suppliers for the majority of our procurement needs.

These practices have empowered Cahya Mata to improve the Group’s overall risk management, resulting in time and cost savings, alongside the ability to leverage on the specialised knowledge and expertise of subcontractors. Cahya Mata’s procurement process is governed by policies that are outlined in the Group Procurement such as the Procurement Policies and Procedures Manual and the Group Limits of Authority which are available for internal reference. The Group remains guided by the Third-Party Corruption Risk Due Diligence Policy which is available on the Group’s corporate website.

As for supply chain due-diligence in terms of environmental and social assessments, which are essential under the sector-specific common matters, the Group has incorporated these indicators into its forthcoming Sustainability Framework and Roadmap. The Group works with the Group Procurement function to integrate these assessments into the Procurement Policies and Procedures Manual once the document is approved for implementation across the Group.

## SUSTAINABILITY STATEMENT

### ENVIRONMENTAL

**Cahaya Mata and the Group remains committed to being a responsible industry player and a conscientious steward of the resources we have been entrusted with. Our ongoing efforts are focused on improving our environmental practices through the development of integrated strategies aimed at minimising our environmental footprint to safeguard the environment for future generations.**

All our business Divisions have their respective environmental policies aligned to our Group’s policies, with the Cement Division, in particular, having added consideration towards reducing their carbon footprint and pollution. Our Road Maintenance Division has developed an environmental management plan for Instructed Work (IW) and Design and Build Contract (DBC) Construction Sites, a pollution prevention guideline and a chemical and waste management guideline.

To further evaluate our environmental disclosures, Cahya Mata engaged RAM Sustainability Sdn. Bhd. in 2023 to measure the Group’s overall environmental performances. RAM Sustainability has given the Group a Bronze 1 (B1) rating for the environmental performances, on the basis that the Group has significant opportunities to further improve its environmental footprint.

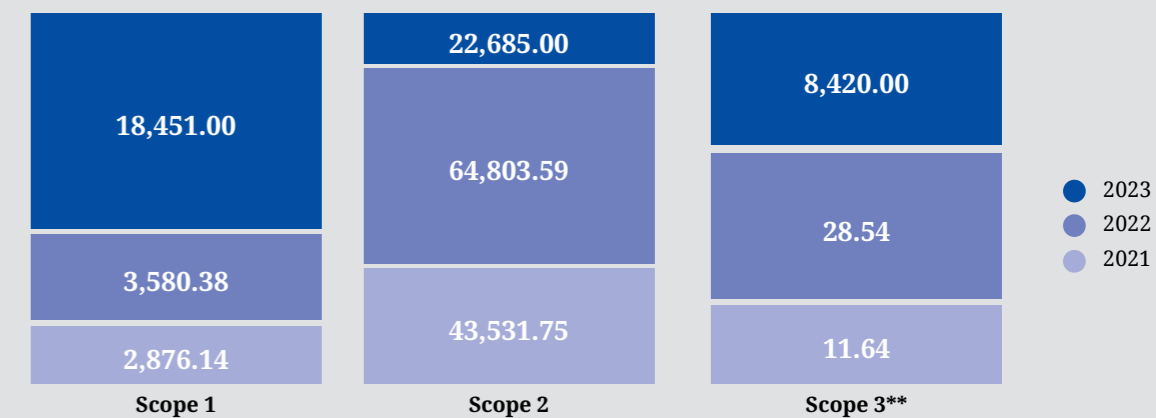
Moving forward, areas of focus include:

1. Enhancing the Group’s organisational readiness through policies and management plans in other divisions,
2. Measuring and establishing GHG emissions baseline and targets for the Group,
3. Measuring and establishing energy management baseline and targets for the Group,
4. Improving our waste and water management performances, and
5. Integrating environmental performance evaluation into our supply chain management.

### EMISSIONS

Over the years, the Group has taken steps to measure its Greenhouse Gas (GHG) emissions to quantify carbon footprint, identify emissions trends and utilise the data to develop mitigation measures to lower its emissions. GHG emissions, for businesses and operations which Cahya Mata exercises control, are calculated and reported according to Scope 1, 2 and 3 using tonne carbon dioxide equivalent (tCO<sub>2</sub>e) measurement based on GHG Protocol emissions reporting practices:

\* All units are measured in (tCO<sub>2</sub>e)/Year  
 \*\* GHG emissions for 2023 was calculated using SIRIM’s GHG accounting methodology as the basis.



## SUSTAINABILITY STATEMENT

In 2023, our Cement Division, under Cahya Mata Cement Sdn. Bhd., engaged SIRIM Berhad to oversee and conduct a comprehensive Greenhouse Gas (GHG) accounting and reporting of their manufacturing facility, the Mambong Integrated Cement Plant located in Mambong, Kuching. Recognising their role as a significant economic contributor to the Group, the Division acknowledges the importance of quantifying their GHG emissions to effectively manage their overall environmental footprint. This initiative is poised to further aid the Division in formulating appropriate strategies, making informed decisions and implementing measures to mitigate their GHG emissions as well as paving the way for others within the Group to emulate their environmental stewardship.

Additionally, in line with their commitment to lowering their environmental footprint, the Cement Division is enhancing the utilisation of their PLC-32.5N cement, known for its lower clinker content and reduced energy consumption in the manufacturing process. To promote the adoption of this cement variant, Cahya Mata has extended promotional activities to engage consultants and engineers affiliated with the Institute of Engineers Malaysia (IEM) and the Association of Consulting Engineers Malaysia (ACEM). Additionally, the Cement Division produces PLC-42.5N cement, with a higher 80% clinker content, further contributing to emissions reduction practices in cement production. This initiative underscores our commitment to sustainable manufacturing processes and environmental responsibility.

### ENERGY

Within Cahya Mata, energy management is approached comprehensively, integrating best practices and innovative solutions to optimise energy usage and minimise waste. The company recognises that efficient energy management not only drives operational excellence but also aligns with its sustainability objectives. As part of our material matters, energy management is regularly measured and monitored for the Group.

With the implementation of our Sustainability Framework, future reports will include comprehensive details on energy consumption, reflecting our commitment to transparency and environmental responsibility.

Furthermore, the Cement Division has implemented an ISO 50001 (Energy Management System) at the Mambong Integrated Plant as part of the energy improvement initiative and initiated a study on the installation of Waste Heat Recovery system.

### WATER MANAGEMENT

Cahya Mata places a strong emphasis on responsible water management practices across its operations, recognising water as an essential resource. The company proactively monitors water usage, implements water-saving practices, and continually seeks opportunities to reduce water consumption and improve water-usage efficiency.

With the establishment of a Sustainability Framework, forthcoming reports will feature a thorough analysis of water usage and management practices, underscoring our dedication to responsible resource stewardship.

In terms of water efficiency measures, Cahya Mata introduced various initiatives across multiple divisions within the Group. For instance, within the Cement Division, the Group enhances water sprinkler operations through regular maintenance. Water sprinklers play a crucial role in mitigating air pollution from fugitive dust in surrounding areas. Additionally, the Division has implemented a closed-loop cooling water supply system, recycling water from the cooling tower to cool the plant, along with rainwater harvesting systems installed at the Pending and Integrated Mambong Plant for general non-plant purposes.

Within the Group's Property Division, all housing developments incorporate either 3-litre or 6-litre dual flush water cisterns to conserve water usage. In the Samalaju lodges, sub-meters have been installed to monitor water consumption, routine inspections are conducted to reduce water wastage, and rainwater along with recycled water from natural ponds are utilised for landscaping purposes.

### WASTE MANAGEMENT

The Group recognises the importance of managing waste streams effectively to minimise our impact on the environment and surrounding communities. At Cahya Mata, waste management strategies are multifaceted, encompassing a range of initiatives aimed at reducing, reusing and recycling waste materials wherever possible. The Group adheres to stringent regulatory requirements, especially regarding scheduled waste, to ensure responsible handling and disposal of the Group's waste products.

As part of our Sustainability Framework, we will provide detailed waste management insights in future reports, demonstrating our proactive approach towards minimising environmental impact and promoting responsible waste practices.

Waste generated by the Group and its business Divisions are separated into non-scheduled and scheduled wastes. For scheduled wastes, Cahya Mata complies with regulatory requirements set by the Department of Environment (DOE). Scheduled wastes are either reused, recycled or disposed of to approved prescribed facilities by the DOE.

Regarding initiatives to reduce waste creation, the Group's Property Division, for example, actively engages with communities within its property developments to holistically reduce and avoid waste by segregating recyclable and non-recyclable waste. Other Divisions, such as Cahya Mata Alam, are currently in the research and development phase of implementing circular economy initiatives by innovating and converting waste such as recycled plastics, rice husk, tyres, and other post consumer materials into a sustainable product called Thermasite™.

### SUSTAINABLE PRODUCTS & INNOVATION

Cahya Mata prioritises the consistent monitoring of its operations to ensure that they align with rigorous quality management systems. The Group's dedication to upholding product and service excellence is reflected in the numerous quality certifications and licences for which we continue to receive accreditation for. Embracing ISO standards across its operations, Cahya Mata maximises efficiency in time and finances, continuously improving internal processes and management systems.

## SUSTAINABILITY STATEMENT

Among the common ISO standards attained are ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Safety and Health System). The following are the ISO standards obtained by the Group's Divisions.

<b>Cement Division</b>	ISO 9001 ISO 14001 ISO 17025	ISO 45001 ISO 50001	<b>Road Maintenance Division</b>	ISO 9001 ISO 14001 ISO 45001
<b>Cahya Mata Alam</b>	ISO 9001		<b>Cahya Mata Oiltools</b>	ISO 9001 ISO 14001 ISO 45001

Other subsidiaries within the Group have also obtained the necessary licences from relevant authorities to manufacture, construction and sales activities. Notably, the Group's Cement Division obtained the Singapore Green Labelling Scheme (SGLS) from The Singapore Environment Council for their Portland Limestone Cement CEM II/B-LL 32.5N, while Cahya Mata Alam obtained the SIRIM Eco-Label for their Thermasite™ product. This certification recognises the continual improvement efforts by the Group to innovate our products sustainably.

### NON-COMPLIANCE WITH ENVIRONMENTAL STANDARDS AND REGULATIONS

The past 3 years, there were no records of non-compliance with environmental standards and regulations across all operations.

## SUSTAINABILITY STATEMENT

### SOCIAL AND COMMUNITY

Cahya Mata recognises that success comes from its diligent and loyal employees including from the support of our stakeholders. As such, we are committed to creating a conducive working environment, implementing wholesome and decent work practices that ensure the well-being of our employees, and continue investing within our community.

#### CAHYA MATA DIVERSIFIED WORKFORCE

Diversity is a cornerstone of Cahya Mata’s corporate culture, reflecting our commitment to fostering an inclusive and equitable workplace environment. We recognise the value of diversity in driving innovation, creativity and excellence across our operations. As such, we place a strong emphasis on promoting diversity and inclusion throughout the organisation.

Gender / Year	2021	2022	2023
Male	79%	79%	77%
Female	21%	21%	23%

Cahya Mata is committed to ensuring gender diversity at the highest levels of leadership. We recognise the importance of diverse perspectives in driving strategic decision-making and governance. As such, we strive to achieve gender balance among our board of directors, empowering both men and women to contribute their expertise and leadership skills.

Director by Gender / Year	2021	2022	2023
Male	7	5	5
Female	2	2	3

To further advance diversity within the workplace, Cahya Mata outlined an internal female leadership and talent development programme within our human resources (HR) policy. These programmes actively engage female employees in skill-development and leadership training courses, aiming to foster their professional growth and advancement within the organisation.

#### HONING THE SKILLS OF OUR WORKFORCE

Training and development are integral to Cahya Mata’s commitment to nurturing talent, enhancing employee capabilities, and driving organisational excellence. We recognise the significance of investing in our workforce through comprehensive training programmes tailored to the needs of each employee category. The Group places a strong emphasis on providing continuous learning opportunities for employees across all levels and functions. We believe that a well-trained workforce is essential for maintaining a competitive edge and adapting to evolving industry dynamics.

Number of Training Hours by Employment Type / Year	2021	2022	2023
Non-Executive	2,426	3,756	5,440
Executive	879.8	3,915	17,593
Management	883	1,029	2,389

#### MANAGING WORKFORCE TURNOVER

Turnover is an important metric for Cahya Mata, providing valuable insights into areas requiring improvements and enabling the implementation of strategies to enhance retention and employee engagement. Ultimately, the Group is steadfast in its commitment to fostering a supportive and inclusive work environment where employees feel valued, engaged, and motivated to contribute their best.

## SUSTAINABILITY STATEMENT

#### PROTECTING AND UPHOLDING HUMAN RIGHTS

We recognise the importance of respecting and safeguarding the rights and dignity of all individuals, including employees, customers, suppliers, and community members. At Cahya Mata, we take any allegations of human rights violations seriously and are committed to thoroughly investigating and addressing such complaints in a timely and transparent manner. Our goal is to create a safe and inclusive work environment where human rights are respected and upheld at all times. To this end, we continue to comply in an uncompromising manner with the Sarawak Labour Ordinance, Employment Acts, and other relevant regulatory requirements covering the prevention of forced and child labour.

Additionally, Cahya Mata is committed to fostering an environment where employees feel comfortable and empowered to raise concerns about potential human rights violations without fear of retaliation. We have established clear channels for reporting complaints as per our Whistleblowing Policy for both employees and communities.

The Group has not received any complaints related to Human Rights Issues over the past three years, indicative of our commitment to upholding human rights standards across our operations.

#### DATA PRIVACY AND SECURITY

We are further guided by our Code of Ethics and Business Conduct that emphasises clauses such as “fair and equitable treatment, “protection of personal data privacy”, and “no discrimination and harassment”. These clauses underpin our commitment to creating and maintaining an equitable and harmonious work environment that encompasses recruitment, employment and career advancement, and to ensure that the workplace is free from any form of discrimination and/or harassment.

Finally, ensuring the privacy and security of customer data is a top priority for Cahya Mata. We recognise the importance of safeguarding personal information therefore we continue to maintain the highest standards of data privacy and security across all aspects of our operations.

#### ENSURING A HEALTHY AND SAFE WORKPLACE

Ensuring the health and safety of our employees is paramount at Cahya Mata, and we are deeply committed to maintaining a healthy and safe workplace environment across all our operations. Our comprehensive approach to health and safety encompasses rigorous policies such as the Group Occupational Safety & Health (OSH) Statement and Group Environmental Statement, putting in proactive OSH measures, and continuous improvement initiatives to mitigate risks and promote the well-being of our workforce.

Cahya Mata places the highest priority on preventing worker-related fatalities. Our goal is to have zero harm and zero fatalities, and we are dedicated to implementing robust safety measures and fostering a culture of safety awareness to eliminate the risk of fatal accidents in the workplace.

Year	2021	2022	2023
Number of Fatalities	The Group has no fatality recorded for the past 3 years.		
Lost Time Incident Rate	16.29	2.21	2.19

The Group is committed to reducing Lost Time Incident Rate (“LTIR”) to the lowest possible level through proactive safety initiatives, comprehensive training programmes and continuous monitoring of safety performance. This is evident in the decreasing LTIR in 2023. We conduct regular safety audits, inspections and risk assessments to identify hazards and implement controls to mitigate risks.

We recognise that education and training are essential components of a strong health and safety programme. We invest in comprehensive training initiatives to equip our employees with the knowledge, skills, and competencies needed to identify hazards, follow safety protocols, and respond effectively to emergencies. In 2023, a total number of 1,002 employees within the Group received training on health and safety related standards.

Gender / Year	2021	2022	2023
No. of Employees Trained on Safety and Health	428	418	1,002

## SUSTAINABILITY STATEMENT

### INVESTING AND SUSTAINING OUR COMMUNITY

Cahya Mata’s long term goal is to build sustainable communities throughout Sarawak. We continue to look for ways to enrich and build enduring ties with our communities while helping to strengthen the Group’s position as a partner to our stakeholders. We recognise that our success is intertwined with the well-being and prosperity of the communities in which we operate and, as such, we are deeply committed to giving back and making a positive impact.

Year	2021	2022	2023
Amount invested into the communities (RM)	845,404	1,203,870	3,031,649
Number of initiatives carried out	56	47	35
Total number of hours invested by employees in volunteerism	9,031	13,421	10,972

Our engagement initiatives with the communities within our operational boundaries continue to prove fruitful and can serve as a model to our peers. The work done under the Group’s Employees Volunteerism Initiatives (EVI) encompasses five pillars namely:



Furthermore, Cahya Mata remains committed to helping enrich society by lending financial support to causes that make positive impacts on local communities. As a Group, we continue to prioritise areas such as community development, sporting activities, health, education, and culture.

In general, Cahya Mata continues to work closely with institutions and communities to promote local economic growth by integrating community investment as part of our business strategy. To ensure the Group’s corporate philanthropy arm operates in alignment with its business activities, corporate values, and social responsibility, the Group is guided by the Group’s Corporate Philanthropy & Community Investment Policy, the Anti-Bribery & Anti-Corruption, and the Gifts & Hospitality Policy.

This Sustainability Statement was approved by the Board on 18 April 2024.

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

### Academic/Professional Qualifications

- Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan
- Senior Executive Program in National and International Security from Harvard University – John F. Kennedy School of Government, USA

### Skills & Experience

General Dato’ Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired) (“General Tan Sri Mohd Zahidi”), was born on 30 April 1948 in Kuala Kangsar, Perak. He had a distinguished career in the Malaysian Armed Forces for 38 years 11 months, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998.

General Tan Sri Mohd Zahidi was made a Member of Dewan Negara Perak by DYMM Paduka Seri Sultan Perak on 25 November 2006 and is a Director/Trustee for Board of Trustee of Yayasan Sultan Azlan Shah. On 23 April 2013 General Tan Sri Mohd Zahidi was appointed as Orang Kaya Bendahara Seri Maharaja Perak Darul Ridzuan by DYMM Paduka Seri Sultan Perak and the Dewan Negara Perak Darul Ridzuan.

General Tan Sri Mohd Zahidi is the Pro-Chancellor of University Sultan Azlan Shah (USAS) since December 2018. He was awarded an Honorary Doctorate in Management of Defense and Strategic Studies from National Defence University of Malaysia, also known as Universiti Pertahanan Nasional Malaysia (UPNM) in 2016.

### Other Current Appointments

- Chairman of Genting Plantations Berhad and AHAM Asset Management Berhad
- Director of Genting Malaysia Berhad, Only World Group Berhad, SOGO (K.L.) Department Store Sdn. Bhd. as well as Nishiin-Panmatex (M) Sdn. Bhd.

*General Tan Sri Mohd Zahidi has no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata Group, and has no family relationship with any other director and/or major shareholder of the Company. He has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



### YABHG. GENERAL DATO’ SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HAJI ZAINUDDIN (RETIRED)

Group Chairman  
Senior Independent Non-Executive Director

**Age** 75  
**Gender** Male  
**Nationality** Malaysian

**Date appointed to the Board**  
9 August 2021

**Number of Board Meetings Attended**

16/16

**Shareholding in Cahya Mata:**  
Direct – 100,000 ordinary shares

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

### KEY COMMITTEES

CHAIR OF COMMITTEE

**A** Group Audit Committee Member

**R** Group Risk Committee Member

**NR** Nomination & Remuneration Committee Member

**DT** Digital Transformation Committee Member

**E** Employees’ Share Option Scheme Committee Member

**B** Board Sustainability Committee



### YBHG. DATO SRI MAHMUD ABU BEKIR TAIB

Deputy Group Chairman  
Non-Independent Non-Executive Director

**R** **NR** **DT**

**Age** 60  
**Gender** Male  
**Nationality** Malaysian

**Date appointed to the Board**  
23 January 1995

**Number of Board Meetings Attended**

16/16

**Shareholding in Cahya Mata:**  
Direct – 1,000,000 ordinary shares  
Indirect – 4,407,100 ordinary shares

### Academic/Professional Qualifications

- Tertiary education in USA and Canada

### Skills & Experience

Dato Sri Mahmud Abu Bekir Taib (“Dato Sri Mahmud”) was appointed to the Board of Cahya Mata as Group Executive Director on 23 January 1995 and was re-designated as Deputy Group Chairman on 22 May 2002. Dato Sri Mahmud served as Interim Group Chairman from 10 May 2018 to 1 October 2018. He has extensive experience in the stock-broking and corporate sectors. He was a founding member of Sarawak Securities Sdn. Bhd., Sarawak’s first stock-broking company which is now under Kenanga Investment Bank Berhad.

### Other Current Appointments

- Chairman of Sarawak Cable Berhad
- Director of Cahya Mata subsidiary companies namely, Cahya Mata Capital Sdn. Bhd., Cahya Mata Intelligent Technologies Sdn. Bhd., Cahya Mata Oiltools Sdn. Bhd. and Oiltools International Sdn. Bhd.
- Director of Cahya Mata associate company namely, SACOFA Sdn. Bhd.

*Dato Sri Mahmud is a brother of Dato Sri Sulaiman Abdul Rahman b Abdul Taib (a Director of Cahya Mata), YB Dato Hajjah Hanifah Hajar Taib-Alsree and Jamilah Hamidah Taib (major shareholders of Cahya Mata). Dato Sri Mahmud is a son of the late Lejla Taib (a major shareholder of Cahya Mata) and a director of Majaharta Sdn. Bhd. (a major shareholder of Cahya Mata). Except for transactions as disclosed in Note 39 of the Audited Financial Statements for year ended 31 December 2023, Dato Sri Mahmud has no conflict of interest with Cahya Mata Group. He has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

**Academic/Professional Qualifications**

Bachelor of Science Degree in Business Administration from University of San Francisco, California, United States of America

**Skills & Experience**

Dato Sri Sulaiman Abdul Rahman b Abdul Taib (“Dato Sri Sulaiman”) was appointed as a Director of the Company on 22 June 2021 and redesignated as Group Managing Director on 8 July 2022. He is the former Deputy Minister of Tourism for the Government of Malaysia (March 2008 - December 2009) and was a member of Parliament Malaysia (2008 - 2013). Dato Sri Sulaiman was appointed to the board of Cahya Mata Sarawak Berhad (“Cahya Mata”) in 1995 and retired in 2008. During his tenure at Cahya Mata, he held the position of Group Chairman, Group Deputy Chairman, Acting Group CEO and Group Executive Director. He was also the Executive Chairman of RHB Capital Berhad (2003 - 2006) and chairman of boards for various companies including Rashid Hussain Berhad, RHB Insurance Berhad, RHB Asset Management Sdn. Bhd., RHB Research Institute Sdn. Bhd., Cahya Mata Development Sdn. Bhd., and CMS Works International Ltd. Other previous notable non-executive directorships include Sarawak Securities Sdn. Bhd., Malaysian Industry-Government Group for High Technology Sdn. Bhd. (MIGHT,) Utama Banking Group Berhad, K&N Kenanga Holdings Berhad, Bank Utama (Malaysia) Berhad, Utama Merchant Bank Berhad, RHB Islamic Bank Berhad, RHB Sakura Bankers Berhad and RHB Bank Berhad.

**Other Current Appointments**

- Director of Cahya Mata subsidiary companies namely, Cahya Mata Oiltools (Bermuda) Limited and Cahya Mata Oiltools (Cayman) Limited
- Director of Cahya Mata associate company namely, SACOFA Sdn. Bhd.

*Dato Sri Sulaiman is a brother of Dato Sri Mahmud Abu Bekir Taib, Group Deputy Chairman, Jamilah Hamidah Taib and YB Dato Hajjah Hanifah Hajar Taib-Alsree (major shareholders of Cahya Mata). Dato Sri Sulaiman is a son of the late Lejla Taib (a major shareholder of Cahya Mata) and a director of Majaharta Sdn. Bhd. (a major shareholder of Cahya Mata). He has no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata Group and has not been convicted of any offence within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



### YBHG. DATO SRI SULAIMAN ABDUL RAHMAN B ABDUL TAIB

Group Managing Director

Age 55

Gender Male

Nationality Malaysian

Date appointed

to the Board

22 June 2021

Number of Board Meetings Attended

16/16

**Shareholding in Cahya Mata:**

Direct - 6,790,400 ordinary shares

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

**Academic/Professional Qualifications**

- Masters of Science in Business Administration (Finance) from Central Michigan University, United States of America
- Bachelor of Science in Business Administration (Finance) from Northern Illinois University, United States of America

**Skills & Experience**

Dato' Maznah binti Abdul Jalil (“Dato' Maznah”) has over 30 years of experience in investment banking, corporate finance and advisory work, during which she served various companies including Hong Leong Financial Group Berhad, DRB-HICOM Berhad Group, Kenanga Investment Bank Berhad and Amanah Merchant Bank Berhad.

**Other Current Appointments**

- Senior Independent Non-Executive Director of Innature Berhad
- Independent Non-Executive Director of Malayan Flour Mills Berhad
- Director of Opus Asset Management Sdn. Bhd. and KWest Sdn. Bhd.
- Chairman of the Investment Panel and Member of Nomination and Remuneration Committee of Lembaga Tabung Angkatan Tentera
- Investment Panel of Langkawi Dev Authority (LADA)
- Board member of Kumpulan Wang Persaraan (Diperbadankan)
- Director of Cahya Mata subsidiary companies namely, Cahya Mata Capital Sdn. Bhd., Samalaju Industries Sdn. Bhd. and Samalaju Properties Sdn. Bhd.
- Director of Cahya Mata associate company namely, SACOFA Sdn. Bhd.

*Dato' Maznah has no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata Group, and has no family relationship with any other director and/or major shareholder of the Company. She has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



### YBHG. DATO' MAZNAH BINTI ABDUL JALIL

Independent Non-Executive Director

NR B R DT E

Age 70

Gender Female

Nationality Malaysian

Date appointed

to the Board

15 November 2021

Number of Board Meetings Attended

16/16

**Shareholding in Cahya Mata:**

Nil

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

### Academic/Professional Qualifications

- Bachelor of Science (First Class Honours) in Chemical, Process & Business Engineering Degree from the University of Aston, Birmingham
- PhD in Chemical Engineering from the University of Aston, Birmingham

### Skills & Experience

Dr. Khor Jaw Huei (“Dr. Khor”) has over 40 years of work experience in cement and concrete business. He started his career in 1974 with Blue Circle (UK) followed by APMC (Malaysia) in 1981. In 1990 he was appointed Regional Director of Maschinenfabrik Liezen (Austria) and Christian Pfeiffer Beckum (Germany) and later joined YTL Cement as Technical Director. He was also former CEO of Holcim Malaysia and Holcim Singapore, CEO/MD of public listed Jurong Cement Ltd, Singapore and MD, CPB Engineering Sdn. Bhd. Dr. Khor served in various capacities in the Federation of Malaysian Manufacturers, Cement & Concrete Association of Malaysia and Singapore and presented many technical papers in various local and international seminars and symposiums on the cement industry during his professional career.

### Other Current Appointments

- Chairman of Cahya Mata subsidiary companies, Cahya Mata Cement Sdn. Bhd. and Cahya Mata Phosphates Industries Sdn. Bhd.
- Director of Cahya Mata subsidiary companies namely, Cahya Mata Alam Sdn. Bhd., Cahya Mata Cement Properties Sdn. Bhd. and Thermasite Technology Sdn. Bhd.

*Dr. Khor has no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata Group, and has no family relationship with any other director and/or major shareholder of the Company. He has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



**DR. KHOR JAW HUEI**  
Independent Non-Executive Director

E A NR R

Age 73

Gender Male

Nationality Malaysian

Date appointed

to the Board

15 July 2020

Number of Board Meetings Attended

16/16

Shareholding in Cahya Mata:

Nil

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

### Academic/Professional Qualifications

Member of Certified Public Accountant (MICPA) and Chartered Financial Analyst (CFA)

### Skills & Experience

Mr. Jeyabalan started his career with Ernst & Young in 1990 and is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and a CFA Charter Holder. He is also a member of the Institute of Corporate Directors Malaysia (ICDM) He has over 26 years of experience in corporate finance, business development, real estate investment management and private equity. He is also the Risk Management and Audit Committee Chairman of Merchantrade Asia Sdn. Bhd.

### Other Current Appointments

- Managing Director of Silver Formula Capital Sdn. Bhd.
- Independent Director and Risk Management and Audit Committee Chairperson of Merchantrade Asia Sdn. Bhd.
- Director of Child Information, Learning And Development Centre
- Director of Cahya Mata subsidiary companies namely, Cahya Mata Development Sdn. Bhd., Cahya Mata Hotels Sdn. Bhd., Cahya Mata Oiltools Sdn. Bhd., Oiltools International Sdn. Bhd., Samalaju Properties Sdn. Bhd., Taibah Properties Sdn. Bhd., Cahya Mata Oiltools (Bermuda) Limited, Cahya Mata Oiltools (Cayman) Limited and Cahya Mata Trading International Pte Ltd
- Director of Cahya Mata associate company namely, SACOFA Sdn. Bhd.

*Mr. Jeyabalan has no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata Group, and has no family relationship with any other director and/or major shareholder of the Company. He has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



**MR. JEYABALAN A/L S.K. PARASINGAM**  
Independent Non-Executive Director

A DT

Age 53

Gender Male

Nationality Malaysian

Date appointed

to the Board

22 June 2021

Number of Board Meetings Attended

16/16

Shareholding in Cahya Mata:

Nil

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

### Academic/Professional Qualifications

- Bachelor of Business (Business Information Systems) from RMIT University in Melbourne, Australia
- Masters of Finance from RMIT University in Melbourne, Australia
- Graduate Diploma in Industrial and Employee Relations from Monash University, Melbourne, Australia
- Master of Management in Human Resource Management from Monash University, Melbourne, Australia

### Skills & Experience

Madam Umang Nangku Jabu (“Madam Umang”) has been working in the private sector as a Director of a number of companies.

### Other Current Appointments

- Independent Non-Executive Director of Ta Ann Holdings Berhad
- Member of the Board of Trustees of The Iban Women Charitable Trust
- Director of Cahya Mata subsidiary companies namely, Cahya Mata Development Sdn. Bhd., Cahya Mata Roads Sdn. Bhd., CMS Pavement Tech Sdn. Bhd., CMS Roads Sdn. Bhd. and Rivervale Condominium Management Sdn. Bhd.
- Director of joint venture company with Sarawak Economic Development Corporation (“SEDC”) namely, SEDC Premix (Betong) Sdn. Bhd.

*Madam Umang is a director and major shareholder of SEDC Premix (Betong) Sdn. Bhd. (a joint venture company of Cahya Mata with SEDC). She is also a major shareholder of DISA Sdn. Bhd., which in turn is a major shareholder of Cahya Mata Wires Sdn. Bhd. (a subsidiary company of Cahya Mata). Madam Umang has no family relationship with any other director and/or major shareholder of the Company. Except for transactions as disclosed in Note 39 of the Audited Financial Statements for year ended 31 December 2023, she has no conflict of interest with Cahya Mata Group. She has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



**MADAM UMANG NANGKU JABU**  
Non-Independent Non-Executive Director

A B E

Age 47

Gender Female

Nationality Malaysian

Date appointed to the Board

21 September 2017

Number of Board Meetings Attended

16/16

Shareholding in Cahya Mata:  
Direct - 200,000 ordinary shares

## EXPERIENCED AND PROFESSIONAL LEADERSHIP

### Academic/Professional Qualifications

- Member, The Malaysian Institute of Certified Public Accountants
- Member, The Malaysian Institute of Accountants
- Attended the International Banking Summer School (IBSS) Cambridge, Massachusetts, United States of America

### Skills & Experience

Ms. Gee Siew Yoong has more than 50 years of experience in public accounting and the corporate sector within multiple industries both as an executive and director. During this period, she was an Independent Non-Executive Director of various public listed companies since 2001. Her professional strengths are in restructuring, reorganisation, change management and corporate governance.

### Other Current Appointments

- Nil

*Ms. Gee has no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata Group, and has no family relationship with any other director and/or major shareholder of the Company. She has not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.*



**MS. GEE SIEW YOONG**  
Independent Non-Executive Director

B

Age 74

Gender Female

Nationality Malaysian

Date appointed to the Board

18 September 2023

Number of Board Meetings Attended

3/3

Shareholding in Cahya Mata:  
Nil

## DELIVERING OUR STRATEGY, DRIVING PERFORMANCE

### SENIOR MANAGEMENT

#### MANDAR SHRIKRISHNA NAMJOSHI

Group Chief Financial Officer

**Age:** 47  
**Gender:** Male  
**Nationality:** Singaporean  
**Date Joined:** 19 December 2023

#### Responsibilities

- Responsible for the development and execution of the businesses' long-term global financial strategy
- Driving competitive and profitable growth while generating sustainable cash flow and allocating capital to maximise value creation and managing risk across the Group

#### Skills & Experience

- He has spent over 25 years in increasingly important roles in finance in several multinational corporations
- He has significant experience in global roles across Commercial Finance, Business Transformation, Risk Management, Treasury and Corporate & Financial planning
- He brings deep financial and analytical expertise to his new role, having done multiple CFO Roles across various geographies & a range of industries

#### Qualification:

- He is a graduate (Bachelor of Commerce) from University of Mumbai and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India

#### Other Current Appointments

- Nil

#### KARL VINK @ KHALID ABDULLAH

Chief Information Officer

**Age:** 46  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 October 2021

#### Responsibilities

- Responsible for the overall management and operations of Cahya Mata Intelligent Technologies Sdn. Bhd.
- Overseeing a team of IT employees, systems, networks/servers, applications and support services throughout the Group

#### Skills & Experience

- He completed his education in Australia and has established a career of over 20 years in IT, Technology and Mass Communications across South East Asia, North America and Europe
- He has substantial experience in IT related companies across the Globe

#### Academic/Professional Qualification

- Nil

#### Other Current Appointments

- Director, Cahya Mata Intelligent Technologies Sdn. Bhd.
- Cahya Mata Education Sdn. Bhd.
- Cahya Mata Sabah Sdn. Bhd.

#### MOHAMED SIRAJKUMAR BIN ABDUL RAZACK

Chief Technical Officer

**Age:** 67  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 November 2021

#### Responsibilities

- Supports the Group of Companies in all technical matters covering technology selection, technology and technical roll-out, projects execution, delivery and troubleshooting of projects and operation review of group companies to achieve operational excellence in line with international best practices
- Supports all new businesses in technology, technical evaluation and project execution and delivery within cost, schedule and quality

#### Skills & Experience

- He has over 40 years of experience in upstream, midstream and downstream oil & gas, engineering, environmental/waste management and renewable energy businesses
- His areas of expertise cover program and project management of engineering and complex EPCC projects, contract management, quality management, health, safety & environmental management, strategic planning and business planning of startup's and ongoing companies and other related corporate experience

#### Academic/Professional Qualification

- He holds a Bachelor of Science (Combined Hons.) in Chemical Processing (Petrochemical) and Industrial Management from University of Liverpool and has attended a Senior Management Development Programme from Harvard Business School and a Global Seniors Management Programme from Tufts University, Boston

#### Other Current Appointments

- Cahya Mata IP Sdn. Bhd.
- Cahya Mata Professionals Sdn. Bhd.
- Director, Cahya Mata Alam Sdn. Bhd.
- Director, Thermasite Technology Sdn. Bhd.

Mr. Mandar, Mr. Karl, and Mr. Sirajkumar have no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata, and have no family relationship with any other director and/or major shareholder of the Group. They have not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.

## DELIVERING OUR STRATEGY, DRIVING PERFORMANCE

#### KANESAN A/L VELUPPILLAI

Chief Strategic Communications Officer

**Age:** 63  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 September 2021

#### Responsibilities

- Responsible for the Group's corporate strategies, and oversees multiple communications including, internal and external channels and processes
- Leads the Group's advocacy, research & communications, brand & marketing communication and stakeholder relations

#### Skills & Experience

- He has 40 years of experience in financial services, automotive, property and infrastructure, transportation and oil & gas sectors
- He has served various companies in various senior management capacities

#### Academic/Professional Qualification

- He holds a Bachelor of Economics from the University of Malaya and has attended the Advanced Management Programme from the National University of Singapore

#### Other Current Appointments

- Director, Cahya Mata Sabah Sdn. Bhd.
- Director, Cahya Mata IP Sdn. Bhd.

Mr. Kanesan, Mr. Izzam, and Ms. Wendy have no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata, and have no family relationship with any other director and/or major shareholder of the Group. They have not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.

#### IZZAM IBRAHIM

Group General Counsel

**Age:** 47  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 August 2022

#### Responsibilities

- Responsible for Cahya Mata Group's Legal, Contract Management Services, and Group Secretarial

#### Skills & Experience

- He has over 25 years of experience covering the full in-house spectrum of legal services covering public listed companies, government link/owned companies, private entity and multinational corporations and his area of expertise included the areas of corporate laws, mergers & acquisition, compliance and regulatory, anti-corruption, and corporate services

#### Academic/Professional Qualification

- LL.B (Special) Hons, University of Hull, United Kingdom
- MAICSA Affiliate Member

#### Other Current Appointments

- Director, Wasco Oil Service Company Nigeria Ltd
- Director, Scomi Oiltools Russia LLC
- Director, Cahya Mata Oiltools (Africa) Limited

#### WENDY YONG SAN SAN

Acting Head of Group Human Resources

**Age:** 53  
**Gender:** Female  
**Nationality:** Malaysian  
**Date Joined:** 16 May 1999

#### Responsibilities

- Overseeing the department's strategic and operational functions which encompass human capital planning, succession planning, recruitment, payroll, employee development, performance management, employee engagement and relations, employee benefits, Industrial Relations, policy development and implementation, as well as employee safety and health
- Supporting the risk management, corporate governance and digitalisation process of the HR function

#### Skills & Experience

- She had held various human resources roles in banking industries, including Kuching and Kuala Lumpur

#### Academic/Professional Qualification

- Bachelor Degree of Science, University of Melbourne, Australia
- Master of Science Degree, University of Leicester, UK

#### Other Current Appointments

- Nil

## DELIVERING OUR STRATEGY, DRIVING PERFORMANCE

### SHAUN MOK CHEK WEI

Head,  
Property Development Division

**Age:** 41  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 May 2020

#### Responsibilities

- Responsible for the strategic direction, management and performance of the Property Development Division

#### Skills & Experience

- He established his career in property development and consultancy services holding various management and directorial positions in companies across Australia and Malaysia

#### Academic/Professional Qualification

- Bachelor of Engineering in Materials Engineering, University of New South Wales, Australia
- Masters in Construction Management, University of New South Wales, Australia

#### Other Current Appointments

- Director, Cahya Mata Development Sdn. Bhd.
- Director, Cahya Mata Hotels Sdn. Bhd.
- Director, Cahya Mata Wires Sdn. Bhd.
- Director, Taibah Properties Sdn. Bhd.
- Director, CMS Land Sdn. Bhd.
- Director, CMS Property Management Sdn. Bhd.
- Director, Samalaju Hotel Management Sdn. Bhd.
- Director, Samalaju Properties Sdn. Bhd.
- Director, Isthmus Raintree Management Sdn. Bhd.
- Director, Rivervale Condominium Management Sdn. Bhd.
- Director, Cahya Mata Professionals Sdn. Bhd.
- Director, Cahya Mata Roads Sdn. Bhd.
- Director, Cahya Mata Education Sdn. Bhd.

### CHOONG JU TANG

Acting Head,  
Cement Division

**Age:** 51  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 April 2022

#### Responsibilities

- Responsible for the strategic direction, management and performance of the Cement Division

#### Skills & Experience

- He has experience of over 23 years in the building materials industry focussing on commercial, operations and business development aspects in Malaysia and Singapore with short stints in Indonesia, Philippines, Vietnam, China and Korea

#### Academic/Professional Qualification

- Bachelor of Arts - BA in Marketing and Human Resource Management from University of Southern Queensland, Australia

#### Other Current Appointments

- Nil

### ISHWINDERJIT SINGH

Interim Chief Operating Officer,  
Phosphates Division

**Age:** 40  
**Gender:** Male  
**Nationality:** Malaysian  
**Date Joined:** 1 December 2021

#### Responsibilities:

- Responsible for the strategic direction, management and performance of Cahya Mata Phosphates Industries Sdn. Bhd.

#### Skills & Experience:

- He has more than 18 years of experience in Financial Management and he is a member of various professional bodies which includes Fellow Chartered Certified Accountant, FCCA (UK), Malaysian Institute of Accountants (MIA), and Chartered Member of Institute of Internal Auditors Malaysia (CMIIA)
- His expert area is in Financial Reporting, Forensic Accounting, Internal Auditing and Corporate Risk Management which has contributed and strengthened his skills in managing the entire Corporate Reporting Structure, Cashflow & Budget Management including Project Reporting & Tendering Evaluation
- Ishwin is currently the Interim Chief Operating Officer of Cahya Mata Phosphates Sdn. Bhd. and prior to this assignment he was the General Manager Group Finance of Cahya Mata Sarawak Berhad and Acting Chief Financial Officer of Sacofa Sdn. Bhd.

#### Academic/Professional Qualification:

- Fellow Chartered Certified Accountant (FCCA) (UK)
- Member of the Malaysian Institute of Accountants (MIA)

#### Other Current Appointments:

- Nil

Mr. Shaun, Mr. Choong, and Mr. Ishwinderjit, have no conflict of interest or potential conflict of interest, including interest in any competing business with Cahya Mata, and have no family relationship with any other director and/or major shareholder of the Group. They have not been convicted of any offence (other than traffic offences) within the past 5 years and any public sanction/penalty imposed by the relevant regulatory bodies during the financial year.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (also referred to as the Board) and Management of Cahya Mata Sarawak Berhad are pleased to present the Corporate Governance Overview Statement (“CGOS”), which highlights key areas on how the Company complies with the principles, practices and enhancements of the Malaysian Code on Corporate Governance (MCCG) for the year 2023.

Corporate governance is an integral component of Cahya Mata’s day-to-day business. We believe that professional and meritocratic practices emerge in the long-term as a result of compliance with adherence to regulations and global best-practice standards. This, coupled with sound management, transparency and fair ethical dealings would foster and nurture accountability within the organisation and also contribute towards its sustained expansion. In addition, the Board believes that its business must promote sustained development and growth of economic, social and environmental capital and that its resources are being utilised properly.

This CGOS is accompanied by a Corporate Governance Report (CG Report 2023), which was prepared in accordance with the format specified under paragraph 15.25 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad. The report is available both at the Company’s website at [www.cahyamata.com](http://www.cahyamata.com) and the Bursa Securities website. The CG Report 2023 provides a comprehensive explanation of how the Company implemented each MCCG Practice during the financial year 2023 (FY2023), which are generally classified as follows:

**PRINCIPLE A**  
Board Leadership and Effectiveness

**PRINCIPLE B**  
Effective Audit and Risk Management

**PRINCIPLE C**  
Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

### BOARD LEADERSHIP AND EFFECTIVENESS

Cahya Mata’s governance structure is based on the principles of providing the executive management with the relevant framework to operate effectively through a delegated instrument of authority in accordance with the specific terms of reference to ensure that the powers vested in the management are exercised with due care to achieve the overall objectives. At the same time, the Board will continue its responsibility of formulating and reviewing key policies and charting and steering the course of the Group’s business directions.

The Board’s primary responsibility is to protect and enhance value for its stakeholders. It oversees and controls the general strategic direction by establishing goals and objectives, policies, governance standards, and internal reporting mechanisms. To provide effective oversight of Management’s performance, the Board is supported by Board Committees focused on specific areas, including the Group Audit Committee, Group Risk Committee, Nomination & Remuneration Committee, Digital Transformation Committee, and Employees’ Share Option Scheme Committee. The Board is responsible for determining

the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The Company’s Corporate Governance Report for the fiscal year ended 31 December 2023, which can be downloaded from the corporate website at [www.cahyamata.com](http://www.cahyamata.com), outlines the Board’s main responsibilities. The Group Managing Director (GMD) oversees the day-to-day operations of the company and is assisted by executives and executive committees with clearly defined delegate authority, duties and powers at various levels.

The Board, as at 29 March 2024 comprises only one Executive Director and a strong presence of seven (7) Non-Executive Directors, five (5) of whom are Independent Non-Executive Directors. The presence of a majority of Independent Non-Executive Directors provides effective check and balance in the functioning of the Board to safeguard the interests of the Group and all stakeholders.

### ROLES OF CHAIRMAN, MANAGING DIRECTOR AND NON-EXECUTIVE DIRECTORS

The Chairman and the Group Managing Director are two distinct persons with distinct roles within the organisation. This separation responsibilities ensures an appropriate balance of role, responsibility and accountability at both the Board and Management levels. The Non-Executive Directors participate actively in board meetings, providing valuable guidance and counsel on various aspects of business direction, governance, and tracking Management’s performance in meeting key performance objectives.

Non-Executive Directors are responsible for ensuring the integrity of financial information as well as the robustness and defensibility of financial policies and risk management systems. To provide a further check and balance role for all stakeholders, the Independent Non-Executive Directors work with external and internal auditors to address issues affecting management oversight and other oversight functions of the Group’s business and operations. The roles are depicted on page 56.

# BOARD LEADERSHIP AND EFFECTIVENESS

## OUR GOVERNANCE FRAMEWORK

The Board is the Group’s primary decision-making body that maintains a schedule of matters that are reserved for the Board and must be considered and approved. We regularly review and update this schedule of reserved matters. The general issues reserved for the Board are depicted below in this page and its Board Charter which can be found on the Company’s website, www.cahyamata.com.

MATTERS RESERVED FOR THE BOARD
a. Group strategy, plans and budgets
b. Approval of audited and quarterly financial statements
c. Constitution of the Company including amendments
d. Terms of Reference Board Committees
e. Appointment and/or removal of external auditors and auditors’ remuneration
f. Corporate exercise including new business activities and/or ventures
g. Key policies of the Group`
h. Group organisational structure



The Board is responsible for the stewardship of the Company and overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders.			
<b>General Dato’ Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)</b> <i>Group Chairman Senior Independent Non-Executive Director</i> <b>16/16</b>	<b>Dato Sri Mahmud Abu Bekir Taib</b> <i>Deputy Group Chairman, Non-Independent Non-Executive Director</i> <b>16/16</b>	<b>Dato Sri Sulaiman Abdul Rahman b Abdul Taib</b> <i>Group Managing Director</i> <b>16/16</b>	<b>Dato’ Maznah binti Abdul Jalil</b> <i>Independent Non-Executive Director</i> <b>16/16</b>
GROUP AUDIT COMMITTEE (“GAC”)		NOMINATION & REMUNERATION COMMITTEE (“NRC”)	
The GAC assists and supports the Board’s oversight of the Group’s operations by reviewing the Group’s financial information production processes, internal controls and policies and procedures to assess the suitability, objectivity and independence of the Group’s external auditors and internal audit functions.		The NRC assists and supports the Board’s oversight of issues pertaining to the nomination of new Directors, planning for the succession of the Board and Senior Management, and the annual evaluation of the performance of the Board, Board Committees, and individual Directors. The remuneration framework and compensation plan for the Board and employees is also under the purview of the NRC.	
DIRECTORS	ATTENDANCE	DIRECTORS	ATTENDANCE
Mr. Jeyabalan A/L S.K. Parasingam (Chairman)	8/8	Dato’ Maznah binti Abdul Jalil (Chairman)	10/10
Madam Umang Nangku Jabu	8/8	Dato Sri Mahmud Abu Bekir Taib	10/10
Dr. Khor Jaw Huei	8/8	Dr. Khor Jaw Huei	10/10

PRINCIPLE A Board leadership and effectiveness
<ul style="list-style-type: none"> <li>Board Responsibilities</li> <li>Board Composition</li> <li>Remuneration</li> </ul>

For more information about BOARD LEADERSHIP AND EFFECTIVENESS, please refer to pages 42 to 49

PRINCIPLE B Effective audit and risk management
<ul style="list-style-type: none"> <li>Audit Committee</li> <li>Risk Management and Internal Control Framework</li> </ul>

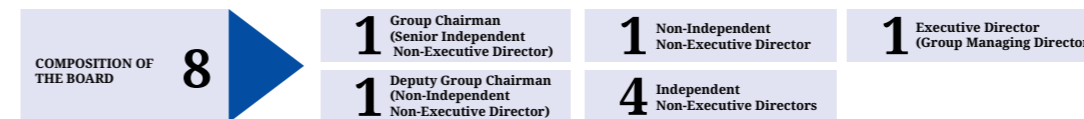
For more information about EFFECTIVE AUDIT AND RISK MANAGEMENT, please refer to pages 61 to 64

PRINCIPLE C Integrity in corporate reporting and meaningful relationships with stakeholders
<ul style="list-style-type: none"> <li>Engagement with Shareholders</li> <li>Conduct of General Meeting</li> </ul>

For more information about INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS, please refer to pages 65 to 69

This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report which is accessible online on our website at www.cahyamata.com

# BOARD LEADERSHIP AND EFFECTIVENESS



The diagram below illustrates how the Board has assigned specific duties to a number of committees. The Committee Chairs are in charge and responsible for updating the Board on the activities of their respective Committees, while the Board maintains ultimate accountability. All Directors have access to the minutes of meetings of all Committees. Regular reviews of the Board Charter and Committee Terms of Reference are conducted and details are available, online.

GROUP RISK COMMITTEE (“GRC”)		DIGITAL TRANSFORMATION COMMITTEE (“DTC”)		EMPLOYEES’ SHARE OPTION SCHEME COMMITTEE (“ESOS”)	
The GRC assists and supports the Board in overseeing the risk management framework for the Group.		The DTC assists and supports the Board’s Digital Transformation initiative for the Group.		The ESOS Committee was formed to administer the Company’s ESOS which was implemented on 13 November 2020.	
DIRECTORS	ATTENDANCE	DIRECTORS	ATTENDANCE	DIRECTORS	ATTENDANCE
Dato Sri Mahmud Abu Bekir Taib (Chairman) (Appointed as chairman on 20.02.2023)	4/4	Mr. Jeyabalan A/L S.K. Parasingam (Chairman)	8/8	Dr. Khor Jaw Huei (Chairman)	2/2
Dato’ Maznah binti Abdul Jalil	4/4	Dato Sri Mahmud Abu Bekir Taib	8/8	Dato’ Maznah binti Abdul Jalil	2/2
Dr. Khor Jaw Huei	4/4	Dato’ Maznah binti Abdul Jalil	8/8	Madam Umang Nangku Jabu	2/2
		Madam Umang Nangku Jabu (Ceased as Member on 20.02.2023)	2/2		
BOARD SUSTAINABILITY COMMITTEE (“BSC”)					
The Board Sustainability Committee was formed on 18 April 2024. The first meeting has yet to commence.					
DIRECTORS					
Dato’ Maznah binti Abdul Jalil (Chairman)					
Mdm Umang Nangku Jabu					
Ms Gee Siew Yoong					

The Main Principles of the Code provide the framework for the reporting model which we continue to use. Our approach to:



## BOARD LEADERSHIP AND EFFECTIVENESS

### ROLES AND RESPONSIBILITIES

#### GROUP CHAIRMAN

- Provide leadership for the Board to perform its duties effectively
- Oversees the effective discharge of the Board's fiduciary duties
- Determines the Board agenda and ensures Board members receive complete and accurate information in a timely manner
- Lead Board members in setting corporate values and standards for the Company
- Plays leadership role in establishing and monitoring good corporate governance practices in the Company
- Leads Board meetings and discussions and ensures effective and efficient conduct of Board meetings
- Oversees Boardroom dynamics and encourages active participation, promoting open debate and allowing dissenting views to be freely expressed thus facilitating the effective contribution of all Directors
- Schedules regular and effective evaluations of the Board's performance
- Promote constructive and respectful relations between Board members and between the Board and Senior Management
- Ensures the Directors have access to necessary training programmes or materials that match up with the identified development areas
- Ensures appropriate steps are taken for effective communication with stakeholders and that their views are communicated to the Board

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

- Operate independently of management and free from any business or other relationships which could materially interfere with the exercise of their independent judgement
- Provide professional, unbiased and independent views in their deliberations
- Provide experienced-based objectivity, independent and balanced views in Board's deliberations

#### NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

- Review Management's strategic proposals and challenge benefits and alignment, taking into consideration the risks involved, merits of the transactions and/or business arrangements
- Regularly monitor Management's implementation schedules of approved strategies and achievements

#### GROUP MANAGING DIRECTOR

- To implement broad policies and strategic investments approved by the Board
- Act as liaison between the Board and Senior Management
- Formulate and oversee the implementation of major corporate policies and strategies adopted by the Board
- Ensure that Cahya Mata has an effective management team, including an active development and succession plan

### BOARD ACTIVITIES DURING THE YEAR

#### LEADERSHIP AND PEOPLE

- Board and Senior Management Succession Planning and appointments
- Remuneration policy and guidelines for Board, Senior Management and employees
- Employee volunteerism
- Digital transformation programme

#### FINANCIAL PERFORMANCE

- Quarterly financial performance
- Audited financial statements
- Recommendation to shareholders for dividend payment
- Group financial and capital expenditure budget
- Group cash flow and Sukuk programme

#### INTERNAL CONTROL AND RISK MANAGEMENT

- Board and Senior Management Succession Planning and appointments
- Remuneration policy and guidelines for Board, Senior Management and employees
- Employee volunteerism
- Digital transformation programme

The Chair and GMD regularly communicate with the other directors to discuss Group matters, and the Board is provided regular reports and briefings to ensure the directors are adequately briefed to carry out their responsibilities. In the absence of the executive directors, the Non-Executive Directors (including the Chair) meet as needed to discuss and evaluate the Board's overall success as well as the performance of the Executive Director.

During the year under review, the Board met 16 times. The annual calendar of board and the committee meetings is broadly determined before the beginning of the year to enable the directors to plan their schedule and to ensure their meaningful participation in the meetings. Agenda papers are made available in easy electronic formats to the directors five (5) business days in advance to enable all directors to have remote access, thereby ensuring they are able to discharge their responsibilities effectively.

#### GOVERNANCE

- Review of Group policies and procedures
- AGM and electronic poll voting at general meetings
- Re-appointment of external auditor
- Related Party Transactions/Conflict of Interest
- Board and Board Committees Effectiveness Evaluation

#### STRATEGY

- Review of core businesses and strategic investments
- Branding and investor relations
- Corporate exercise
- Share Buy-Back programme
- Sustainability agenda
- Digital transformation

## BOARD LEADERSHIP AND EFFECTIVENESS

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### NOMINATION AND REMUNERATION COMMITTEE



**We continue to review the structure, size and composition of the Board and its Committees and we make recommendations with regard to any changes considered necessary in the identification and nomination of new Directors, the reappointment of existing Directors and appointment of members to the Board's Committees.**

#### CHAIRMAN:

**DATO' MAZNAH BINTI ABDUL JALIL**  
(Independent Non-Executive Director)

#### MEMBERS:

**DATO SRI MAHMUD ABU BEKIR TAIB**  
(Non-Independent Non-Executive Director)

**DR. KHOR JAW HUEI**  
(Independent Non-Executive Director)

*More detailed information on the role and responsibilities of the Committee can be found in the Committee's Terms of Reference which can be accessed on the Company's website at [www.cahyamata.com](http://www.cahyamata.com)*

### KEY RESPONSIBILITIES

- Responsible for size, structure and composition of the Board and Board Committees
- Plays a key role in the Board recruitment and selection process and recommends new appointments to the Board
- Responsible for succession planning to ensure that the Board is refreshed progressively and systematically such that the balance of skills and experience available to the Board remains appropriate to the needs of the business
- Responsible for annual evaluation of Board and Board Committees
- Recommends the appointments to the Boards of subsidiary/associate companies in the Group
- Recommends the remuneration for the Non-Executive Directors
- Recommends the appointment and remuneration of key officers.
- Recommends guidelines on employees' rewards system including annual salary increment and bonus

### CHAIRMAN AND GROUP MANAGING DIRECTOR

The roles of Chairman and Group Managing Director are distinct and separate and their roles and responsibilities are clearly established. The Chairman leads the Board and has particular responsibility for the effectiveness of the Group's governance. In promoting a culture of openness, he ensures the effective engagement and contribution of all Executive and Non-Executive Directors.

### BOARD TIME COMMITMENT

The Nomination and Remuneration Committee is satisfied that the Chairman and each of the Non-Executive Directors committed sufficient time during the year to enable them to fulfill their duties as Directors of the Company.

## BOARD LEADERSHIP AND EFFECTIVENESS

### ANNUAL EVALUATION OF DIRECTORS

Assessing the effectiveness of the Board is vital for the success of the Group. Thus, the Company conducts an annual Board Effectiveness Evaluation (BEE) to evaluate the Board as a whole, individual Directors, and respective Board Committees. The NRC meetings discuss and deliberate on the BEE results, and recommendations for enhancing the Board's effectiveness are presented to the Board.

For the year 2023, the Board agreed to carry out the BEE internally to assess Cahya Mata's Board, Board Committees and individual Directors, including Independent Directors and the Group Managing Director.

The BEE covered the following assessment topics wherein in each section, the respective Directors or members of the Committees responded to the questionnaires provided:

ASSESSMENT TOPIC 1	<b>Board of Directors and Directors' Skill Set Assessments</b>
ASSESSMENT TOPIC 2	<b>Directors' Self and Peer Assessment</b>
ASSESSMENT TOPIC 3	<b>Independent Directors' Assessment</b>
ASSESSMENT TOPIC 4	<b>Group Audit Committee (GAC)</b>
ASSESSMENT TOPIC 5	<b>Nomination and Remuneration Committee (NRC)</b>
ASSESSMENT TOPIC 6	<b>Group Risk Committee (GRC)</b>

The Forms developed for each Assessment topic were completed by all the Directors in the manner set out below:

FORMS	TO BE COMPLETED BY
ASSESSMENT TOPIC 1 & 2	<b>All Directors</b>
ASSESSMENT TOPIC 3	<b>Independent Directors only</b>
ASSESSMENT TOPIC 4	<b>GAC members</b>
ASSESSMENT TOPIC 5	<b>NRC members</b>
ASSESSMENT TOPIC 6	<b>GRC members</b>

The assessment results were presented and adopted by the Board of Directors in April 2024. Overall, the results of the evaluation were favourable. The results of the BEE 2023 assessments form the basis of the NRC's recommendations to the Board for the re-election of Directors at the forthcoming Annual General Meeting (AGM) in 2024.

## BOARD LEADERSHIP AND EFFECTIVENESS

### ASSESSMENT OF THE INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Chairman is dedicated to maintaining a Board with a mix of Independent Non-Executive Directors who can provide unbiased and objective criticism of management while ensuring the continuity of the Board. The Independent Non-Executive Directors bring their impartial judgment and scrutiny to issues presented before the Board and its Committees. The Board acknowledges that all Independent Non-Executive Directors possess considerable expertise and provide robust independent oversight to the Group's operations. The Board conducts an annual review to assess the independence of its Non-Executive Directors.

The assessment of the independence of the Directors was carried out as part of the BEE 2023.

### DIRECTORS' RE-ELECTION

The NRC ensures that Directors comply with relevant laws, regulations, and the Company's Constitution when retiring and being re-elected. As per Article 111 of the Company's Constitution, all Directors must be elected by shareholders at the first AGM after their appointment. At each subsequent AGM, one-third (1/3) of the Directors or the nearest number to one-third (1/3), with a minimum of one (1), must retire, and they can seek re-election. Every Director must present themselves for re-election at least once every three (3) years.

Pursuant to Article 113 of the Company's Constitution, any Director appointed by the Board shall hold office until the next AGM at which Directors are due to retire under the Constitution, when he shall retire but shall then be eligible for re-election.

The Board recommends the re-election of the following Directors who will be retiring pursuant to Article 111 and Article 113 at the forthcoming AGM and are standing for re-election:

Article 111
YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib and Mr. Jeyabalan A/L S.K. Parasingam shall retire in accordance with Article 111 of the Company's Constitution at the forthcoming AGM. YBhg. Dato Sri Sulaiman Abdul Rahman b Abdul Taib and Mr. Jeyabalan A/L S.K. Parasingam are standing for re-election as Directors of the Company and being eligible have offered themselves for reelection.

### BOARD REMUNERATION FRAMEWORK

The Group's Remuneration Policy for Non-Executive Directors governs Directors' remuneration. The policy aims to determine competitive remuneration packages for experienced, qualified, and high-caliber Non-Executive Directors to drive Cahya Mata's business, strategy, objectives, values, and long-term interests. Non-Executive Directors receive a fixed fee, meeting attendance allowances, and other benefits-in-kind for their Board duties. Additional fees apply for assuming additional responsibilities. Shareholder approval at the AGM is required for the aggregate amount of Directors' fees. Non-Executive Directors' remuneration is not linked to individual performance.

The Group provides a fair and reasonable, competitive remuneration for its Group Managing Director to attract and retain a high-caliber individual who can create value for all shareholders. The Group Managing Director's remuneration is based on his achievements and contributions, measured against his Key Performance Indicators. The Board determines the Group Managing Director's remuneration, considering the NRC's recommendations.

The NRC is responsible for recommending Directors who are eligible to stand for re-election based on the rotation schedule. To determine the suitability of candidates, the NRC evaluates competencies, contributions, commitment, tenure, and other attributes. They also consider self/peer assessments based on the BEE and assess the Board's structure and balance, including independence criteria. The NRC requests that Directors provide written consent regarding their intention to seek re-election at an AGM.

The NRC's recommendations are then submitted to the Board and Shareholders respectively for approval.

Article 113
Ms. Gee Siew Yoong who was appointed as an Independent Non-Executive Director on 18 September 2023 shall retire at the 49 <sup>th</sup> AGM and being eligible has offered herself for re-election.

### BOARD DEVELOPMENT

During the year, a two (2) day induction was conducted for the new Independent Non-Executive Director, Ms. Gee Siew Yoong. The programme included briefings by Management and site visits to the Pending and integrated Plant in Mambong.

The Board offers formal training courses to Directors to update their knowledge and understanding of their roles and responsibilities. They are provided with guidance notes, papers, and presentations on changes to laws and regulations when appropriate. Non-Executive Directors are also invited to attend internal conferences, where they can learn about new product development and marketing initiatives, meet with business units and functions, and also attend investor days. At Board meetings, business presentations are given to provide updates on products and business strategies and facilitate discussions.

In addition to the Mandatory Accreditation Programme required by Bursa Securities, Directors participate in continuing education programmes to enhance their knowledge and skills. This enables them to effectively fulfill their duties and remain actively engaged in Board discussions. The NRC and Board regularly assess the training needs of the Directors and ensure they have access to relevant continuing education programmes.

## BOARD LEADERSHIP AND EFFECTIVENESS

The trainings attended by the Directors throughout 2023 were as follows:

CAHYA MATA SARAWAK BERHAD : DIRECTORS' TRAINING YEAR 2023		
<b>General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)</b>	<ul style="list-style-type: none"> <li>2023 Budget Seminar</li> <li>Cahaya Mata 2023 Be The Champion</li> <li>MACC Training for AHAM Group: Corporate Liability on Corruption</li> <li>ESG Reporting: A key to a Value Creation Today</li> <li>Metaverse Immersion Session for Genting Group</li> <li>Engagement Session for Board of Directors and Senior Management Cahya Mata 2023</li> <li>AML Training 2023 for AHAM Group:AML/CFT/TFS:Adopt, Evolve, Transform towards an Effective Compliance</li> </ul>	<ul style="list-style-type: none"> <li>40<sup>th</sup> Management Conference of Genting Plantations Berhad</li> <li>Role of Board and Management</li> <li>Addressing Conflicts of Interest</li> <li>Directors Guide to GRC (Governance, Risk and Compliance) and CCPT (Climate Change &amp; Principle Based Taxonomy)</li> <li>2024 Budget Seminar</li> </ul>
<b>Dato Sri Mahmud Abu Bekir Taib</b>	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II : Leading for Impact (LIP)</li> <li>Role of Board and Management</li> <li>Addressing Conflicts of Interest</li> </ul>	
<b>Dato Sri Sulaiman Abdul Rahman b Abdul Taib</b>	<ul style="list-style-type: none"> <li>Cahaya Mata 2023 Be The Champion</li> <li>Engagement Session for Board of Directors and Senior Management Cahya Mata 2023</li> <li>Role of Board and Management</li> <li>Addressing Conflicts of Interest</li> </ul>	<ul style="list-style-type: none"> <li>In-house training on Anti Bribery &amp; Anti Corruption and Anti-Competition</li> <li>Leadership Strategic Retreat 2023 Program Theme : Building a High Performance Organisation</li> </ul>
<b>Madam Umang Nangku Jabu</b>	<ul style="list-style-type: none"> <li>Corporate Governance Guide 4<sup>th</sup> Edition: Rise Together</li> <li>Cahaya Mata 2023 Be The Champion</li> <li>Engagement Session for Board of Directors and Senior Management Cahya Mata 2023</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II : Leading for Impact (LIP)</li> <li>Role of Board and Management</li> <li>Addressing Conflicts of Interest</li> </ul>
<b>Dr. Khor Jaw Huei</b>	<ul style="list-style-type: none"> <li>Engagement Session for Board of Directors and Senior Management Cahya Mata 2023</li> <li>Mandatory Accreditation Programme Part II : Leading for Impact (LIP)</li> </ul>	
<b>Mr. Jeyabalan A/L S.K.Parasingam</b>	<ul style="list-style-type: none"> <li>Environmental, Social and Governance   Bursa Malaysia's enhanced sustainability reporting requirements</li> <li>East Malaysia Conference 2023 (As a panel Speaker) Theme : "Unlocking Success: Empowering Internal Auditors for Tomorrow's Challenges", - Unleashing the Power of Effective Communication and Collaboration in Internal Audit</li> </ul>	<ul style="list-style-type: none"> <li>Engagement Session for Board of Directors and Senior Management Cahya Mata 2023</li> <li>Mandatory Accreditation Programme Part II : Leading for Impact (LIP)</li> <li>Role of Board and Management</li> <li>Addressing Conflicts of Interest</li> </ul>
<b>Dato' Maznah binti Abdul Jalil</b>	<ul style="list-style-type: none"> <li>Roundtable on Climate Cooperation for a Sustainable Future</li> <li>Bursa Immersive Session: The Board "Agender"</li> <li>Sustainability</li> <li>Engagement Session for Board of Directors and Senior Management Cahya Mata 2023</li> </ul>	<ul style="list-style-type: none"> <li>Cyber Security</li> <li>Mandatory Accreditation Programme Part II : Leading for Impact (LIP)</li> <li>Role of Board and Management</li> <li>Addressing Conflicts of Interest</li> </ul>

## BOARD AUDIT AND RISK MANAGEMENT

A

### GROUP AUDIT COMMITTEE REPORT



The Committee continues to focus on the effectiveness of the Group's internal controls and principal risks, to ensure the alignment of these with the Company's strategic objectives

#### CHAIRMAN:

**MR. JEYABALAN A/L S.K. PARASINGAM**

(Independent Non-Executive Director)

#### MEMBERS:

**DR. KHOR JAW HUEI**

(Independent Non-Executive Director)

**MADAM UMANG NANGKU JABU**

(Non-Independent Non-Executive Director)

More detailed information on the role and responsibilities of the Committee can be found in the Committee's Terms of Reference which can be accessed on the Company's website at [www.cahyamata.com](http://www.cahyamata.com)

### KEY OBJECTIVES

The Committee objectives are to ensure the integrity of the Group's financial statements, the adequacy and effectiveness of the system of internal controls, governance and risk management processes. The Committee also has a role in representing the interests of Shareholders by monitoring the activities and conduct of management and the auditors.

### KEY RESPONSIBILITIES

The Committee's key role is to assist the Board in discharging its oversight duties and responsibilities for financial reporting, internal control, governance and risk management processes and in making recommendations to the Board on the appointment of the External Auditor.

The Committee is responsible for the scope and results of the External Audit work, its cost effectiveness and for ensuring the independence and objectivity of the External Auditor. The Committee is also responsible for reviewing the Group's whistle-blowing arrangements as they relate to matters of financial integrity, including ensuring that appropriate arrangements are in place for employees and external parties to be able to raise, in confidence, matters of alleged financial and/or other improprieties and for ensuring that appropriate follow-up actions are taken.

### COMPOSITION

The Committee is a fundamental element of the Company's governance framework. The Committee is chaired by Mr. Jeyabalan A/L S.K. Parasingam. Dr. Khor Jaw Huei and Madam Umang Nangku Jabu are the other members of the Committee. Members of the Committee are appointed by the Board following recommendations by the Nomination and Remuneration Committee ("NRC") and membership is reviewed annually by the NRC as part of the annual Board evaluation exercise. As at 31 December 2023 and up to the date of this Report, the Committee comprised a majority of Independent Non-Executive Directors. The Committee members collectively have a broad range of financial and commercial experiences that enables them to provide oversight of both financial and risk matters, and to advise the Board accordingly.

### ACTIVITIES OF THE COMMITTEE

To enable the Committee to carry out its duties and responsibilities effectively, it works to a structured programme of activities and meetings aligned with the annual financial reporting cycle. This includes items that the Committee considers regularly in accordance with its Terms of Reference. In addition to its core work, the Committee undertakes additional work in response to the evolving audit and external reporting landscape.

The Committee relies on information and support from management across the business, receiving reports and presentations from business management where necessary, the Heads of Key Group functions, Internal Audit and the external auditor, which it challenges as appropriate. Following each meeting, the Committee Chairman reports on the main discussion points and any actions and recommendations arising from these to the Board.

## BOARD AUDIT AND RISK MANAGEMENT

### FINANCIAL REPORTING

In overseeing financial reporting, the Committee:

- Reviewed, with the appropriate officers of the Group, the quarterly results and annual financial statement of the Company and the Group, focusing particularly on significant changes in or implementation of accounting policies and practices, accounting treatments, significant judgement made by Management, adjustments arising from the audits, compliance with accounting standards (MFRS) used and disclosure requirements, comments and responses to audit issues and other legal requirements to ensure that the financial statements present a true and fair view of the Company's financial performance prior to making recommendations to the Board for approval and public release thereof;
- Deliberated significant accounting/audit issues and unusual events of transactions and reasonableness of accounting standards application highlighted by the external auditor and/or Management to service the Company's financial statements, and ensured that appropriate action was taken;
- Assessed the effectiveness of the Company's internal control system over financial reporting by both internal and external auditors, including information security and control for effective and efficient financial reporting.

### INTERNAL AUDIT

During the year, the Committee carried out the following activities to ensure the internal audit function is adequately resourced and competent in carrying out the planned activities for the next three (3) years.

The Committee in discharging its duties,

- Reviewed and approved the adequacy of the risk-based audit plan, scope of examination and internal audit reports for the Company and its subsidiaries issued by Group Internal Audit Department on the effectiveness and adequacy of governance, risk management, operational and compliance processes.
- Reviewed the adequacy and effectiveness of appropriate actions taken by Management in respect of the audit findings and the Committee's recommendations through review of the status of implementation reports tabled by Group Internal Auditor at each meeting.
- Reviewed the effectiveness of the internal audit function through the following ways:
  - ensured the Internal Audit function conforms with The Institute of Internal Auditors' Definition of Internal Auditing and Code of Ethics, and is carried out under the framework of the International Standards for Professional Practice of Internal Auditing ("ISPPIA") in achieving an acceptable level of auditing performance

- appraised the annual performance of the internal audit staff and reviewed the Key Performance Indicators and Performance Assessment of the Group Internal Auditor to ensure that the quality of team members' performances is maintained and/or improved
- reviewed and recommended the performance contract payment for the Group Internal Auditor to be in line with the Group
- reviewed results of internal assessment performed on the internal audit function through Management's feedback on the quality of internal audit services rendered to ensure quality of internal audit work
- reviewed the competency of the internal audit staff and adequacy of resources to achieve the scope as outlined in the annual audit plan
- reviewed and approved the annual training budget to equip the internal audit team with an appropriate level of skills and knowledge to carry out the function effectively
- reviewed the on-going training and competency of the internal audit staff to ensure that the internal audit function is effective and carries out constant improvement to provide quality and value-added services.

- Discussed problems and reservations arising from internal audits and any matters in the absence of Management or the Executive Directors of the Company.

In this respect, the Committee held two meetings with the Group Internal Audit Department on 17 February 2023 and 27 November 2023 without the presence of Management to discuss issues and/or any other observations that he may have during the internal audit and the extent of cooperation provided by the Group and its officers.

### EXTERNAL AUDIT

In ensuring the credibility and reliability of the Company's financial statements, the Committee,

- Conducted a formal assessment of the external auditor's performance, independence and objectivity to assess the suitability and independence of the external auditors before recommending to the Board their re-appointment as external auditor of the Group. The assessment covered:
  - Suitability of the firm
  - Quality process/performance (audit judgement, risks including fraud risk assessment, reporting process, understanding of key issues and transparency in communication)
  - Audit team competency (Senior personnel involvement and staff expertise)
  - Independence and objectivity (compliance to By-Laws on professional independence of Malaysian Institute of Accountants, partner rotation and non-audit services rendered)
  - Audit scope and planning
  - Fees (compared to organisations of similar size, fees in relation to overall external audit firm's income and limit of non-audit fee size)
  - Communications (timeliness and transparency)

- Recommended to the Board for the financial year ended 31 December 2023, the re-appointment of the external auditor and the audit fee based on the satisfactory assessment of the sustainability of services rendered by the external auditor and the review of the reasonableness of the proposed audit fee (benchmarked to audit fees incurred by other organisations of similar size).
- Ensured full compliance with the policy where the cumulative non-audit fee incurred in excess of 100% of the preceding year's approved audit fee for the Group would require the Committee's prior approval. In this regard, the Committee ensured the appointments of the affiliates to external auditors are in full compliance with established policies and procedures which include among others the consideration of:
  - the competence and resource capacity
  - the nature and extend of the non-audit services tendered
  - the appropriateness of the level of fees
- Reviewed the audit engagement letter on the audit scope, timelines and how key risks (e.g. fraud risk) are factored into their plan including written assurance of independence and objectivity to give assurance that the financial statements are free of material misstatement, whether caused by fraud or error.
- Reviewed the audit plan with the external auditor and their evaluation of the system of internal control.
- Reviewed and deliberated on the external auditor's report with regard to the relevant disclosures in the annual financial statement.
- Reviewed and deliberated on the external auditor's findings arising from audits including the comments and responses in management letters.
- Reviewed the assistance given by the Company's and Group's officers to the external auditor.
- Noted new and revised Auditing Standards on external auditor reporting.
- Held three (3) private meetings with external auditors without the presence of Management to reinforce the independence of the external audit function.

### RISK MANAGEMENT

- Reviewed and recommended the Statement on Risk Management and Internal Control for Board approval for inclusion in the Company's Annual Report; (Refer to Statement of Risk Management and Internal Control on Page 70 to 74.)
- One (1) of the Committee members is also a member of the Group Risk Committee ("GRC") and had attended meetings of the GRC in 2023. During the deliberation of risk matters in GRC meetings, the GRC members expressed their opinions based on specific events which were related to the risks.

*For the finer details of the Statement on Risk Management and Internal Control, please refer to pages 70 to 74 of this Annual Report.*

## BOARD AUDIT AND RISK MANAGEMENT

### RELATED PARTY TRANSACTIONS

- Reviewed the Statement of Related Party Transactions and Procedures taking note of any possible conflict of interest transactions to ensure that all related party transactions are taken on arm's length basis and on normal commercial terms and consistent with the Company's procedures.
- Reviewed the estimated recurrent related party transactions ("RRPT") for the year. No shareholders' mandate for RRPT was sought as the estimated RRPT for the Cahya Mata Sarawak Group was not expected to reach/exceed the prescribed threshold under the Main Market Listing Requirements ("MMLR").

### OTHERS

- Reviewed its Terms of Reference to ensure all the mandatory requirements under the MMLR (Revised) and other relevant statutory regulations, as well as other corporate governance best practices are met.
- Ensured succession planning for the Committee in consultation with the Board and the NRC.
- Reviewed major litigation, claims and/or issues that may have substantial financial impact.
- Reviewed disclosure statements on the Corporate Governance Overview Statement and Group Audit Committee Report for the financial year ended 31 December 2023 for inclusion in the Annual Report 2023 and recommended their adoption by the Board.
- Reviewed the recommendation to the Board on the proposed first and final dividend for the year ended 31 December 2023.

### SUMMARY OF WORK OF INTERNAL AUDIT FUNCTION

It is the policy of the Board to maintain and support an internal audit function for the provision of independent and objective assurance and consulting activities that is guided by a philosophy of adding value to improve the operations of the Cahya Mata Sarawak group of companies.

The primary responsibility of the internal audit function is to conduct regular and systematic audits of the significant operations of the Group based on assessed risks so as to provide objective, reasonable and independent assurance to the Committee of the adequacy and effectiveness of the systems of internal control within the Group. The internal audit function undertakes its duties in accordance with IIA's ISPPIA.

## BOARD AUDIT AND RISK MANAGEMENT

The purpose, authority and responsibility of the internal audit function are articulated in an Internal Audit Charter reviewed by the Committee and approved by the Board. The risk-based audit plan is built on a structured risk assessment framework to allow the plan to be more focused, concentrating limited resources on the areas of higher concerns to ensure the best use of resources. The annual group audit plan is approved by the Committee each year in November.

The Group’s Internal Audit function operates through a hybrid co-sourcing engagement between the Group’s in-house Internal Audit Department and Tricor Axcelasia Sdn. Bhd. (“Tricor Axcelasia”). Tricor Axcelasia is an integrated professional services group providing strategic business advisory and technology tools. This hybrid collaboration allows the Group to leverage on the specialised expertise of both the in-house Internal Audit Department and Tricor Axcelasia, ensuring a comprehensive and thorough assessment of the internal controls and processes.

At present, the role of Head of Internal Audit for the Group is unoccupied, and the Group Audit Committee through the Management are actively engaged in the search for a suitable candidate. Meanwhile, the Group Audit Committee continues to provide support to the Internal Audit Department in conducting its internal audit activities.

The Internal Audit function, which is independent of the activities they audit, has carried out fourteen (14) planned audits, three (3) ad-hoc audit and all related audit follow-up activities during the year. Areas reviewed include:

<ul style="list-style-type: none"> <li>Group-wide Related Party Transactions Review (4)</li> <li>Procurement and Tendering Processes Review</li> <li>Post Contract Award Review (2)</li> <li>Project Management Review</li> <li>Recruitment and Retention Processes Review</li> </ul>	<ul style="list-style-type: none"> <li>Cybersecurity and IT General Control Review</li> <li>Health, Safety, Security and Environment Review (4)</li> <li>Internal Control Review of the Enterprise Resource Planning System</li> <li>Employees’ Share Option Scheme (“ESOS”) Verification (2)</li> </ul>
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Reports on the adequacy of controls and extent of compliance with internal governance and financial policies and operational procedures in respect of the areas audited and recommendations to improve the existing systems of internal controls and operational efficiency and effectiveness have been provided to both operations Management and the Committee.

Significant audit findings and Committee recommendations pertaining to the Company’s subsidiaries are tabled by the Group Internal Auditor to the respective subsidiary companies’ Board of directors.

The total cost incurred for maintaining the function in 2023 amounted to RM1,228,395 (2022: RM1,333,837).

The Board is satisfied that the Committee has effectively discharged its roles and responsibilities as set out under its Terms of Reference (“TOR”). The TOR is available on the Company’s website at [www.cahyamata.com](http://www.cahyamata.com)

## ENGAGEMENT WITH STAKEHOLDERS

Cahya Mata recognises the significance of stakeholders as they are important to our business operations, results, and long-term value creation prospects. Our stakeholders include individuals, interest groups, and organisations that are impacted or influenced, directly or indirectly, by our business activities and presence. Likewise, we may also influence them in various ways, such as through our operations as a private sector entity, employer, and business that contributes to local economies by generating revenue. The following are the diverse stakeholder groups that influence Cahya Mata’s decision-making:



We conduct regular and systematic engagement activities with our stakeholders to gain insights into their perspectives and better understand their needs. The results of these engagements are crucial as they may influence management’s decision-making process.

To ensure the quality of our engagement activities is constantly enhanced, we are continuously improving our engagement initiatives. It is essential for Cahya Mata to remain a respected entity and an integral part of society. We prioritise listening to the voices of the communities that surround us to maintain our reputation as an accountable and conscientious corporate citizen. We explore different ways to improve our engagement methods and practices to provide the best and most feasible platforms for communication with our stakeholders.

The table below showcases the various stakeholder engagement practices that the Group conducted in 2023 and their frequency. For each stakeholder, we discuss their relevance to Cahya Mata, the methods and platforms of engagement, the key areas of concern, and our measured response to stakeholders’ expectations.

In 2023, most of our engagements, including our key sessions such as Divisional Brand Launch, Analyst Briefing and Site Visits, Media Conference, Festive Gatherings and Annual General Meeting (AGM) were held physically.

SHAREHOLDERS AND FINANCIERS			
<b>Stakeholder Relevance</b>	Being the key providers of financial capital, our shareholders and financiers are essential for business growth. Hence, the Group places emphasis on building trust and confidence with our shareholders and financiers by ensuring a robust, sustainable business with a resilient financial position.	<b>Methods of Engagement/Platforms</b>	<b>Frequency</b>
		<ul style="list-style-type: none"> <li>AGM presentation by Group Managing Director</li> <li>Quarterly results briefings</li> <li>Media statements</li> <li>Investor presentations</li> <li>Investor roadshows conferences</li> <li>Meetings or telephone calls with analysts or (potential) investors</li> <li>Comprehensive investor relations portal</li> <li>Site visits to our plants</li> <li>Bursa Malaysia announcements</li> <li>Credit rating review</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>Regularly</li> <li>Regularly</li> <li>Regularly</li> <li>Regularly</li> <li>24/7</li> <li>Ad hoc</li> <li>Regularly</li> <li>Quarterly</li> </ul>
<b>Key Areas of Concern for Stakeholders Group</b>	<ul style="list-style-type: none"> <li>Business and Operational outlook and risks</li> <li>Continued growth and financial stability</li> <li>Cash utilisation and dividends</li> <li>Shareholder’s returns</li> <li>Clear and transparent reporting</li> </ul>	<ul style="list-style-type: none"> <li>Good corporate governance</li> <li>Sustainability matters</li> <li>Business viability and regulatory compliance</li> <li>Leadership changes</li> </ul>	
<b>Cahya Mata’s Response to Stakeholders’ Expectations</b>	<ul style="list-style-type: none"> <li>Consistent, transparent and timely disclosure of financial and non-financial performance</li> <li>Timely reporting of operational and financial performance</li> <li>Effective investor relations engagement with investors</li> </ul>	<ul style="list-style-type: none"> <li>Building Management’s credibility and trust to steer investors into the future</li> <li>Transparent disclosure of corporate responsibility, integrity and accountability as enshrined in the Malaysian Code on Corporate Governance (MCCG) 2021</li> </ul>	

## ENGAGEMENT WITH STAKEHOLDERS

### EMPLOYEES

#### Stakeholder Relevance

Employees are advocates in shaping positive perceptions on Cahya Mata, hence the Group continues to focus on promoting a conducive and performance-driven work culture throughout its business operations. Acknowledging that employees form the backbone behind the Group's success, Cahya Mata ensures open lines of communication with all employees by keeping them engaged and motivated to harness greater productivity.

#### Methods of Engagement/Platforms

- Marketing and Product Launches
- Employee Performance Review
- Employee Satisfaction Surveys
- Departmental meetings
- Cahya Mata intranet
- Festive open houses
- Employee engagement initiatives

#### Frequency

- Regularly
- Annually
- Biennially
- Regularly
- Daily
- Regularly
- Biennially

<b>Key Areas of Concern for Stakeholders Group</b>	<ul style="list-style-type: none"> <li>• Business sustainability and growth</li> <li>• Ethical leadership and business practices</li> <li>• Recognition and competitive remuneration</li> <li>• Fair and equitable benefits</li> <li>• Recruitment and retention</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development</li> <li>• Health and safety</li> <li>• Work/life integration</li> <li>• Workplace environment</li> <li>• Diversity, inclusivity and gender equality</li> </ul>
<b>Cahya Mata's Response to Stakeholders' Expectations</b>	<ul style="list-style-type: none"> <li>• Creating a positive workplace culture and conducive workplace environment which includes renovations, repairs or remodelling of office space if necessary.</li> <li>• Providing adequate training and progressive capability development</li> <li>• Employee commitment towards the Group's Code of Ethics and Business Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying risk a fair and equitable employee benefits and welfare provision reflective of current practices and industry standards</li> <li>• Identifying risk and opportunities faced by employees</li> <li>• Continuous staff engagement</li> </ul>

## ENGAGEMENT WITH STAKEHOLDERS

### CUSTOMERS

#### Stakeholder Relevance

A strong customer base is key to promoting sustainable business growth. Cahya Mata endeavours to deliver quality products and timely services.

#### Methods of Engagement/Platforms

- Customer satisfaction surveys
- Customer training within the respective Divisions
- Code of Ethics and Business Conduct
- Communication with customers/dealers
- Corporate website and social media
- Product brochures or pamphlets

#### Frequency

- Regularly
- Quarterly
- Regularly
- Regularly
- Regularly
- Regularly

<b>Key Areas of Concern for Stakeholders Group</b>	<ul style="list-style-type: none"> <li>• Positive customer experience to build confidence and trust in the Cahya Mata brand</li> <li>• Delivery of quality products and timely services</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive product pricing</li> <li>• Respecting the needs and satisfaction levels of customers</li> <li>• Customer data protection</li> </ul>
<b>Cahya Mata's Response to Stakeholders' Expectations</b>	<ul style="list-style-type: none"> <li>• Ensuring efficient delivery of products and services</li> <li>• Quality maintenance with continued development and innovation</li> <li>• Implementing a Customer Satisfaction Survey system for each Division which is benchmarked against the previous years' achievements</li> </ul>	<ul style="list-style-type: none"> <li>• Providing customers an efficient engagement process</li> <li>• Ensuring customers are aware of the Group's policies and guidelines</li> </ul>



## ENGAGEMENT WITH STAKEHOLDERS

### SUPPLIERS, VENDORS AND SERVICE PROVIDERS

Stakeholder Relevance	Methods of Engagement/Platforms	Frequency
Our suppliers are key to providing essential raw materials or products with added value to our operations, allowing Cahya Mata to deliver to the best of our capabilities and capacity.	<ul style="list-style-type: none"> <li>Regular meetings and site visits</li> <li>Tender, biddings, quotations and contract negotiations</li> <li>Product demonstrations and evaluations</li> <li>Procurement processes</li> <li>Code of Ethics and Business Conduct</li> </ul>	Regularly Regularly Regularly Regularly Regularly
<b>Key Areas of Concern for Stakeholders Group</b> <ul style="list-style-type: none"> <li>Positive supplier experience to build confidence and trust in the Cahya Mata brand</li> <li>Compliance with applicable regulatory requirements and quality standards</li> <li>Availability of products and services and ability to provide continuous support</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent negotiations</li> <li>Active communications during the critical short of supplies</li> <li>Supply chain practices</li> </ul>	
<b>Cahya Mata's Response to Stakeholders' Expectations</b> <ul style="list-style-type: none"> <li>Ensuring efficient delivery of products and services</li> <li>Quality maintenance with continued development and innovation</li> <li>Implementing a Customer Satisfaction Survey system for each Division which is benchmarked against the previous years' achievements</li> </ul>	<ul style="list-style-type: none"> <li>Providing customers an efficient engagement process</li> <li>Ensuring customers are aware of the Group's policies and guidelines</li> </ul>	

### GOVERNMENT AND REGULATORS

Stakeholder Relevance	Methods of Engagement/Platforms	Frequency
With Cahya Mata's presence in the various industrial sectors, it is key to ensure we conform to all Government laws and regulations. The support garnered from the Government will strengthen our reputation as a responsible company, and in return, Cahya Mata's businesses will continue to stimulate the economy, as well as enrich communities.	<ul style="list-style-type: none"> <li>Meetings</li> <li>Progress updates</li> <li>Compliance reports</li> <li>Strategic and Informal Dialogue Sessions</li> <li>Participation in governmental programmes</li> <li>Licence applications</li> <li>Operational inspections</li> </ul>	Regularly Regularly Quarterly Regularly Regularly Regularly Regularly
<b>Key Areas of Concern for Stakeholders Group</b> <ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Ethical business practices</li> <li>Operational impact</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory reforms</li> <li>Human capital and social development</li> </ul>	
<b>Cahya Mata's Response to Stakeholders' Expectations</b> <ul style="list-style-type: none"> <li>Adhering to regulatory requirements and providing strategic responses to operational queries</li> <li>Providing transparent, regular and concise business approach and sustainability updates</li> <li>Supporting the Malaysian Government's agenda for nation-building</li> <li>Supporting the State's economic transformation projects by empowering communities with self-sustaining skills</li> </ul>	<ul style="list-style-type: none"> <li>Playing our role as a nation-building partner in providing advice (as a thought partner) to shape and facilitate the implementation of policies</li> <li>Providing clear, regular and concise business and sustainability updates</li> <li>Aiming to adhere to global agendas such as the United Nations Sustainable Development Goals (SDGs)</li> </ul>	

## ENGAGEMENT WITH STAKEHOLDERS

### COMMUNITIES

Stakeholder Relevance	Methods of Engagement/Platforms	Frequency
Communities have the power to influence the viability and sustainability of Cahya Mata's business operations. As a responsible Group, we provide opportunities to improve the well-being and livelihood of communities through CSR collaboration for the benefit of all.	<ul style="list-style-type: none"> <li>Partnerships in CSR activities</li> <li>Environmental programmes</li> <li>Donations and Sponsorships</li> <li>Continuous investments in community engagement programmes</li> <li>Employee volunteerism</li> <li>Dialogue sessions</li> <li>Community Engagement Initiatives</li> </ul>	Annually Annually Annually Annually Quarterly Annually Annually
<b>Key Areas of Concern for Stakeholders Group</b> <ul style="list-style-type: none"> <li>Development of communities with solidarity, social welfare, health and safety</li> <li>Governance and integrity</li> <li>Community well-being and environmental preservation</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant legislation</li> <li>Education</li> <li>Community culture</li> </ul>	
<b>Cahya Mata's Response to Stakeholders' Expectations</b> <ul style="list-style-type: none"> <li>Continuous investments in identified community engagement programmes</li> <li>Contribution of human capital to engagement efforts in communities where needed</li> </ul>		

### MEDIA

Stakeholder Relevance	Methods of Engagement/Platforms	Frequency
The Media helps to strengthen our reputation and credibility by providing a fair and balanced view of our organisation, which helps to amplify our efforts in attaining stakeholder advocacy.	<ul style="list-style-type: none"> <li>Press releases</li> <li>Media get-togethers</li> </ul>	Regularly Biennially
<b>Key Areas of Concern for Stakeholders Group</b> <ul style="list-style-type: none"> <li>Business performance</li> <li>Health and safety</li> <li>Sustainability (Environmental, Social and Governance impacts)</li> </ul>	<ul style="list-style-type: none"> <li>Company reputation</li> <li>Regulatory development</li> </ul>	
<b>Cahya Mata's Response to Stakeholders' Expectations</b> <ul style="list-style-type: none"> <li>Ensuring efficient delivery of products'</li> <li>Hosting networking and sharing sessions with the media</li> <li>Providing press releases or media statements in a timely manner</li> </ul>		

### CONDUCT OF ANNUAL GENERAL MEETING ("AGM")

The Group's 48<sup>th</sup> AGM was held on 26 May 2023 at The Waterfront Hotel Kuching. Shareholders who were unable to attend, had the option to appoint their proxies to attend and vote on their behalf.

The Directors and Senior Management were in attendance to answer questions posed by the Shareholders at the 48<sup>th</sup> AGM of the Company. The relevant details of the AGM were published in the Company's website.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

**The Board of Directors of the Company (the “Board”) is committed towards maintaining a sound system of risk management and internal control, and is pleased to provide this Statement on Risk Management and Internal Control (the “Statement”) which outlines the scope and nature of risk management and internal control of Cahya Mata Sarawak Berhad (“Cahya Mata”) and its Group of Subsidiaries (“the Group”) for the financial year ended 31 December 2023.**

For the purpose of disclosure, the Statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code of Corporate Governance, and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

### BOARD RESPONSIBILITY

The Board recognises the importance of and its responsibility for a sound system of risk management and internal control, and is committed to reviewing the adequacy and integrity of this system. In this regard, the Board has a governance structure and is assisted by the Group Risk Committee (“GRC”) and Group Audit Committee (“GAC”) to ensure effective oversight of risks and controls in the Group. The GRC is established as a committee of the Board with the primary responsibility of supporting the Board on matters related to the oversight of the Group’s risk management policies and procedures, and the determination of the Group’s overall risk appetite and level of risk tolerance. Whereas the GAC is entrusted to review the adequacy and effectiveness of internal controls. The Board also acknowledges the responsibility for the design of a risk-based system to prevent and detect fraud.

In discharging its stewardship responsibilities, the Board has established an enterprise-wide risk management and internal control framework - Risk Management Framework benchmarked against the COSO and ISO 31000 standards. The Framework, which includes the integration of risk management in the structure and processes of the Group, provides an ongoing process for identifying, evaluating and managing material risks that may affect the achievement of its business objectives and strategies, and is expected to embed a risk-based culture in the Group in the longer term. The Board also recognises that risk management is a continuing process designed to identify and manage principal risks that apply to the Group and having adequate processes to address and mitigate these risks to the acceptable risk tolerance limit. Therefore, with the system of risk management and internal control in place, the Board has reasonable assurances against the occurrence of material misstatement or loss for the Group.

### MANAGEMENT’S RESPONSIBILITIES

Management is accountable to the Board for the risk management and internal control system and for the implementation of processes to identify, evaluate, monitor and report risks and controls. In this regard, Senior Management of Cahya Mata, together with the heads of business divisions, are responsible to ensure that the risk management process is implemented within the Group.

The Group Risk Management Committee (“GRMC”) which is chaired by the Group Managing Director meets on a quarterly basis and is tasked to:

- ▶ Review, manage and report on the implementation of risk management program and maintenance of the Business Continuity Management program;
- ▶ Review any material change in the Group’s risks, including emerging risks; and
- ▶ Review and report to the Board on the adequacy and effectiveness of the risk management process and the support systems.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT FUNCTION

The Group’s Risk Management Department (“Group Risk”) facilitates the implementation of the Risk Management Framework and process at headquarters and the respective business divisions, and works closely with Management to continuously reviewing the risks on an ongoing basis so that these risks can be adequately identified, analysed, mitigated and reported by Management on a timely basis.

During the year, on a quarterly basis, Group Risk met with the respective heads of business divisions to review the divisional risk profiles, key risk indicators and mitigating measures. Separately, quarterly discussions were held with the Senior Management team to review the Group’s significant risks, obtain views on the internal and external factors as well as that of emerging challenges that may impact the business and operating environment. The heads of business divisions presented their quarterly risk reports to the GRMC for review and deliberation and the significant risks were subsequently presented to the GRC.

Regular risk awareness and coaching sessions were also conducted by Group Risk to ensure Cahya Mata’s employees have a better appreciation of the risk management principles in line with the Group’s aim to embrace risk culture at all levels. As part of the risk management transformation process, these training sessions shall continue to be held on a regular basis.

### RISK MANAGEMENT FRAMEWORK

The Group’s Risk Management Framework has the objective to create a consistent consideration between risks and opportunities in order to achieve the Group’s business and corporate objectives. The key elements of the Framework are summarized below:

#### Enterprise Risk Management (“ERM”)

The Group’s ERM framework aims to identify, evaluate and manage risks that may impede the achievement of the strategic and corporate objectives of Cahya Mata. It also enables the Board and Management to focus on ways to manage and optimise the risks of highest importance and concern to the company and its stakeholders.

#### Project Risk Management (“PRM”)

The PRM framework aims to identify, analyse and respond to risks during the project life cycle to achieve the project’s objectives. Additionally, it enables the identification and mitigation of risks that would impact the scope, cost, time and quality of a project. As a prerequisite, the project risk management process will be initiated from the inception of a project to its handover.

#### Operational Risk Management (“ORM”)

The ORM framework aims to address the process level risks at the business division and support functional level of the company via a “bottom-up process” whereby risk assessments are decentralised and conducted by the respective business divisions and operational/functional departments employing the risk control self-assessment approach. The process requires the business divisions and operational/functional departments to assess their respective process level risks as well as risks that affect the achievement of departmental objectives and strategies.

#### Corruption Risk Management (“CRM”)

The Group practices a zero-tolerance policy towards any form of bribery and corruption. In order to be more aligned with the government’s commitment to combating corruption, the Group formulated and put in place an Anti-Bribery & Anti-Corruption Policy (“ABAC”) and three related policies, namely (1) the Gifts & Hospitality Policy, (2) the Corporate Philanthropy & Community Investment Policy, and (3) the Third-Party Corruption Risk Due Diligence Policy, to provide guidance to all employees on what constitutes appropriate behaviour and conduct, as well as what constitutes an improper benefit (which may be interpreted as bribery and corruption).

The ABAC and its related policies have been implemented across the Group and regular training sessions have been conducted to create awareness for all employees. The Group is currently reviewing its ABAC and related policies with the assistance of an external consultant and a revamp of its training sessions is also being formulated.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Process - Key Aspects

The Group has established a comprehensive risk management process within the Risk Management Framework that will enable the identification, evaluation and management of significant risks that may hinder the achievement of the Group’s business and corporate objectives.

The key aspects of the risk management process are:

- The adoption of risk assessment methodologies to identify strategic, operational and project risks and evaluate the mitigation measures or controls;
- Business divisions, and service and support departments are on a periodical basis required to review and update their risk profiles by conducting re-assessment of the risks and controls and monitoring the status of the mitigation plans;
- Group Risk, Centre Management and heads of business divisions will convene on a periodical basis, no later than quarterly, to review the corporate and divisional risks comprising the strategic and operational risks, and project risks;
- On a quarterly basis, business divisions are required to present to the GRMC their risk management reports, detailing the status of risk reviews, the divisional risks and the status of mitigation plans. A similar report for the service and support departments as well as Cahya Mata corporate risks will also be presented; and
- Following the review by the GRMC, Group Risk and the heads of business divisions will present and apprise the GRC, the significant corporate and business division risks respectively.

### Key Risks

<b>Organisational Development</b>	The Group’s human capital development program is a key strategy to ensure that its effectiveness is aligned with business objectives. In this regard, the Group has embarked on and/or implemented a number of initiatives including talent sourcing, talent management, succession planning, learning and development, etc.
<b>Corporate Governance</b>	<p>The Group’s limits of authorisation structure and business process management were deemed ineffective as the group gears up its corporate and business transformation and growth strategy. The Group has since proceeded with the implementation of an Enterprise Resource Planning (ERP) solution to automate and streamline key business and support functions to improve governance, efficiency and productivity. In addition, the review and enhancement of the limits of authorisation governance structure and companies’ policies were nearing completion.</p> <p>The Group’s appointment of the existing external auditor on a continuous basis for a considerable period, had not been subjected to a maximum engagement period, which may impede the independence and quality of audits. In this regard, the external auditor complies with the audit partner rotation requirements of the IESBA Code and the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. In addition, the Group has also reassigned some of the audits by engaging other audit firms to conduct audits of some of the business divisions.</p>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

<b>Phosphate Plant Investment</b>	The Group’s investment in the phosphate plant, which had faced delays and challenges in the commencement of its operations, continued to work towards the final commissioning of the plant to enable it to be commercialized at the end of year 2024.
<b>Environmental, Social and Governance</b>	The Group recognised the change in the sustainability landscape in our operating geographies, and have made considerable strides in enhancing its sustainability practices. Building upon these efforts, a comprehensive roadmap is being developed to enhance the governance of sustainability while preparing the Group to meet the mandatory reporting requirements.

### INTERNAL CONTROL SYSTEM

The key elements of the Group’s internal control system are described below:

- Clearly defined delegation of responsibilities to Committees of the Board and Management, including authorisation levels for all aspects of the businesses. Such delegation is subject to periodic review throughout the year as to their implementation and suitability;
- Clearly documented internal procedures set out in the Group Financial Policies and Procedures Manual;
- A detailed Group Procurement Policies and Procedures Manual to regulate procurement of goods and services in the Group. This includes the establishment of a Central Tender Committee which has the responsibility for reviewing and endorsing all high value purchases in the Group;
- A detailed Group Human Resource (“HR”) Policies and Procedures Manual to regulate all aspects of employee engagement from conduct and discipline to benefits and entitlements. It provides a common and clear understanding of consistent HR practices, policies and procedures across the Group to effectively support the Group’s operations;
- Where parts of the Group’s operations have received ISO certification for their products and/or work processes, these operating units are committed to maintaining their certification by ensuring strict compliance with their respective ISO requirements which include periodic reviews from the ISO certification bodies;
- A detailed strategic planning and budgeting process where operating units prepare business plans and detailed capital and operating budgets for the coming year. These plans are subject to robust challenges by Management before they are put forward for approval by the Board;
- All major business commitments or investments are subjected to review in accordance with the policies and procedures set out in the Group Limits of Authority Manual so as to ensure that all such investments meet the risk appetite and investment criteria determined by the Board and that Division’s budget;
- A performance management system has been implemented wherein individual performance of key executives will be monitored against agreed targets to strengthen accountability control and to instill a stronger performance culture;
- Monitoring of monthly results against budgets of subsidiaries through monthly operations review with major variances being followed up on and management actions taken, where necessary;
- An independent Audit Committee comprising non-executive members of the Board, the majority being independent directors who collectively oversee the financial reporting, internal controls, risk management and governance processes to provide assurance to the Board;
- Regular internal audit activities to assess the adequacy of internal controls, the integrity of financial information provided and the extent of compliance with established procedures;
- An emphasis on the quality and ability of employees with continuing education, training and development being actively encouraged through a wide variety of programmes; and
- The vetting of all significant contracts and legally enforceable agreements by the Group Legal Department.

The above control arrangements which are in place provide reasonable assurance to the Board that the structure of control is appropriate for the Group’s operations and that risks are managed at an acceptable level throughout the Group’s diverse businesses. Such arrangements, however, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees or others. The Group will continue to take measures to strengthen the internal controls and risk management environment.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM EFFECTIVENESS

The Board has received assurances from the Group Managing Director and Group Chief Financial Officer that the Group's system of risk management and internal control is operating adequately and effectively, in all material aspects.

The Board maintains oversight of its interests in material joint ventures and associate companies through the appointments of representatives to the respective Boards as well as obtaining the quarterly financial reports thereon. While the Board does not regularly review the risk management and internal control system of its joint ventures and associate companies as it does not have direct control over their operations, these representatives provide the Board with information to assess the performance of the Group's investments.

To further enhance the Board's oversight of material joint ventures and associate companies with regard to their risk management and internal control, representations in this regard have been obtained from these companies and have been taken into consideration in the issuance of the Statement.

The Board is not aware of any significant weaknesses in risk management and internal controls that resulted in material financial losses during the current financial year, save for those which have been presented by Management, and is of the view that the system of risk management and internal control in place for the year under review and up to the date of approval of the Statement for inclusion into the Annual Report, is adequate and effective to safeguard the shareholders' investment and the Group's assets. The processes that the Board has applied to deal with material internal control aspects of any significant problems disclosed in the Annual Report appropriately reflect those processes.

There has been no known actual or possible non-compliance with laws and regulations that could have a material effect in the event of non-compliance.

### REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed the Statement pursuant to the scope set out in Audit and Assurance Practice Guide 3 "Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report" ("AAPG 3") issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement, in all material respects, has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the external auditors was made solely for and directed solely to the Board in connection with its compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility for any person other than the Board of Directors in respect of any aspect of this report.

This Statement on Risk Management and Internal Control was approved by the Board on 18 April 2024.

## ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds raised from Corporate Proposal as at 31 March 2024 is as 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	28,636	91,071	Within 36 months
Capital expenditure	96,085	46,932	49,153	Within 24 months
Working Capital	239,415	142,170	97,245	Within 24 months
Estimated Expenses	23,622	19,768	3,854	Upon completion of Corporate Proposal
<b>Total</b>	<b>478,829</b>	<b>237,506</b>	<b>241,323</b>	

2. Audit and Non-Audit Fees The fees paid/payable to the external auditors for the financial year ended 31 December 2023 are set out below:

Purpose	Company RM'000	Group RM'000
Fees paid/payable to Messrs Ernst & Young PLT and its affiliates		
• Statutory Audit	329	1,001
• Non-audit services including tax services	56	85
Fees paid/payable to other firms		
• Statutory Audit	-	759
• Non-audit services including tax services	-	21
<b>Total</b>		

3. Material Contracts

There were no material contracts entered into by the Group involving interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

3. Recurrent Related Party Transactions of a Revenue Nature

The Company did not seek any mandate from its shareholders pertaining to recurrent related party transactions of revenue and trading nature during the financial year ended 31 December 2023.

Details of recurrent related party transactions conducted during the financial year ended 31 December 2023 are disclosed in Note 39 to the Audited Financial Statements 2023.

## **STATEMENT OF DIRECTORS' RESPONSIBILITY**

The Directors are required by the Companies Act 2016 (“the Act”) to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and their results and cash flows for the financial year ended 31 December 2023.

As required by the Act and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the financial statements have been prepared in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Act and MMLR.

The Directors consider that in preparing the financial statements for the year ended 31 December 2023, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates.

The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act and MMLR.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.